CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

STERI-PHARMA, LLC PROJECT

TRANSCRIPT OF PROCEEDINGS

CLOSING DATE: MARCH 16, 2018

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

STERI-PHARMA, LLC PROJECT

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AGREEMENT OF LEASE

This Agreement of Lease, made as of the 23rd day of September, 2009, by and between DROMIK, LLC, a New York limited liability company (hereinafter referred to as "Landlord") and STERI-PHARMA, LLC, a Delaware limited liability company (hereinafter referred to as "Tenant").

WITNESSETH:

Article 1
Demised Premises

1.1 Landlord hereby leases to Tenant, and Tenant hereby takes and hires from Landlord that certain plot, piece or parcel of land, together with the buildings and improvements situated thereon, more particularly described in Schedule A annexed hereto and known as 110 Tully Street, Syracuse, New York (hereinafter collectively referred to as the "Demised Premises").

TO HAVE AND TO HOLD the Demised Premises for the term and at the rents and upon the covenants, conditions and agreements hereinafter provided.

Article 2
Term

2.1 The term (hereinafter referred to as the "Term") of the Lease shall commence as of September 23, 2009 and expire on August 31, 2050.

Article 3
Rental

3.1 Tenant agrees to pay Landlord a fixed rent (hereinafter referred to as "Fixed Rent") in an amount equal to [redacted] per year.

3.2 The Fixed Rent shall be paid to Landlord in consecutive equal monthly installments in advance on the first day of every month during the Term without demand and without any offset, deduction or abatement whatsoever at Landlord's address first set forth above or at such other place Landlord may from time to time designate. The Fixed Rent and all other charges payable by Tenant hereunder shall be paid in lawful money of the United States which shall be legal tender for the payment of all debts and dues, public and private, at the time of payment.

3.3 In addition to any other remedies Landlord may have under the Lease, and without reducing or adversely affecting any of Landlord's right and remedies hereunder, if any installment of the Fixed Rent payable hereunder is not paid within 15 days after same is due, Tenant shall pay a late charge equal to the late charge imposed by Landlord's mortgagee.

Article 4
Additional Rent / Net Lease

4.1 All real estate taxes, water charges and sewer rents, assessments relating to the Demised Premises and all charges for water, steam, heat, gas, hot water, electricity, oil, light and power and other services furnished to the Demised Premises shall be paid by Tenant as additional rent.

4.2 This Lease is intended to be, and shall be construed as, an absolutely net lease, whereby under all circumstances and conditions (whether now or hereafter existing or within the contemplation of the parties) the Fixed Rent shall be an absolutely net return to Landlord throughout the term hereof, free of any expense, liability, obligation, charge or other deduction whatsoever, with respect to the Demised Premises and/or the operation, management, maintenance, repair, use or occupation thereof.

Article 5
Use

5.1 Except as otherwise set forth herein, Tenant shall permit use of the Demised Premises in accordance with the certificate of occupancy.

Article 6
Liability of Landlord

6.1 Landlord shall not be liable for any damage or injury to persons or to personal property of Tenant, any subtenants or the property of any other person located in or on the Demised Premises for any reason whatsoever.

6.2 Landlord shall not be liable for the cessation, interruption, suspension, failure or adequacy of any utilities or other services furnished to the Demised Premises.

Article 7
Repairs and Maintenance

7.1 Tenant acknowledges that it has accepted the Demised Premises in their "as is" condition as of the date of commencement of this Lease.

7.2 Tenant assumes, from and after the date hereof the sole responsibility for the condition, operation, maintenance, repair and management of the Demised Premises. Tenant shall, at no expense whatsoever to Landlord, maintain the Demised Premises in good repair and condition, reasonable wear and tear excepted, suffering no waste or injury thereto and shall, at its sole expense, make all necessary structural and non-structural repairs to the Demised Premises of every nature and kind, foreseen and unforeseen. Tenant shall make all repairs required at the commencement of the Term within a reasonable time thereafter. In the event that Tenant shall fail to fulfill any of its obligations in accordance with this Article, Landlord may fulfill such responsibilities and Tenant shall be responsible to Landlord, as additional rent, for any costs and expenses incurred by Landlord in connection therewith and shall promptly, on demand, reimburse Landlord for any such costs and expenses.

Article 8
Insurance

8.1 Tenant will throughout the Term maintain general comprehensive public liability insurance with respect to the Demised Premises and its appurtenances in such amounts as shall be required by the Mortgagee.

8.2 Tenant will throughout the Term maintain insurance covering the Demised Premises against loss or damage by fire and lightning and such risks as are customarily included in standard extended coverage endorsements issued in connection with fire insurance policies covering property similar to the Demised Premises in an amount equal to the full insurable value thereof.

8.3 Tenant will maintain rent insurance with the standard extended coverage endorsements issued in connection with Fire insurance policies covering property similar to the Demised Premises in an amount equal to the aggregate of the Fixed Rent.

8.4 All insurance policies shall be obtained and fully paid for by Tenant and shall name Landlord as an additional insured.

Article 9
Fire and Other Casualty

9.1 If all or any part of the Demised Premises shall be damaged or destroyed by fire or other casualty, whether or not covered by insurance, Tenant shall repair, restore, replace or rebuild the same (hereinafter in this Article 9 referred to as the "Work") to as nearly as may be practicable its condition and character immediately prior to such damage or destruction. Notwithstanding the foregoing, if at any time when there shall be one (1) year or less of the term remaining, the Demised Premises shall be damaged by fire or any other cause to such an extent that the cost of restoration, as estimated by an architect or engineer reasonably satisfactory to Landlord and Tenant, will equal or exceed fifty (50%) percent of the replacement cost of the Demised Premises in their condition just prior to the occurrence of the damage, either party may, no later than the forty-fifth (45th) day following the damage, give the other a notice stating that it elects to cancel this Lease on the tenth (10th) business day following the date on which such notice is given and in the event of the giving of such notice, this Lease shall be deemed cancelled and the Term shall expire on the date set forth in said notice; Tenant shall surrender the possession of the Demised Premises on said date; the Fixed Minimum Rent, additional rent and all other charges required hereunder to be paid by Tenant shall be apportioned as of said date and any amounts paid for any period beyond said date shall be repaid to Tenant; and Landlord shall be entitled to receive and retain all proceeds of insurance payable in connection with such damage; in the event of Tenant's failure to carry such insurance, Tenant shall pay forthwith to Landlord a sum equal to the estimated cost of restoration. If this Lease is not cancelled as aforesaid, Tenant shall restore the Demised Premises subject to and in accordance with the provisions of this Article 9, and the Work shall be done and completed with reasonable promptness. Landlord's election to cancel this Lease shall not be effective, if Tenant within thirty (30) days thereafter elects to exercise its option, if any, to renew this Lease.

9.2 The net amount of the insurance monies, if any, collected by Landlord on account of such damage or destruction (the insurance monies paid to Landlord) less: (i) Landlord's reasonable costs and expenses incurred in the collection thereof and in the review of the plans and inspection of the Work including reasonable architects', engineers' and attorneys' fees and disbursements; (1i) the proceeds of the rent insurance or business interruption insurance, which shall belong to Landlord; and (iii) the proceeds clearly attributable to the inventory, movable trade fixtures, equipment and other personal property of Tenant, which shall belong to Tenant) shall be applied by Landlord in the following manner:

(i) there shall be paid to Tenant from said insurance monies such part thereof as shall equal ninety (90%) percent *of* the cost to Tenant *of* making such temporary repairs or doing such other work as, in Tenant's opinion, may be necessary in order to protect the Demised Premises pending the performance of the Work;

(ii) there shall be paid to Tenant from said insurance monies such part thereof as shall equal ninety (90%) percent of the cost to Tenant of the Work; and

(iii) the remaining ten (10%) percent of the cost to Tenant of the Work shall be paid to Tenant promptly after Landlord shall have been furnished proof reasonably satisfactory to it that the Work has been fully performed and paid for or will be fully paid for by application of said remaining monies.

(a) Payment to Tenant pursuant to subparagraph (i) or (ii) above of this section from such insurance monies collected by Landlord shall be made by Landlord to Tenant from time to time as the Work progresses, in amounts equal to ninety (90%) percent of the cost of labor and material incorporated into and used in the Work, and builders', architects' and engineers' fees, and other charges in connection with such Work, upon delivery to Landlord of a certificate of Tenant's architect in charge of the Work, who shall be reasonably satisfactory to Landlord, certifying *(i)* that the amount so to be paid to Tenant is payable to the Tenant in accordance with the provisions of this Section and that such amount is then due and payable by Tenant or has therefor been paid by Tenant; (ii) that the Work has been done substantially in accordance with the plans and specifications therefor; (iii) that the sum requested when added to all sums previously paid out under this section for the Work does not exceed the cost of the Work done to the date of such certificate; and (iv) the estimated cost of completing the Work, in such reasonable detail as the Landlord may require, and that in the opinion of such architect the remaining amount of such insurance monies will be sufficient upon completion of the Work to pay for the same in full. The remaining ten (10%) percent of the cost to Tenant of the work shall be paid to Tenant promptly after the Landlord shall have been furnished proof reasonably satisfactory to it that the work has been fully performed and paid for or will be fully paid for by application of the remaining monies.

(b) The provisions and conditions of Article 11 shall similarly apply to the performance of the Work by or on behalf of Tenant under this Article 8; and Landlord agrees not to unreasonably withhold or delay its consent to Tenant's plans and specifications, provided the same are substantially similar to the Building immediately prior to such casualty.

(c) If the net amount of insurance monies, if any, collected by Landlord on account of such damage or destruction shall be insufficient to pay the entire cost of the Work (as estimated by Tenant's architect, who shall be reasonably satisfactory to Landlord, which estimate shall be delivered to Landlord before the commencement of the Work), Tenant shall, prior to commencing the Work, furnish to Landlord such evidence of Tenant's financial ability to assure completion of the Work as Landlord shall reasonably require. Tenant agrees that if the net amount of said insurance monies, if any, collected by Landlord shall be insufficient to pay the entire cost of the Work, Tenant will pay the deficiency.

(d) If any of the insurance monies paid to Landlord shall remain after the completion of the Work, the excess shall be retained by Landlord.

(e) In the event of any such damage or destruction by fire or other casualty, the provisions of this Lease shall be unaffected and Tenant shall remain and continue liable for the payment of all Fixed Minimum Rent, additional rent and all other charges required hereunder to be paid by Tenant, as though no damage by fire or other casualty had occurred; except, however, to the extent that payments are received by Landlord from the rental insurance under Section 8.3 hereof, and subject, however, to the provisions of Section 9.1 hereof relating to a damage or destruction occurring within the last one (1) year of the Term hereof.

9.3 Landlord and Tenant each agrees that it will cooperate with the other, to such extent as such other party may reasonably require, in connection with the prosecution or defense of any action or proceeding arising out of, or for the collection of, any insurance monies that may be due in the event of any loss or damage, and that they each will execute and deliver to the other party such instruments as may be reasonably required to facilitate the recovery of any insurance monies.

9.4 Tenant agrees to give prompt notice to Landlord with respect to all fires and other casualties occurring in, on, at or about the Demised Premises.

Article 10
Utilities and Services

10.1 Tenant agrees to pay or cause to be paid all charges for gas, water, sewer, electricity, light, heat, oil, power, telephone and other communications service or other utility or service of every nature and kind used, rendered or supplied to, upon or in connection with the Demised Premises throughout the Term and shall indemnify Landlord from and hold Landlord harmless against any claim, liability, damages, cost or expense in connection therewith.

10.2 Tenant expressly agrees that Landlord is not nor shall it be required to furnish to Tenant or any other occupant of the Demised Premises during the Term any water, sewer, gas, heat, oil, electricity, light, power or other facilities, equipment, labor, materials, utilities or any services of any kind whatsoever whether similar or dissimilar.

10.3 Landlord shall not be liable to Tenant or any other persons, in damages or otherwise, or any failure of Tenant to make arrangements for or to obtain any utilities or services or for any failure of Tenant to heat or to provide hot water for the Premises; Tenant shall not be released or excused from the performance of any of its obligations under this Lease for any such

failure or for any interruption or curtailment of any such utilities or services, and no such failure, interruption or curtailment shall constitute a constructive or partial eviction. Tenant shall not permit or suffer any utility facility to be overloaded.

Article 11
Assigning and Subletting

11.1 Provided that there exists at the time of the proposed sublease no default hereunder, Tenant and Tenant's successors in interest may sublet the whole or portions of the Demised Premises, pursuant to separate subleases, for a term or terms expiring prior to the expiration of the Term.

11.2 Tenant shall submit to Landlord a copy of each and every sublease agreement it enters into.

Article 12
Surrender

12.1 Tenant shall, on the last day of the Term or on the sooner termination of this Lease peaceably and quietly surrender and yield up to Landlord the entire Demised Premises, vacant, free and clear of all lettings, subleases, occupancies, security agreements, liens or encumbrances, in good order and condition.

Article 13
Non-Merger

13.1 There shall be no merger of this Lease, nor of the leasehold estate created by this Lease, with the fee estate in the Demised Premises by reason of the fact that this Lease or any such leasehold estate may be held, directly or indirectly, by or for the account of any person or persons who shall own the representation or recourse whatsoever and subject to the rights of any third parties with respect thereto.

Article 14
Entire Agreement

14.1 This Lease sets forth all of the agreements, conditions and understandings between Landlord and Tenant relative to the Demised Premises, and there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, between them other than as herein set forth. Any agreements between Landlord and Tenant prior to the date hereof are merged herein, except as otherwise set forth herein.

Article 15
Quiet Enjoyment

15.1 Landlord covenants and agrees with Tenant that upon Tenant paying the Rental and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Demised Premises without

hindrance or ejection by Landlord or any persons claiming under Landlord; subject, however, to the terms of this Lease.

Article 16
Number and Gender

16.1 Wherever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neither genders. The paragraph headings used herein are for reference and convenience only, and shall not enter into the interpretation of the lease which requires any performance (whether affirmative or negative) by Tenant shall be deemed to be both a covenant and a condition. The word "reenter" and "reentry" as used herein are not restricted to their technical legal meaning.

Article 17
No Oral Modification

17.1 No oral statement or prior written matter shall have any force or effect. No waiver of any provision of this instrument shall be effective unless in writing, signed by the waiving party. This agreement shall not be modified except by a writing subscribed by all parties, nor may this Lease be cancelled by Tenant except with the written consent of Landlord, unless otherwise specifically provided herein.

Article 18
Successors and Assigns/ Subordination

18.1 The covenants and agreements herein contained shall be binding upon and inure to the benefit of Landlord and Tenant, their respective successors and permitted assigns.

Article 19
Invalidity of a Particular Provision

19.1 If any provision of this Lease shall be invalid or unenforceable in whole or in part, the remainder of this lease shall not be affected thereby and each and every provision of this Lease shall be enforceable to the fullest extent permitted by Laws and Ordinances. This Lease shall be interpreted in accordance with and be governed by the Laws and Ordinances of the state of New York.

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IN WITNESS WHEREOF, the parties hereto have duly executed this agreement, as of the day and year first above.

LANDLORD:

DROMIK, LLC
By: Steri-Pharma, LLC

By: _____
Name: Alessandro Broggi
Title: Managing Director

TENANT:

STERI-PHARMA, LLC

By: _____
Name: Alessandro Broggi
Title: Managing Director

FIRST AMENDMENT OF LEASE

THIS FIRST AMENDMENT OF LEASE (this **"First Amendment"**) is made as of the 9th day of November, 2017, by and between DROMIK, LLC (hereinafter referred to as "Landlord"), and STERI-PHARMA, LLC (hereinafter referred to as "Tenant").

WITNESSETH

WHEREAS, by Agreement of Lease, dated as of September 23, 2009 (hereinafter referred as the "Lease"), Landlord leased to Tenant and Tenant hired from Landlord the entire parcel and improvements located at and known as 110 Tully Street, Syracuse, New York (the "Demised Premises"). All capitalized terms not otherwise defined in this First Amendment shall have the meanings ascribed to them in the Lease.

WHEREAS, Landlord has acquired an adjacent parcel of land from the City of Syracuse located and known as 429 S. West Street, Syracuse, New York; and

WHEREAS, Landlord and Tenant desire to incorporate this adjacent parcel as part of the Demised Premises and provided that the address of the entire Demised Premises shall be known and referred as 429 S. West Street, Syracuse, New York; and

WHEREAS, Landlord and Tenant now desire to amend the Lease in accordance with the foregoing.

NOW, THEREFORE, in consideration of the Lease and the mutual covenants herein contained, Landlord and Tenant hereby agree that effective as of the date hereof, the Lease is hereby amended as follows:

1. Section 1.1 of the Lease is hereby deleted in its entirety and replaced with the following in lieu thereof:

> "1.1 Landlord hereby leases to Tenant, and Tenant hereby takes and hires from Landlord that certain plot, piece or parcel of land, together with the buildings and improvements situated thereon, more particularly described in Schedule A annexed hereto and known as 110 Tully Street, and 429 S. West Street, Syracuse, New York (hereinafter collectively referred to as the "Demised Premises"). The Demised Premises shall be referred to and have the address 429 S. West Street, Syracuse, New York."

2. Except as amended by this **First Amendment**, the Lease and all the covenants, agreements, terms and conditions thereof shall remain in full force and effect and are hereby in all respects ratified and confirmed.

3. This agreement may not be changed, modified or amended unless in writing and signed by the parties hereto. This agreement represents the entire agreement between the parties with respect to the subject matter hereof.

4. In the event any provision of this agreement is found to be void or unenforceable by a court of competent jurisdiction, the remaining provisions of the agreement shall nevertheless be binding upon the parties with the same effect as though the void or unenforceable part had been severed and deleted.

5. This agreement shall be governed by and construed in accordance with the laws of the state of New York applicable to agreements made and to be performed entirely within the state of New York.

6. This agreement shall be construed without regard to any rule of construction to the effect that an agreement shall be construed against the party who drafted such agreement.

7. The terms and conditions of this **First Amendment** shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, distributes, executors, administrators, successors and assigns.

[Signatures to follow]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this First Amendment as of the day and year first above written.

Landlord:

DROMIK, LLC
By: Steri-Pharma, LLC, sole Member

By: _____
Name: ALESSANDRO BRAGGI
Title: Director

Tenant:

STERI-PHARMA, LLC

By: _____
Name: Antonio M. Durante
Title: Director

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PROJECT AGREEMENT

THIS PROJECT AGREEMENT (the "***Project Agreement***"), made as of March 1, 2018, by and between the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, with offices at 201 East Washington Street, 7th Floor, Syracuse, New York 13202 (the "***Agency***") and **STERI-PHARMA, LLC** a Delaware limited liability company duly organized, validly existing and in good standing under the laws of the State of New York and Delaware, with offices at 429 South West Street, Syracuse, New York 13202 ("***Steri-Pharma***") and **DROMIK, LLC**, a limited liability company organized under the laws of the State of New York, with offices at 429 South West Street, Syracuse, New York 13202 ("***Dromik***" and together with Steri-Pharma, collectively, the "***Company***").

W I T N E S S E T H:

WHEREAS, Title I of Article 18-A of the General Municipal Law of the State of New York (the "***Enabling Act***") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York; and

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York (the "***State***") and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of land and any building or other improvement, and all real and personal properties, including, but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency, for the purpose of carrying out any of its corporate purposes, to lease or sell any or all of its facilities, whether then owned or thereafter acquired; and

WHEREAS, the Agency was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 641 of the Laws of 1979 of the State, as amended (collectively, with the Enabling Act, the "***Act***") and is empowered under the Act to undertake the Project (as hereinafter defined) in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, on behalf of the Company, Steri-Pharma submitted an application (the "***Application***") to the Agency requesting the Agency's assistance with respect to a certain project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction

of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, by resolutions of its members adopted on May 16, 2017 (collectively, the "***Resolutions***"), the Agency authorized certain financial assistance for the benefit of the Project consisting of: (a) an exemption from New York State and local sales and use taxes for purchases and rentals related to the Project with respect to qualifying personal property included in or incorporated into the Project Facility or used in the acquisition, construction or equipping of the Project Facility in an amount not to exceed **$712,971.52**; (b) an exemption from mortgage recording tax; and (c) an abatement from real property taxes through a 15-year payment in lieu of taxes agreement with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project (collectively referred to as the "***Financial Assistance***"); and

WHEREAS, Dromik is the fee owner of the Land and Steri-Pharma is the operating company of the Project Facility.

WHEREAS, it has been estimated and confirmed by the Company within its Application for Financial Assistance that: (i) the purchase of goods and services relating to the Project, and subject to New York State and local sales and use taxes, are estimated to cost an amount up to **$8,912,144**; and therefore, the value of the State and local sales and use tax exemption benefits authorized and approved by the Agency cannot exceed **$712,971.52**; (ii) the mortgage recording tax exemption amount shall be approximately **$378,000** (except as limited by Section 874 of the General Municipal Law); and (iii) real property tax abatement benefits to be provided to Dromik over the **15**-year benefit period of the anticipated payment in lieu of taxes agreement are estimated to be approximately **$694,663.12**; and

WHEREAS, the Company proposes to lease the Land and Facility to the Agency, and the Agency desires to lease the Land and Facility from the Company pursuant to the terms of a certain Company Lease Agreement dated as of March 1, 2018 (the "***Company Lease***"), by and between the Company and the Agency; and

WHEREAS, the Agency acquired an interest in the Equipment pursuant to a bill of sale dated as of December 1, 2017 from Steri-Pharma (the " ***Steri-Pharma Bill of Sale***") which was executed and delivered in conjunction with the temporary appointment of the Steri-Pharma as the agent of the Agency pursuant to a resolution adopted by the Agency on September 19, 2017 (the "***Temporary Appointment Resolution***") and an interim project agreement (the "***Interim Project Agreement***") between the Agency and the Steri-Pharma dated as of December 1, 2017. The Steri-Pharma Bill of Sale remains in full force and effect; and

WHEREAS, the Agency proposes to acquire an interest in the Equipment pursuant to a bill of sale dated as of March 1, 2018 from Dromik to the Agency (the "***Dromik Bill of Sale***"); and

WHEREAS, contemporaneously with the execution of this Project Agreement, the Company shall execute and deliver an environmental compliance and indemnification agreement in favor of the Agency (the "***Environmental Compliance and Indemnification Agreement***"); and

WHEREAS, the Agency proposes to sublease the Project Facility to the Company, and the Company desires to lease the Project Facility from the Agency, upon the terms and conditions set forth in a certain Agency Lease Agreement dated as of March 1, 2018 (the "***Agency Lease***"); and

WHEREAS, in order to define the obligations of Dromik regarding payments in lieu of taxes for the Project Facility, the Agency and Dromik will enter into a Payment in Lieu of Tax Agreement, dated as of March 1, 2018 (the "***PILOT Agreement***"), by and between the Agency and Dromik; and

WHEREAS, by its Resolutions and the Temporary Appointment Resolution, the Agency authorized Steri-Pharma to act as its agent for the purposes of undertaking the Project and the Agency delegated to Steri-Pharma the authority to appoint sub-agents subject to the execution of the Interim Project Agreement and this Project Agreement and compliance with the terms set forth herein, in the Resolutions, the Temporary Appointment Resolution and in the Agency Lease; and

WHEREAS, in order to define the obligations of Steri-Pharma regarding its ability to utilize the Agency's State and local sales and use tax exemption benefit as agent of the Agency to acquire, construct, renovate, equip and complete the Project Facility, the Agency and the Company will enter into this Project Agreement; and

WHEREAS, the Agency requires, as a condition and as an inducement for it to enter into the transactions contemplated by the Resolutions, and as more particularly described in the PILOT Agreement and this Project Agreement, that Dromik and Steri-Pharma provide assurances with respect to the terms and conditions herein set forth; and

WHEREAS, this Project Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to Dromik and Steri-Pharma, each and collectively, as applicable; and

WHEREAS, no Financial Assistance, aside from that provided in accordance with the Temporary Appointment Resolution and the Interim Project Agreement, shall be provided to the Company prior to the effective date of this Project Agreement.

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

ARTICLE I
PURPOSE OF PROJECT

Section 1.01 **Recitals**. The foregoing recitals are incorporated herein as if fully set forth herein.

Section 1.02 Purpose of Project. It is understood and agreed by the parties that the purpose of the Agency's provision of Financial Assistance with respect to the Project is to, and the entering by the Agency into the Company Lease, Agency Lease, PILOT Agreement and this Project Agreement is in order to, promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping, furnishing and completing of the Project Facility to advance job opportunities, health, general prosperity and economic welfare of the people of the City of Syracuse and to otherwise accomplish the public purpose of the Act.

ARTICLE II
REAL PROPERTY TAX EXEMPTION

Section 2.01. PILOT Agreement. Attached hereto and made a part hereof as **Exhibit A** is a copy of the PILOT Agreement.

ARTICLE III
SALES AND USE TAX EXEMPTION

Section 3.01. Scope of Agency. The Company agrees to limit its activities as agents for the Agency under the authority of the Resolutions and this Project Agreement to acquisition, reconstruction, installation and completion of the Project Facility. The right of the Company to act as agent of the Agency shall expire on the earlier of **April 30, 2019** or sixty days after the issuance of a certificate of occupancy, unless extended by a resolution adopted by the members of the Agency, or unless terminated early in accordance with the terms of the Agency Lease. The value of the sales and use tax exemption benefits shall not exceed the amounts described in the Application and as set forth in Section 3.03(b) unless approved by a resolution adopted by the members of the Agency. All contracts entered into by the Company as agent for the Agency shall include the following language:

"This contract is being entered into by _____ (the "***Agent***"), as agent for and on behalf of the City of Syracuse Industrial Development Agency (the "***Agency***"), in connection with a certain project of the Agency for the benefit of the Agent consisting in part of the acquisition and installation of certain machinery, equipment and building materials, all for use in construction and/or incorporation and installation in certain premises located at 429 South West Street and 100 Tully St, both in the City of Syracuse, New York (the "***Premises***"). The machinery, equipment and building materials (collectively, the "***Equipment***") to be used in the construction and/or incorporated and installed in the Premises shall be exempt from the sales and use taxes levied by the State of New York if the use and/or acquisition of the Equipment is effected in accordance with the terms and conditions set forth in the Project Agreement dated as of March 1, 2018 by and between the Agency and the Company (the "***Project Agreement***"); and the Agent represents that this contract is in compliance with the terms of the Project Agreement. This contract is non-recourse to the Agency, and the Agency shall not be directly, indirectly or contingently liable or obligated hereunder in any manner or to any extent whatsoever. By execution or acceptance of this contract, the vendor/contractor acknowledges and agrees to the terms and conditions set forth is this paragraph."

Section 3.02. Appointment of Sub-Agents. Subject to the terms and conditions of this Project Agreement and pursuant to the Resolutions, the Agency hereby delegates to the Company the authority to appoint sub-agents of the Agency in connection with the Project, which may be agents, subagents, contractors, subcontractors, contractors and subcontractors of such agents and subagents and other parties as the Company chooses (each, a "***Sub-Agent***"). The appointment of each such Sub-Agent will be effective only upon: (1) the execution by the Sub-Agent and the Company of the Sub-Agent Appointment Agreement attached as Exhibit F to the Agency Lease (the "***Sub-Agent Agreement***"), the terms and provisions of which are incorporated herein; (2) the receipt by the Agency of a completed Form ST-60 in accordance with Section 3.03(c) below; and (3) receipt of any required insurance as set forth in the Sub-Agent Agreement.

Section 3.03. Representations and Covenants of the Company.

(a) The Company hereby incorporates and restates its representations, covenants and warranties made in the Agency Lease.

(b) The Company further covenants and agrees that the purchase of goods and services relating to the Project and subject to State and local sales and use taxes are estimated in the amount up to **$8,912,144**, and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency cannot exceed **$712,971.52**.

(c) The Company further covenants and agrees to complete "IDA Appointment of Project Operator or Agent For Sales Tax Purposes" (Form ST-60) for itself and each Sub-Agent and to provide said form to the Agency within fifteen (15) days of appointment such that the Agency can execute and deliver said form to the State Department of Taxation and

Finance within thirty (30) days of appointment.

(d) The Company further covenants and agrees to file an annual statement with the State Department of Taxation and Finance an "Annual Report of Sales and Use Tax Exemptions" (Form ST-340) regarding the value of sales and use tax exemptions the Company and its Sub-Agents have claimed pursuant to the agency conferred on the Company with respect to the Project in accordance with Section 874(8) of the Act. The Company further covenants and agrees that it will, within thirty (30) days of each filing, provide a copy of their filed ST-340 to the Agency, but in no event later than March 29 of each year. The Company understands and agrees that the failure to file such annual statement will result in the removal of: (1) the Company's authority to act as agents for the Agency; and (2) the authority of any Sub-Agent of the Agency appointed by the Company pursuant to Section 3.02 hereof to act as agent for the Agency.

(e) The Company further acknowledges and agrees that all purchases made in furtherance of the Project by the Company and any Sub-Agent shall be made using "IDA Agent or Project Operator Exempt Purchase Certificate" (Form ST-123, a copy of which is attached to the Sub-Agent Agreement), and it shall be the responsibility of the Company and the Sub-Agent, as the case may be, (and not the Agency) to complete Form ST-123. The Company acknowledges and agrees that it shall identify the Project on each bill and invoice for such purchases and further indicate on such bills or invoices that the Company is making purchases of tangible personal property or services for use in the Project as agent of the Agency. For purposes of indicating who the purchaser is, the Company acknowledges and agrees that the bill of invoice should state, "I, [NAME OF AGENT], certify that I am a duly appointed agent of the City of Syracuse Industrial Development Agency and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my Project Agreement with the City of Syracuse Industrial Development Agency." The Company further acknowledges and agrees that the following information shall be used by the Company to identify the Project on each bill and invoice: **STERI-PHARMA, LLC PROJECT, 429 South West Street and 100 Tully Street, Syracuse, New York 13202, IDA Project No.: 31021712**.

(f) The Company acknowledges and agrees that the Agency shall not be liable, either directly or indirectly or contingently, upon any contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party liable thereunder.

Section 3.04. Hold Harmless Provisions.

(a) The Company, jointly and severally, hereby releases the Agency and its members, officers, agents (other than the Company) and employees from, agrees that the Agency and its members, officers, agents (other than the Company) and employees shall not be liable for and agrees to indemnify, defend and hold the Agency and its members, officers, agents (other than the Company) and employees harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Agency's undertaking the Project, including, but not limited to: (1) liability for loss or damage to

property or bodily injury to or death of any and all persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any person or property on, in or about the Project Facility; (2) liability arising from or expense incurred by the Agency's acquiring, constructing, equipping, installing, owning, leasing or selling the Project Facility, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility, all liabilities or claims arising as a result of the Agency's obligations under this Project Agreement or the enforcement of or defense of validity of any provision of this Project Agreement; (3) all claims arising from the exercise by the Company of the authority conferred on it pursuant to Sections 3.01 and 3.02 hereof; and (4) all causes of action and reasonable attorneys' fees and other expenses incurred in connection with any suits or actions that may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Agency are not incurred or do not result from the gross negligence or intentional wrongdoing of the Agency or any of its members, officers, agents (other than the Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Agency or any of its officers, members, agents (other than the Company) or employees and notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

(b) In the event of any claim against the Agency or its members, officers, agents (other than the Company) or employees by any employee of the Company or any contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefits laws or other employee benefit laws.

(c) To effectuate the provisions of this Section 3.04, the Company agrees to provide for and insure, in the liability policies required by Section 3.05 of this Project Agreement, its liabilities assumed pursuant to this Section 3.04.

(d) Notwithstanding any other provisions of this Project Agreement, the obligations of the Company pursuant to this Section 3.04 shall remain in full force and effect after the termination of this Project Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses, charges and costs incurred by the Agency, or its officers, members, agents (other than the Company) or employees, relating thereto.

Section 3.05. Insurance Required.

(a) The Company agrees that it shall maintain all insurance required under the Agency Lease.

(b) The Company agrees that it shall cause its general contractor for the Project to maintain, effective as of the date of its Sub-Agent Agreement until the expiration or termination of the general contractor's employment by the Company, or its designee, with respect to the Project Facility, all of the same insurance with respect to the Project Facility, as set forth in Article 6 of the Agency Lease as if the general contractor were the Company thereunder. The Company further agrees that it shall cause its general contractor for the Project to comply and abide, effective as of the date of the Sub-Agent Agreement and until the expiration or termination of the general contractor's employment by the Company, or its designee, with respect to the Project Facility, with all of the terms and conditions set forth in Article 6 of the Agency Lease with respect to the type, nature and proof of insurance required thereunder.

ARTICLE IV
COMMITMENTS AND REPORTING

Section 4.01. Compliance Commitments. The Company agrees and covenants that it shall meet and maintain the commitments set forth in (a) below beginning in the first year after completion of the Project. The Company further agrees and covenants that it shall meet and maintain the commitments set forth in (b) below with respect to retained jobs set forth in and in accordance with the Application starting in the first year in which Financial Assistance is claimed and/or provided; and with respect to new jobs, the Company shall create, in years one (1) through five (5) following completion of the Project the new jobs set forth in the Company's Application. The reporting of, and the commitment to, each of (a), (b) and (c) below continue for the duration of the PILOT Agreement (the "***Term***"); or if the PILOT is terminated early, until the earlier of five (5) years from the termination date of the PILOT or the stated expiration of the PILOT Agreement:

(a) The total investment made with respect to the Project at the Project's completion date shall equal to or exceed $50,165,986, being the total project cost as stated in the Company's Application for Financial Assistance (the "***Investment Commitment***").

(b) At least forty-eight (48) full time equivalent ("***FTE***") employees were retained by the Project Facility as of the date of the Application for Financial Assistance (the "***Baseline FTE***"). The Company agrees to maintain, as of the first year in which Financial Assistance is claimed and/or provided the Baseline FTE. The Company's application estimated the creation of eighty-two (82) new FTEs (the "***New FTEs***") at the Project Facility within the first five (5) years following completion of the Project Facility. The Company covenants and agrees to create the New FTEs set forth in each of the first five (5) years following completion of the Project Facility as of and in the years set forth in the Application. The Company shall be required to meet and maintain all of the foregoing employment commitments during the Term hereof (the "***Employment Commitment***").

(c) The Company shall annually provide to the Agency certain information to confirm that the Project is achieving the investment, job retention, job creation, and other objectives of the Project for the Term (the "***Reporting Commitment***").

Section 4.02. Reporting Requirement. As part of the commitments set forth in Section 4.01, the Company shall provide annually, to the Agency, a certified statement and supporting documentation: (i) enumerating the full time equivalent jobs retained and the full time equivalent jobs created as a result of the Financial Assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at the Project location, and (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. **Exhibit B** contains a form of annual certification that the Company must complete and submit to the Agency on an annual basis. The Agency reserves the right to modify such form to require additional information that the Agency must have in order to comply with its reporting requirements under the Act.

ARTICLE V
SUSPENSION, DISCONTINUATION, RECAPTURE AND/OR TERMINATION OF FINANCIAL ASSISTANCE

Section 5.01. Suspension, Discontinuation, Recapture and/or Termination of Financial Assistance. It is understood and agreed by the Parties that the Agency is entering into the Company Lease, the Agency Lease, the PILOT Agreement and this Project Agreement in order to provide Financial Assistance to the Company for the Project Facility and to accomplish the public purposes of the Act.

(a) In accordance with Section 875(3) of the New York General Municipal Law, the policies of the Agency, and the Resolutions, the Company covenants and agrees that it is subject to recapture of all State sales and use tax exemption benefits if:

(1) the Company or its Subagents, if any, authorized to make purchases for the benefit of the Project are not entitled to the State sales and use tax exemption benefits; or

(2) the State sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the Company or its Subagents, if any; or

(3) the State sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or

(4) the Project has failed to comply with a material term or condition to use the property or services in the manner required by any project document between the Company and the Agency.

Each of the foregoing four events are hereinafter referred to as a "***State-Mandated Recapture Event***". The Agency shall evaluate, annually as of December 31, or at any time information is brought to the Agency's attention, whether a State-Mandated Recapture Event has occurred.

(b) In addition to Section 5.01(a), in accordance with the policies of the Agency and the Resolutions, the Company covenants and agrees that the Agency shall have the right to suspend, discontinue, recapture or terminate all or any portion of any Financial Assistance to the extent any of the following occur (each a "***Deficit***"):

a) for projects that utilized local sales and use tax exemptions, the project was not entitled to such exemptions, such exemptions were in excess of the amounts authorized by the Agency, and/or such exemptions were for property or services not authorized by the Agency (each, a "***Local Sales Tax Benefit Violation***");

b) the company, upon completion of the project, fails to reach and maintain at least 85 percent of its employment requirements for job creation and/or retention ("***Job Deficit***");

c) the total investment actually made with respect to the project at the project's completion date is less than 85 percent of its investment requirement ("***Investment Deficit***");

d) the company fails to provide annually to the Agency certain information to confirm that the project is achieving the investment, job retention, job creation, and other objectives of the Project ("***Reporting Failure***"); or

e) there otherwise occurs any event of default under any project document (each, an "Event of Default") or a material violation of the terms and conditions of any project document (a "***Material Violation***").

The Agency shall evaluate, annually as of December 31, or at any time information is brought to the Agency's attention, whether a Local Sales Tax Benefit Violation, Job Deficit, Investment Deficit, Reporting Failure Event of Default or Material Violation (each a "***Noncompliance Event***") has occurred. Notwithstanding the foregoing, the Agency may determine whether an Event of Default has occurred pursuant to any Project Document in accordance with the terms of the Project Document.

At the time of any Noncompliance Event, the Agency shall determine by resolution whether to exercise its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance in accordance with its Recapture Policy; and shall consider the following criteria in determining whether to proceed to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance:

i. Whether the Company has proceeded in good faith.

ii. Whether the Project has not performed as required due to economic issues, changes in market conditions or adverse events beyond the control of the Company.

iii. Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance would create a more adverse situation for the Company, such as the Company going out of business or declaring bankruptcy, which would not occur if the Agency's rights were not exercised.

iv. Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance would create an adverse situation for the residents of the City of Syracuse.

v. The assessment prepared in accordance with the Agency's Annual Assessment Policy.

vi. Such other criteria as the Agency shall determine is a relevant factor in connection with any decision regarding the exercise of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance.

The Agency shall document its evaluation of the above criteria in writing and based upon its evaluation, the Agency shall determine whether to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance (the "***Determination***"). The Determination shall provide terms, if any, by which the Company may remedy any Noncompliance Event upon which the Determination was based. The Company must submit written documentation to the Agency of compliance with all terms and conditions of the Determination in order for the Agency to consider whether to resume Financial Assistance to the Company (which will be at the Agency's sole discretion).

(c) If a State-Mandated Recapture Event occurs or the Agency makes a Determination, the Company agrees and covenants that it will: (i) cooperate with the Agency in its efforts to recover or recapture any or all Financial Assistance obtained by the Company; and (ii) promptly pay over any or all such amounts to the Agency that the Agency demands in connection therewith. Upon receipt of such amounts, the Agency shall then redistribute such amounts to the appropriate affected tax jurisdictions, unless agreed to otherwise by any local taxing jurisdiction. The Company further understands and agrees that in the event that the Company fails to pay over such amounts to the Agency, the New York State Tax Commissioner may assess and determine the State sales and use tax due from the Company, together with any relevant penalties and interest due on such amounts.

ARTICLE VI
MISCELLANEOUS PROVISIONS

Section 6.01. Survival. All warranties, representations, and covenants made by the Company herein shall be deemed to have been relied upon by the Agency and shall survive the delivery of this Project Agreement to the Agency regardless of any investigation made by the Agency.

Section 6.02. Notices. All notices, certificates and other communications under this Project Agreement shall be in writing and shall be deemed given when delivered personally or when sent by certified mail, postage prepaid, return receipt requested, or by overnight delivery service, addressed as follows:

If to the Agency:

City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202
Attn: Chairman

With a copy to:

Corporation Counsel
City of Syracuse
233 East Washington Street
Syracuse, New York 13202

and

Barclay Damon LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

If to the Company:

Steri-Pharma, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante

and

Dromik, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante

With a copy to:

Wendy S. Lougnot, Esq.
Costello, Cooney and Fearon, PLLC
500 Plum Street, Suite 300
Syracuse, New York 13204

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when received or delivery of same is refused by the recipient or personally delivered in the manner provided in this Section.

Section 6.03. Amendments. No amendment, change, modification, alteration or termination of this Project Agreement shall be made except in writing upon the written consent of the Company and the Agency.

Section 6.04. Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Project Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Project Agreement or any part thereof.

Section 6.05. Counterparts. This Project Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

Section 6.06. Governing Law. This Project Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Onondaga County, New York.

Section 6.07. Term. Except as specifically provided otherwise, the term of this Project Agreement shall be the longer of: (1) the term of the Agency Lease : or (2) five years following the Project's substantial completion date as evidenced by a certificate of occupancy. The Project will remain "active" for purposes of Section 874(12) of General Municipal Law and the Agency's Annual Assessment Policy during the term of this Project Agreement.

Section 6.08. Section Headings. The headings of the several Sections in this Project Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Project Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By:_____
Honora Spillane, Executive Director

STERI-PHARMA, LLC

By:_____
Vincent Durante, Director

DROMIK, LLC

By:_____
Vincent Durante, Sole Member

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss.:

VINCENT DURANTE, being first duly sworn, deposes and says:

1. That I am the Director of Steri-Pharma, LLC and the Sole Member of Dromik, LLC and that I am duly authorized on behalf of each company to bind the companies and to execute this Project Agreement in the name and on behalf of each Company.

2. That Steri-Pharma, LLC and Dromik, LLC each confirm and acknowledge that the owner, occupant, or operator receiving Financial Assistance for the Project is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

_____
(Signature of Officer)

Subscribed and affirmed to me
under penalties of perjury
this 16th day of March, 2018.

_____
(Notary Public)

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2022

14713164.2

EXHIBIT A

Executed Copy of PILOT Agreement

SEE TAB # 15

EXHIBIT B

FORM OF ANNUAL REPORTING QUESTIONNAIRE

SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
201 East Washington Street, 7th Floor, Syracuse, New York 13202

Date

COMPANY
COMPANY ADDRESS

Dear _____:

Our auditors, _____, CPAs are conducting an audit of our financial statements for the year ended December 31, _____. In connection with that audit, we request that you furnish certain information directly to our auditor with regard to the following security issued by/through the City of Syracuse Industrial Development Agency:

Sale - Leaseback Financing

Project: _____

Date of Financing:

Principal Amount Financed:

Maturity Date:

Original Interest Rate:

Please provide the following information as of December 31, [year]:

Name of Lender:

Debt Retired in [year] Yes/No

Debt Refinanced in [year] Yes/No

(If Yes, please update information in Paragraph 1 above)

Debt in Default as of [date] Yes/No

Current Interest Rate(s)

Rate range, if Variable

Principal balance outstanding as of [date]

Principal payments made during [year]

Payments in Lieu of Taxes (PILOT)

paid in [year]

Total cost of goods/services purchased: $_____

New York State Sales Tax Exemptions Claimed [year]

New York Local Sales Tax Exemptions Claimed: [year]

New York State Mortgage Recording

Tax Exemption: [year]

Form of Syracuse Industrial Development Agency — Project Jobs Data [year]

From:

To: , CPAs

Re:

The following jobs information is furnished to you with regard to the above cited project:

Full Time Equivalent (FTE) Jobs Created and Retained – [year]

# of Current FTE Employees as of [closing date]
# of FTE Jobs Created during [year]
# of FTE Jobs Retained during [year]
# of FTE Construction Jobs Created during [year]

Comments:

_____

_____

_____

_____

_____
Signature

_____
Print Name

_____
Title

_____
Date

3

STERI-PHARMA, LLC

AND

DROMIK, LLC

AND

CITY OF SYRACUSE
INDUSTRIAL DEVELOPMENT AGENCY

COMPANY LEASE AGREEMENT

DATED AS OF MARCH 1, 2018

COMPANY LEASE AGREEMENT

THIS COMPANY LEASE AGREEMENT (the "***Company Lease***"), made and entered into as of March 1, 2018, by and between **STERI-PHARMA, LLC** a Delaware limited liability company duly organized, validly existing and in good standing under the laws of the State of New York and Delaware, with offices at 429 South West Street, Syracuse, New York ("***Steri-Pharma***") and **DROMIK, LLC**, a limited liability company organized under the laws of the State of New York, with offices at 429 South West Street, Syracuse, New York 13202 ("***Dromik***" and together with Steri-Pharma, collectively, the "***Company***") and **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the "***Agency***"), a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York, with an office at 201 East Washington Street 7th Floor, Syracuse, New York 13202.

WITNESSETH:

WHEREAS, Title 1 of Article 18-A of the New York General Municipal Law (the "***Enabling Act***") was duly enacted into law as Chapter 1030 of the New York Laws of 1969; and

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages, and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip, and dispose of land and any buildings or other improvements, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, or industrial purposes, in order to advance the job opportunities, health, general prosperity, and economic welfare of the people of the State of New York and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its properties, to mortgage and pledge any or all of its properties, whether then owned or thereafter acquired, and to pledge the revenues and receipts from the lease or sale thereof; and

WHEREAS, the Agency was created pursuant to and in accordance with the provisions of the Enabling Act by Chapter 641 of the Laws of 1979 of the State of New York (collectively with the Enabling Act, the "***Act***") and is empowered under the Act to undertake the Project (as hereinafter defined); and

WHEREAS, the Agency, by resolution adopted on May 16, 2017, agreed, at the request of the Company to undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the

"***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, Steri-Pharma is the operating company of the Project Facility and Dromik is the fee owner of the Land and the Facility. The Company has leased their respective interests in the Land and the Facility to the Agency pursuant to this Company Lease; and

WHEREAS, the Agency proposes to assist the Company's acquisition, construction and equipping of the Project Facility, and grant the Financial Assistance to the Project by, among other things: (1) appointing the Company, or its designee, as its agent with respect to the Project Facility; (2) accepting a leasehold interest in the Land and Facility from the Company pursuant to this Company Lease and acquiring an interest in the Equipment pursuant to certain bills of sale each from Steri-Pharma and Dromik to the Agency (collectively, the "***Bills of Sale***") each dated as of March 1, 2018; and (3) subleasing the Project Facility to the Company pursuant to the Agency Lease; and

WHEREAS, the Agency now proposes to lease the Land and Facility from the Company pursuant to the terms and conditions set forth herein; and

WHEREAS, all things necessary to constitute this Company Lease a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Company Lease have, in all respects, been duly authorized.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows, to wit:

ARTICLE I
RECITALS AND DEFINITIONS

1.0 RECITALS.

The foregoing recitals are incorporated herein by reference as if fully set forth hereinbelow.

1.1 DEFINITIONS.

For all purposes of this Company Lease and any agreement supplemental thereto, all defined terms indicated by the capitalization of the first letter of such term shall have the meanings specified in the Table of Definitions which is attached to the Agency Lease as Exhibit "C" thereto except as otherwise expressly defined herein or the context hereof otherwise requires.

1.2 INTERPRETATION.

In this Company Lease, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "herein," "hereunder," and any similar terms as used in this Company Lease refer to this Company Lease; the term "heretofore" shall mean before and the term "hereafter" shall mean after the date of this Company Lease;

(b) Words of masculine gender shall mean and include correlative words of feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa; and

(c) Any certificates, letters, or opinions required to be given pursuant to this Company Lease shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law, or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Company Lease.

ARTICLE II
DEMISE; PREMISES; TERM

2.1 DEMISE.

The Company hereby leases to the Agency, and the Agency hereby leases from the Company, the Land and the Facility for the stated term for the rents, covenants and conditions set forth herein subject only to the Permitted Encumbrances.

2.2 DESCRIPTION OF PREMISES LEASED.

The leased premises is the Land and the Facility described in the recitals of this Company Lease and as more fully described on **Exhibit "A"** attached hereto.

2.3 TERM.

The Project is leased for a term which shall commence as of March 1, 2018, and shall end on the expiration or earlier termination of the Agency Lease.

2.4 MANDATORY CONVEYANCE.

At the expiration of the term hereof or any extension thereof by mutual agreement, or as otherwise provided in the Agency Lease, this Company Lease shall automatically expire without any further action by the parties hereto. The Company hereby irrevocably designates the Agency as its attorney-in-fact, coupled with an interest, for the purpose of executing, delivering and recording terminations of leases and bill of sale together with any other documents therewith and to take such other and further actions reasonably necessary to confirm the termination of the Agency's interest in the Project, all at the Company's sole cost and expense.

2.5 CONSIDERATION.

The Agency is paying to the Company concurrently with the execution hereof consideration of $1.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Company.

2.6 REPRESENTATIONS AND COVENANTS OF THE COMPANY.

The Company, each for itself unless otherwise noted, makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) Steri-Pharma is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware, authorized to do business in New York, has the power to enter into this Company Lease and the other Company Documents and to carry out its obligations hereunder and thereunder, and has duly authorized the execution, delivery, and performance of this Company Lease and the other Company Documents.

(b) Dromik is a limited liability company duly organized, validly existing and in good standing under the laws of State, has the power to enter into this Company Lease and the other Company Documents and to carry out its obligations hereunder and thereunder, and has duly authorized the execution, delivery, and performance of this Company Lease and the other Company Documents.

(c) This Company Lease and the other Company Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and

legally binding obligations of the Company, enforceable in accordance with their respective terms.

(d) Dromik has a valid and enforceable fee interest in the Land and the Facility and shall remain and retain such interests for the term of this Company Lease unless otherwise consented to in writing by the Agency.

(e) Steri-Pharma is the operating company of the Project Facility and shall remain the operating company for the term hereof.

(f) Each Steri-Pharma and Dromik had a fee interest in some or all of the equipment and other personalty transferred to the Agency pursuant to the Bills of Sale.

(g) Neither the execution and delivery of this Company Lease and the other Company Documents, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the provisions thereof will:

(1) Result in a breach of, or conflict with any term or provision in, the Companies' Articles of Organization or Operating Agreements;

(2) Require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust indenture, commitment, guaranty or other agreement or instrument to which the Company is a party or by which the Company or any of its property may be bound or affected; or

(3) Conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction, or decree of any Governmental Authority or court (domestic or foreign) having jurisdiction over the Company or any of the property of the Company.

(h) So long as the Agency holds an interest in the Project Facility, the Project Facility is and will continue to be a "project" (as such quoted term is defined in the Act), and the Company will not take any action (or omit to take any action required by the Company Documents or which the Agency, together with Agency's counsel, advise the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way cause the Project Facility not to constitute a "project" (as such quoted term is defined in the Act).

(i) The Company, jointly and severally, shall cause all notices as required by law to be given and shall comply or cause compliance with all laws, ordinances, municipal rules, and regulations and requirements of all Governmental Authorities applying to or affecting the construction, equipping and operation of the Project Facility (the applicability of such laws, ordinances, rules, and regulations to be determined both as if the Agency were the owner of the Project Facility and as if the Company were the owner of the Project Facility), and the Company, jointly and severally, will defend and save the Agency and its officers, members, agents (other than the Company), and employees harmless from all fines and penalties due to failure to comply therewith.

(j) The Company, jointly and severally, shall perform, or cause to be performed, for and on behalf of the Agency, each and every obligation of the Agency (which is within the control of the Company) under and pursuant to the Agency Lease, this Company Lease and the other Company Documents and shall defend, indemnify, and hold harmless the Agency and its members, officers, agents (other than the Company), servants and employees from and against every expense, liability, or claim arising out of the failure of the Company to fulfill its obligations under the provisions of this Section 2.6.

(k) The Company acknowledges, restates and affirms the obligations, representations, warranties and covenants set forth in Sections 2.2 and 11.12 of the Agency Lease as if fully set forth herein.

ARTICLE III
DISPUTE RESOLUTION

3.1 GOVERNING LAW.

This Company Lease shall be governed in all respects by the laws of the State of New York.

3.2 WAIVER OF TRIAL BY JURY.

THE COMPANY AND THE AGENCY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY DISPUTE ARISING UNDER THIS COMPANY LEASE, AND THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS COMPANY LEASE.

ARTICLE IV
MISCELLANEOUS CLAUSES

4.1 NOTICES.

All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) To the Agency:

City of Syracuse Industrial Development Agency
201 E. Washington Street, 7th Floor
Syracuse, New York 13202
Attn: Chairman

With copies to:

Corporation Counsel
City of Syracuse
233 East Washington Street
Syracuse, New York 13202

and

Barclay Damon LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

(b) To the Company:

Steri-Pharma, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante

and

Dromik, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante

With a copy to:

Wendy S. Lougnot, Esq.
Costello, Cooney and Fearon, PLLC
500 Plum Street, Suite 300
Syracuse, New York 13204

4.2 NO RECOURSE UNDER THIS COMPANY LEASE.

No provision, covenant or agreement contained herein, in any other agreement entered into in connection herewith, or any obligations herein imposed, upon the Agency, or any breach thereof, shall constitute or give rise to or impose upon the Agency, a debt or other pecuniary liability or a charge upon its general credit, and all covenants, stipulations, promises, agreements and obligations of the Agency contained in this Company Lease shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity.

4.3 ENTIRE AGREEMENT.

This Company Lease contains the entire agreement between the parties and all prior negotiations and agreements are merged in this Company Lease. This Company Lease may not be changed, modified or discharged, in whole or in part, except by a written instrument executed by the party against whom enforcement of the change, modification or discharge is sought.

4.4 AGENCY REPRESENTATIONS.

The Company expressly acknowledges that neither the Agency nor the Agency's directors, members, employees or agents has made or is making, and the Company, in executing and delivering this Company Lease, is not relying upon warranties, representations, promises or statements, except to the extent that the same are expressly set forth in this Company Lease, and no rights, easements or licenses are or shall be acquired by the Company by implication or otherwise unless expressly set forth in this Company Lease.

4.5 BINDING EFFECT.

This Company Lease shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

4.6 PARAGRAPH HEADINGS.

Paragraph headings are for convenience only and shall not affect the construction or interpretation of this Company Lease.

4.7 CONSENT TO AGENCY LEASE; SUBORDINATION.

The Company hereby consents to the sublease by the Agency of the Project Facility to the Company pursuant to the Agency Lease. The Company acknowledges and agrees that this Company Lease and the Agency Lease shall be subordinate in all respects to the Mortgages.

4.8 SEVERABILITY.

If any one or more of the covenants or agreements provided herein on the part of the Agency or the Company to be performed shall for any reason be held, or shall in fact be, inoperative, unenforceable, or contrary to law in any particular circumstance, such circumstance shall not render the provision in question inoperative or unenforceable in any other circumstance. Further, if any one or more of the sentences, clauses, paragraphs, or sections herein is contrary to law, then such covenant(s) or agreement(s) shall be deemed severable of remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Company Lease.

4.9 HOLD HARMLESS PROVISIONS.

(a) The Company, jointly and severally, hereby releases the Agency and its members, officers, agents (other than the Company) and employees from, agrees that the Agency and its members, officers, agents (other than the Company) and employees shall not be liable for, and agrees to indemnify, defend, and hold the Agency and its members, officers, agents (other than the Company) and employees harmless from and against any and all claims arising as a result of the Agency's undertaking the Project, including, but not limited to:

(1) Liability for loss or damage to Property or bodily injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project Facility, or arising by reason of or in connection with the occupation or the use thereof, or the presence on, in, or about the Project Facility;

(2) Liability arising from or expense incurred by the Agency's acquisition of a leasehold interest in the Project Facility and the subleasing of the Project Facility, including, without limiting the generality of the foregoing, all liabilities or claims arising as a result of the Agency's obligations under the Agency Lease and the Company Lease;

(3) All claims arising from the exercise by the Company of the authority conferred upon it and performance of the obligations assumed under Article II hereof;

(4) All causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities, or expenses of the Agency are not incurred or do not result from the intentional wrongdoing of the Agency or any of its members, officers, agents, or employees.

The foregoing indemnities shall apply notwithstanding the fault or negligence (other than gross negligence or willful misconduct) on the part of the Agency or any of its officers, members, agents, servants, or employees and irrespective of any breach of statutory obligation or any rule of comparative or apportional liability.

(b) In the event of any claim against the Agency or its members, officers, agents, or employees by any employee of the Company, or any contractor of the Company, or anyone directly or indirectly employed by any of them, or any one for whose acts any of them may

be liable, the obligations of the Company hereunder are joint and several and shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefit laws, or other employee benefit laws.

(c) Notwithstanding any other provisions of this Company Lease, the obligations of the Company pursuant to this Section 4.8 shall remain in full force and effect after the termination of the Agency Lease and this Company Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action, or prosecution relating to the matters herein described may be brought, and the payment in full or the satisfaction of such claim, cause of action, or prosecution, and the payment of all expenses and charges incurred by the Agency, or its officers, members, agents (other than the Company), or employees, relating thereto.

(d) For purposes of this Section 4.8, the Company shall not be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

4.9 NO RECOURSE; SPECIAL OBLIGATION.

The obligations and agreements of the Agency contained herein and in the other Agency Documents and in any other instrument or document executed in connection herewith or therewith, and any instrument or document supplemental hereto or thereto, shall be deemed the obligations and agreements of the Agency and not of any member, officer, agent, or employee of the Agency in his individual capacity; and the members, officers, agents, and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Agency contained herein or therein shall not constitute or give rise to an obligation of the State New York or of the City of Syracuse, and neither the State of New York nor the City of Syracuse shall be liable hereon or thereon. Further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived, and to be derived from, the lease, sale, or other disposition of the Project Facility, other than revenues derived from or constituting Unassigned Rights. No order or decree of specific performance with respect to any of the obligations of the Agency hereunder or thereunder shall be sought or enforced against the Agency unless:

(a) The party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and thirty (30) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or if compliance therewith would reasonably be expected to take longer than thirty (30) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period; and

(b) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party

seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses; and

(c) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents, or employees shall be subject to potential liability, the party seeking such order or decree shall (1) agree to indemnify and hold harmless the Agency and its members, officers, agents, and employees against any liability incurred as a result of its compliance with such demand; and (2) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents, and employees against all liability expected to be incurred as a result of compliance with such request.

Any failure to provide notice, indemnity, or security to the Agency pursuant to this Section 4.9 shall not alter the full force and effect of any Event of Default under the Agency Lease.

(d) For purposes of this Section 4.9, the Company shall not be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

4.10 MERGER OF AGENCY.

(a) Nothing contained in this Company Lease shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to any other body corporate and politic and public instrumentality of the State of New York, or political subdivision thereof, which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger, or assignment, the due and punctual performance and observance of all the agreements and conditions of this Company Lease to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(b) As of the date of any such consolidation, merger, or assignment, the Agency shall give notice thereof in reasonable detail to the Company. The Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger, or assignment as the Company reasonably may request.

4.11 EXECUTION OF COUNTERPARTS.

This Company Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

4.12 EVENT OF DEFAULT.

A default in the performance or the observance of any covenants, conditions, or agreements on the part of the Company in this Company Lease, the Agency Lease or the Project Agreement.

4.13 REMEDIES.

Whenever any Event of Default shall have occurred and be continuing, the Agency may, to the extent permitted by law, take any one or more of the following remedial steps:

1) Terminate the Company Lease, the Agency Lease and the PILOT Agreement; or

2) Take any other action at law or in equity, which may appear necessary or desirable to collect any amounts then due, or thereafter to become due, hereunder.

4.14 AMENDMENTS, CHANGES AND MODIFICATIONS.

This Company Lease may not be amended, changed, modified, altered, or terminated except by an instrument in writing signed by the parties hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company and the Agency have duly executed this Company Lease, as of the day and year first above written.

STERI-PHARMA, LLC

By: _____
Vincent Durante, Director

DROMIK, LLC

By: _____
Vincent Durante, Sole Member

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Honora Spillane, Executive Director

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

On the 16th day of March, 2018, before me, the undersigned, personally appeared **VINCENT DURANTE,** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 22

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

On the 14th day of March, 2018, before me, the undersigned, personally appeared **HONORA SPILLANE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 22

EXHIBIT A

DESCRIPTION OF REAL PROPERTY

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

November 6, 2017

PROPOSED LEGAL DESCRIPTION
Portion of Block No. 192B
City of Syracuse

Re: 100 Tully Street (Rear)

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at the intersection of the present southerly road boundary of Jefferson Street (66 feet wide public right-of-way) and the easterly road boundary of South West Street (66 feet wide public right-of-way); **thence** S.08°44'00"E., along said easterly road boundary of South West Street, a distance of 202.46 feet to a point; **thence** S. 89°48'10"E., along a line parallel with and 200.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 246.10 feet to the centerline of a former railroad siding; **thence** N.00°11'50"E., along said centerline of a former railroad siding, a distance of 15.00 feet to a point; **thence** S.89°48'10"E., along a line parallel to and 185.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 39.64 feet to the **ACTUAL POINT OF BEGINNING;**

thence S.89°48'10"E., a distance of 9.80 feet to a point;

thence S.01°23'45" W., a distance of 32.53 feet to a point, said point hereinafter referred to as "Point X";

thence N.51°56'20"W., a distance of 11.69 feet to a point;

thence N.00°26'00"E., a distance of 25.35 feet to the point of beginning.

Containing 277 Square Feet of Land more or less.

ALSO ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at "Point X" of the hereinbefore described parcel of land; **thence** S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building; **thence** S.00°30'35"W., along the easterly line of said building, a distance of 133.00 feet to the **ACTUAL POINT OF BEGINNING**;

thence S.49°20'37"E., a distance of 8.00 feet to a point;

thence S.38°51'00"E., a distance of 28.00 feet to a point;

thence N.89°48'10"W., a distance of 15.00 feet to a point;

thence N.06°03'17"W., a distance of 5.94 feet to a point;

thence N.89°29'25"W., a distance of 8.20 feet to a point;

thence N.00°30'35"E., along the easterly line of said building, a distance of 21.00 feet to the point of beginning.

Containing 291 Square Feet of Land more or less.

The hereinbefore described parcels of land are subject to any and all easements and/or rights-of-ways of record.

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

PROPOSED LEGAL DESCRIPTION
New Lot 1B of the Resubdivision Map for
Proposed Planned Development District (PPD)
City of Syracuse

December 7, 2017

RE: 429 South West Street A.K.A. 110 Tully Street and 108 Fabius Street

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being Lot 1B of the Resubdivision Map for Proposed Planned Development District (PPD) filed in the Onondaga County Clerk's Office on August 26, 2015 as Map No. 12072 and being more particularly described as follows:

BEGINNING at the intersection of the present easterly street line of South West Street (66 feet wide) and the northerly street line of former Tully Street (66 feet wide [abandoned by the Syracuse Common Council on March 5, 1990]);

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 227.88 feet to the southwesterly corner of property now or formerly owned by KJNK, LLC as recorded in the Onondaga County Clerk's Office in Liber 5283 of Deeds, Page 638;

thence S.89°48'10"E., along the southerly line of said KJNK, LLC property and its easterly prolongation, a distance of 246.10 feet to the southeasterly corner of property now or formerly owned by Hosek Contractors, Inc. as recorded in the Onondaga County Clerk's Office in Liber 3972 of Deeds, Page 104;

thence N.00°11'50"E., along the easterly line of said Hosek Contractors, Inc. property, a distance of 15.00 feet to the southwesterly corner of property now or formerly owned by F. & P. Hosek as recorded in the Onondaga County Clerk's Office in Liber 3779 of Deeds, Page 83;

thence S.89°48'10"E., along said southerly line of said Hosek property, a distance of 39.64 feet to a point;

thence S.00°26'00"W., a distance of 25.35 feet to a point;

thence S.51°56'20"E., a distance of 11.69 feet to a point;

thence S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building;

thence S.00°30'35"W., along the easterly brick face of said building, a distance of 154.00 feet to a point;

thence S.89°29'25"E., a distance of 8.20 feet to a point;

thence S.06°03'17"E., a distance of 6.93 feet to a point;

thence S.42°57'35"E., a distance of 102.08 feet to a point;

thence S.44°08'51"E., a distance of 77.94 feet to a point;

thence S.60°27'51"E., a distance of 110.07 feet to the northwesterly corner of property now or formerly owned by Sycamore Holding as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 85;

thence S.08°54'00"E., along the westerly line of said Sycamore Holding property, a distance of 94.69 feet to its intersection with the northerly street line of Fabius Street (66 feet wide);

thence S.81°16'10"W., along said northerly street line of Fabius Street, a distance of 280.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC;

thence N.08°54'00"W., along the easterly line of said Sycamore Holding LLC property, a distance of 116.00 feet to the northeasterly corner of said Sycamore Holding LLC property;

thence S.81°16'10"W., along the northerly line of said Sycamore Holding LLC property, a distance of 15.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 53;

thence N.00°19'33"E., along the easterly line of said Sycamore Holding LLC property (4784/53), a distance of 77.86 feet to the northeasterly corner of said Sycamore Holding LLC property (4784/53);

thence N.89°48'10"W., along the northerly line of said Sycamore Holding LLC property (4784/53) property, a distance of 171.48 feet to its intersection with said easterly street line of South West Street;

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 133.62 feet to the point of beginning.

Containing 3.460 Acres of Land more or less.

The hereinbefore described parcel of land is subject to any and all easements and/or rights-of-ways of record.

4

Lisa Dell, County Clerk
401 Montgomery Street
Room 200
Syracuse, NY 13202
(315) 435-2229

Onondaga County Clerk Recording Cover Sheet

Received From :
COSTELLO COONEY & FEARON
ATTORNEY PICK UP BOX
COURTHOUSE

Return To :
COSTELLO COONEY & FEARON
ATTORNEY PICK UP BOX
COURTHOUSE

First PARTY 1
STERI-PHARMA LLC

First PARTY 2
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Index Type : Land Records
Instr Number : 2018-00012549
Book : **Page :**

Type of Instrument : Memorandum Of Lease
Type of Transaction : Deed Misc

Recording Fee:	$95.50
Recording Pages :	10

The Property affected by this instrument is situated in Syracuse, in the County of Onondaga, New York

Real Estate Transfer Tax

RETT # :	8614
Deed Amount :	$0.00
RETT Amount :	$0.00
Total Fees :	$95.50

State of New York
County of Onondaga
I hereby certify that the within and foregoing was recorded in the Clerk's office for Onondaga County, New York

On (Recorded Date) : 03/16/2018
At (Recorded Time) : 2:44:13 PM

Doc ID - 0279462100010

Lisa Dell, County Clerk

This sheet constitutes the Clerks endorsement required by Section 319 of Real Property Law of the State of New York

Entered By: cplochocki Printed On : 03/16/2018 At : 2:46:55PM

MEMORANDUM OF
COMPANY LEASE AGREEMENT

NAME AND ADDRESS OF LESSOR: Steri-Pharma, LLC
429 South West Street
Syracuse, New York 13202

Dromik, LLC
429 South West Street
Syracuse, New York 13202

NAME AND ADDRESS OF LESSEE: City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202

DESCRIPTION OF LEASED PREMISES:

All that tract or parcel of land situate in the City of Syracuse, County of Onondaga and State of New York, being more particularly described in **Exhibit "A"** annexed hereto, together with the improvements thereon.

DATE OF EXECUTION OF COMPANY LEASE AGREEMENT:

As of March 1, 2018.

TERM OF COMPANY LEASE AGREEMENT:

The term of the Company Lease Agreement shall commence as of March 1, 2018 and continue in full force and effect until the earlier of: (1) June 30, 2035; or (2) an earlier termination in accordance with the terms of the Agency Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum as of the 19 day of March, 2018.

STERI-PHARMA, LLC

By: _____
Vincent Durante, Director

DROMIK, LLC

By: _____
Vincent Durante, Sole Member

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Honora Spillane, Executive Director

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

On the 16th day of March, 2018, before me, the undersigned, personally appeared **VINCENT DURANTE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2022

STATE OF NEW YORK)
) ss.:
COUNTY OF ONONDAGA)

On this 14th day of March, 2018, before me, the undersigned, personally appeared **HONORA SPILLANE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2022

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

November 6, 2017

PROPOSED LEGAL DESCRIPTION
Portion of Block No. 192B
City of Syracuse

Re: 100 Tully Street (Rear)

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at the intersection of the present southerly road boundary of Jefferson Street (66 feet wide public right-of-way) and the easterly road boundary of South West Street (66 feet wide public right-of-way); **thence** S.08°44'00"E., along said easterly road boundary of South West Street, a distance of 202.46 feet to a point; **thence** S. 89°48'10"E., along a line parallel with and 200.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 246.10 feet to the centerline of a former railroad siding; **thence** N.00°11'50"E., along said centerline of a former railroad siding, a distance of 15.00 feet to a point; **thence** S.89°48'10"E., along a line parallel to and 185.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 39.64 feet to the **ACTUAL POINT OF BEGINNING;**

thence S.89°48'10"E., a distance of 9.80 feet to a point;

thence S.01°23'45" W., a distance of 32.53 feet to a point, said point hereinafter referred to as "Point X";

thence N.51°56'20"W., a distance of 11.69 feet to a point;

thence N.00°26'00"E., a distance of 25.35 feet to the point of beginning.

Containing 277 Square Feet of Land more or less.

ALSO ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at "Point X" of the hereinbefore described parcel of land; **thence** S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building; **thence** S.00°30'35"W., along the easterly line of said building, a distance of 133.00 feet to the **ACTUAL POINT OF BEGINNING**;

thence S.49°20'37"E., a distance of 8.00 feet to a point;

thence S.38°51'00"E., a distance of 28.00 feet to a point;

thence N.89°48'10"W., a distance of 15.00 feet to a point;

thence N.06°03'17"W., a distance of 5.94 feet to a point;

thence N.89°29'25"W., a distance of 8.20 feet to a point;

thence N.00°30'35"E., along the easterly line of said building, a distance of 21.00 feet to the point of beginning.

Containing 291 Square Feet of Land more or less.

The hereinbefore described parcels of land are subject to any and all easements and/or rights-of-ways of record.

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

PROPOSED LEGAL DESCRIPTION
New Lot 1B of the Resubdivision Map for
Proposed Planned Development District (PPD)
City of Syracuse

December 7, 2017

RE: 429 South West Street A.K.A. 110 Tully Street and 108 Fabius Street

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being Lot 1B of the Resubdivision Map for Proposed Planned Development District (PPD) filed in the Onondaga County Clerk's Office on August 26, 2015 as Map No. 12072 and being more particularly described as follows:

BEGINNING at the intersection of the present easterly street line of South West Street (66 feet wide) and the northerly street line of former Tully Street (66 feet wide [abandoned by the Syracuse Common Council on March 5, 1990]);

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 227.88 feet to the southwesterly corner of property now or formerly owned by KJNK, LLC as recorded in the Onondaga County Clerk's Office in Liber 5283 of Deeds, Page 638;

thence S.89°48'10"E., along the southerly line of said KJNK, LLC property and its easterly prolongation, a distance of 246.10 feet to the southeasterly corner of property now or formerly owned by Hosek Contractors, Inc. as recorded in the Onondaga County Clerk's Office in Liber 3972 of Deeds, Page 104;

thence N.00°11'50"E., along the easterly line of said Hosek Contractors, Inc. property, a distance of 15.00 feet to the southwesterly corner of property now or formerly owned by F. & P. Hosek as recorded in the Onondaga County Clerk's Office in Liber 3779 of Deeds, Page 83;

thence S.89°48'10"E., along said southerly line of said Hosek property, a distance of 39.64 feet to a point;

thence S.00°26'00"W., a distance of 25.35 feet to a point;

thence S.51°56'20"E., a distance of 11.69 feet to a point;

thence S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building;

thence S.00°30'35"W., along the easterly brick face of said building, a distance of 154.00 feet to a point;

thence S.89°29'25"E., a distance of 8.20 feet to a point;

thence S.06°03'17"E., a distance of 6.93 feet to a point;

thence S.42°57'35"E., a distance of 102.08 feet to a point;

thence S.44°08'51"E., a distance of 77.94 feet to a point;

thence S.60°27'51"E., a distance of 110.07 feet to the northwesterly corner of property now or formerly owned by Sycamore Holding as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 85;

thence S.08°54'00"E., along the westerly line of said Sycamore Holding property, a distance of 94.69 feet to its intersection with the northerly street line of Fabius Street (66 feet wide);

thence S.81°16'10"W., along said northerly street line of Fabius Street, a distance of 280.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC;

thence N.08°54'00"W., along the easterly line of said Sycamore Holding LLC property, a distance of 116.00 feet to the northeasterly corner of said Sycamore Holding LLC property;

thence S.81°16'10"W., along the northerly line of said Sycamore Holding LLC property, a distance of 15.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 53;

thence N.00°19'33"E., along the easterly line of said Sycamore Holding LLC property (4784/53), a distance of 77.86 feet to the northeasterly corner of said Sycamore Holding LLC property (4784/53);

thence N.89°48'10"W., along the northerly line of said Sycamore Holding LLC property (4784/53) property, a distance of 171.48 feet to its intersection with said easterly street line of South West Street;

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 133.62 feet to the point of beginning.

Containing 3.460 Acres of Land more or less.

The hereinbefore described parcel of land is subject to any and all easements and/or rights-of-ways of record.

TP-584 (4/13)

New York State Department of Taxation and Finance

Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax

Recording office time stamp

See Form TP-584-I, Instructions for Form TP-584, *before completing this form. Print or type.*

Schedule A — Information relating to conveyance

Grantor/Transferor	Name *(if individual, last, first, middle initial)* (☐ *check if more than one grantor)*			Social security number
☐ Individual ☐ Corporation ☐ Partnership ☐ Estate/Trust ☐ Single member LLC ☒ Other	Steri-Pharma, LLC			
	Mailing address 429 South West Street			Social security number
	City Syracuse	State NY	ZIP code 13202	Federal EIN 26-2372400 + 36-4891449
	Single member's name if grantor is a single member LLC *(see instructions)*			Single member EIN or SSN

Grantee/Transferee	Name *(if individual, last, first, middle initial)* (☐ *check if more than one grantee)*			Social security number
☐ Individual ☐ Corporation ☐ Partnership ☐ Estate/Trust ☐ Single member LLC ☒ Other	City of Syracuse Industrial Development Agency			
	Mailing address 201 East Washington Street, 7th Floor			Social security number
	City Syracuse	State NY	ZIP code 13202	Federal EIN 52-1380308
	Single member's name if grantee is a single member LLC *(see instructions)*			Single member EIN or SSN

Location and description of property conveyed

Tax map designation – Section, block & lot *(include dots and dashes)*	SWIS code (six digits)	Street address	City, town, or village	County
101.-18-26.0 101.-14-08.0	311500	429 South West Street and 100 Tully Street	Syracuse	Onondaga

Type of property conveyed *(check applicable box)*

1 ☐ One- to three-family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☐ Vacant land
5 ☒ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☐ Other _____-_____

Date of conveyance

03	01	2018
month	day	year

Percentage of real property conveyed which is residential real property _____0 %
(see instructions)

Condition of conveyance *(check all that apply)*

a. ☐ Conveyance of fee interest

b. ☐ Acquisition of a controlling interest (state percentage acquired _____%)

c. ☐ Transfer of a controlling interest (state percentage transferred _____%)

d. ☐ Conveyance to cooperative housing corporation

e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*

f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*

g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*

h. ☐ Conveyance of cooperative apartment(s)

i. ☐ Syndication

j. ☐ Conveyance of air rights or development rights

k. ☐ Contract assignment

l. ☐ Option assignment or surrender

m. ☐ Leasehold assignment or surrender

n. ☒ Leasehold grant

o. ☐ Conveyance of an easement

p. ☒ Conveyance for which exemption from transfer tax claimed *(complete Schedule B, Part III)*

q. ☐ Conveyance of property partly within and partly outside the state

r. ☐ Conveyance pursuant to divorce or separation

s. ☐ Other *(describe)* _____

For recording officer's use	Amount received	Date received	Transaction number
	Schedule B., Part I $ Schedule B., Part II $		

Schedule B — Real estate transfer tax return (Tax Law, Article 31)

Part I – Computation of tax due

1 Enter amount of consideration for the conveyance *(if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III)* ☒ **Exemption claimed**	1.	0	00
2 Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2.	0	00
3 Taxable consideration *(subtract line 2 from line 1)*	3.	0	00
4 Tax: $2 for each $500, or fractional part thereof, of consideration on line 3	4.	0	00
5 Amount of credit claimed for tax previously paid *(see instructions and attach Form TP-584.1,* Schedule G*)*	5.	0	00
6 Total tax due* *(subtract line 5 from line 4)*	6.	0	00

Part II – Computation of additional tax due on the conveyance of residential real property for $1 million or more

1 Enter amount of consideration for conveyance *(from* Part I, *line 1)*	1.		
2 Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property, as shown in* Schedule A*)*	2.		
3 Total additional transfer tax due* *(multiply line 2 by 1% (.01))*	3.		

Part III – Explanation of exemption claimed on Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☒

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal Bankruptcy Act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment ..... j ☐

k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) *(attach documents supporting such claim)* ..... k ☐

*The total tax (from Part I, line 6 and Part II, line 3 above) is due within 15 days from the date conveyance. Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, make check(s) payable to the ***NYC Department of Finance.*** If a recording is not required, send this return and your check(s) made payable to the ***NYS Department of Taxation and Finance,*** directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule C — Credit Line Mortgage Certificate (Tax Law, Article 11)

Complete the following only if the interest being transferred is a fee simple interest.
I (we) certify that: *(check the appropriate box)*

1. ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

2. ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
   - ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
   - ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
   - ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.
   - ☐ The maximum principal amount secured by the credit line mortgage is $3,000,000 or more, and the real property being sold or transferred is **not** principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

     Please note: for purposes of determining whether the maximum principal amount secured is $3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.
   - ☐ Other *(attach detailed explanation)*.

3. ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
   - ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
   - ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

4. ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City but not in Richmond County, make check payable to the **NYC Department of Finance.**)*

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of his/her knowledge, true and complete, and authorize the person(s) submitting such form on their behalf to receive a copy for purposes of recording the deed or other instrument effecting the conveyance.

Steri-Pharma, LLC		City of Syracuse Industrial Development Agency	
Grantor signature	Director Title	Grantee signature	Executive Director Title
Vincent Durante		Honora Spillane	
Dromik, LLC			
Grantor signature	Sole Member Title	Grantee signature	Title
Vincent Durante			

Reminder: Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked *e*, *f*, or *g* in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, to the ***NYC Department of Finance***? If no recording is required, send your check(s), made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule D - Certification of exemption from the payment of estimated personal income tax (Tax Law, Article 22, section 663)

Complete the following only if a fee simple interest or a cooperative unit is being transferred by an individual or estate or trust.

If the property is being conveyed by a referee pursuant to a foreclosure proceeding, proceed to Part II, and check the second box under *Exemptions for nonresident transferor(s)/seller(s)* and sign at bottom.

Part I - New York State residents

If you are a New York State resident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), you must sign the certification below. If one or more transferors/sellers of the real property or cooperative unit is a resident of New York State, **each** resident transferor/seller must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all resident transferors/sellers.

Certification of resident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) as signed below was a resident of New York State, and therefore is not required to pay estimated personal income tax under Tax Law, section 663(a) upon the sale or transfer of this real property or cooperative unit.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

Note: A resident of New York State may still be required to pay estimated tax under Tax Law, section 685(c), but not as a condition of recording a deed.

Part II - Nonresidents of New York State

If you are a nonresident of New York State listed as a transferor/seller in Schedule A of Form TP-584 (or an attachment to Form TP-584) but are not required to pay estimated personal income tax because one of the exemptions below applies under Tax Law, section 663(c), check the box of the appropriate exemption below. If any one of the exemptions below applies to the transferor(s)/seller(s), that transferor(s)/seller(s) is not required to pay estimated personal income tax to New York State under Tax Law, section 663. **Each** nonresident transferor/seller who qualifies under one of the exemptions below must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all nonresident transferors/sellers.

If none of these exemption statements apply, you must complete Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, or Form IT-2664, *Nonresident Cooperative Unit Estimated Income Tax Payment Form.* For more information, see *Payment of estimated personal income tax,* on page 1 of Form TP-584-I.

Exemption for nonresident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) (grantor) of this real property or cooperative unit was a nonresident of New York State, but is not required to pay estimated personal income tax under Tax Law, section 663 due to one of the following exemptions:

☐ The real property or cooperative unit being sold or transferred qualifies in total as the transferor's/seller's principal residence (within the meaning of Internal Revenue Code, section 121) from _____ (Date) to _____ (Date) *(see instructions)*.

☐ The transferor/seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure, or in lieu of foreclosure with no additional consideration.

☐ The transferor or transferee is an agency or authority of the United States of America, an agency or authority of the state of New York, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

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STERI-PHARMA, LLC
BILL OF SALE TO AGENCY

STERI-PHARMA, LLC a Delaware limited liability company duly organized, validly existing and in good standing under the laws of the State of New York and Delaware, with offices at 429 South West Street, Syracuse, New York 13202 ("***Steri-Pharma***"), for the consideration of One Dollar ($1.00), cash in hand paid, and other good and valuable consideration received by the Company from the City of Syracuse Industrial Development Agency, a public benefit corporation organized and existing pursuant to the laws of the State of New York (the "***Agency***"), having its office at 201 East Washington Street, 7th Floor, Syracuse, New York 13202, the receipt of which is hereby acknowledged by Steri-Pharma, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by Steri-Pharma in connection with the Project Facility, as described in the Agency Lease entered between the Agency, Steri-Pharma and Dromik, LLC dated as of March 1, 2018 (the "***Agency Lease***"), and as listed on "**Exhibit A**" attached hereto.

TO HAVE AND HOLD the same unto the Agency, its successors and assigns, forever.

Steri-Pharma hereby represents and warrants that it is the true and lawful owner of the personal property being conveyed hereby, that all of the foregoing are free and clear of all liens, security interests, and encumbrances, except for Permitted Encumbrances, as defined in the Agency Lease, and that Steri-Pharma has the right to sell the same as aforesaid; and Steri-Pharma covenants that it will warrant and defend title to the same for the benefit of the Agency and its successors and assigns against the claims and demands of all persons.

IN WITNESS WHEREOF, Steri-Pharma has caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of March, 2018.

STERI-PHARMA, LLC

By: _____
Vincent Durante, Director

EXHIBIT "A"

DESCRIPTION OF THE EQUIPMENT

All articles of personal property, all machinery, apparatus, equipment, appliances, floor coverings, furniture, furnishings, supplies, materials, fittings and fixtures of every kind and nature whatsoever and all appurtenances acquired by **STERI-PHARMA, LLC** and now or hereafter attached to, contained in or used or acquired in connection with the Project Facility (as defined in the Agency Lease) or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, furniture, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, racks, flagpoles, signs, waste containers, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

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DROMIK, LLC
BILL OF SALE TO AGENCY

DROMIK, LLC a New York limited liability company duly organized, validly existing and in good standing under the laws of the State of New York and New York , with offices at 429 South West Street, Syracuse, New York 13202 ("***Dromik***"), for the consideration of One Dollar ($1.00), cash in hand paid, and other good and valuable consideration received by Dromik from the City of Syracuse Industrial Development Agency, a public benefit corporation organized and existing pursuant to the laws of the State of New York (the "***Agency***"), having its office at 201 East Washington Street, 7th Floor, Syracuse, New York 13202, the receipt of which is hereby acknowledged by Dromik, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by Dromik in connection with the Project Facility, as described in the Agency Lease entered between the Agency, Dromik and Steri-Pharma, LLC dated as of March 1, 2018 (the "***Agency Lease***"), and as listed on "**Exhibit A**" attached hereto.

TO HAVE AND HOLD the same unto the Agency, its successors and assigns, forever.

Dromik hereby represents and warrants that it is the true and lawful owner of the personal property being conveyed hereby, that all of the foregoing are free and clear of all liens, security interests, and encumbrances, except for Permitted Encumbrances, as defined in the Agency Lease, and that Dromik has the right to sell the same as aforesaid; and Dromik covenants that it will warrant and defend title to the same for the benefit of the Agency and its successors and assigns against the claims and demands of all persons.

IN WITNESS WHEREOF, Dromik has caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of March, 2018.

DROMIK, LLC

By: _____
Vincent Durante, Sole Member

EXHIBIT "A"

DESCRIPTION OF THE EQUIPMENT

All articles of personal property, all machinery, apparatus, equipment, appliances, floor coverings, furniture, furnishings, supplies, materials, fittings and fixtures of every kind and nature whatsoever and all appurtenances acquired by **DROMIK, LLC** and now or hereafter attached to, contained in or used or acquired in connection with the Project Facility (as defined in the Agency Lease) or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, furniture, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, racks, flagpoles, signs, waste containers, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

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CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

AND

STERI-PHARMA, LLC

AND

DROMIK, LLC

AGENCY LEASE AGREEMENT

DATED AS OF MARCH 1, 2018

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AGENCY LEASE AGREEMENT

THIS AGENCY LEASE AGREEMENT, dated as of March 1, 2018 (the "***Agency Lease***"), by and between the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a body corporate and politic and a public instrumentality of the State of New York, having its office at 201 East Washington Street, 7th Floor, Syracuse, New York 13202 (the "***Agency***"), and **DROMIK LLC,** a New York limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 429 South West Street, Syracuse, New York 13202 ("***Dromik***") and **STERI-PHARMA, LLC** a Delaware limited liability company duly organized, validly existing and in good standing under the laws of the State of New York and Delaware, with offices at 429 South West Street, Syracuse, New York 13202 ("***Steri-Pharma***" and together with Dromik, collectively, the "***Company***" unless the context indicates otherwise).

W I T N E S S E T H :

WHEREAS, the Agency is authorized and empowered by Title I of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "***Act***"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act, among other things, to: (i) make contracts and leases, and to execute such documents as necessary or convenient, with a public or private person, firm, partnership, or corporation; (ii) to acquire, construct, reconstruct, lease, improve, maintain, equip or furnish one or more projects (as defined in the Act); and (iii) to sell, lease and otherwise dispose of any such property; and

WHEREAS, the Agency, by resolution adopted on May 16, 2017, agreed, at the request of the Company to undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic

manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of Steri-Pharma or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency proposes to assist the Company's acquisition, construction and equipping of the Project Facility and grant the Financial Assistance to the Project by, among other things: (1) appointing Steri-Pharma and/or its designee as its agent with respect to completing the Project; (2) accepting a leasehold interest in the Land and the Facility from the Company and a fee interest in the Equipment pursuant to a bill of sale from the Company; and (2) subleasing the Project Facility to the Company pursuant to this Agency Lease; and

WHEREAS, Dromik is the current owner of the Land and the Facility and Steri-Pharma is the operating company of the Project Facility. The Company has leased their respective interests in the Land and the Facility to the Agency pursuant to the Company Lease Agreement dated as of March 1, 2018 (the "***Company Lease***"); and

WHEREAS, the Company has conveyed title to the Equipment to the Agency pursuant to certain bills of sale each dated as of March 1, 2018 from Dromik (the "***Dromik Bill of Sale***" and from Steri-Pharma (the "***LLC Bill of Sale***" and together with the Dromik Bill of Sale, collectively, the "***Bill of Sale***"); and

WHEREAS, at the request of the Company, by resolution duly adopted on September 19, 2017 (the "***Infrastructure Resolution***"), the members of the Agency approved, in accordance and subject to the terms the Infrastructure Resolution and an agreement to be entered between the parties, the dedication of all or a portion of its administrative fee (to the extent remitted by the Company) otherwise earned on the Project to pay for the costs of certain infrastructure work set forth in the Infrastructure Resolution in an amount equal to *the lesser of*: (i) the total cost of the Infrastructure Work as evidenced by invoices and receipts; or (ii) the Agency's administrative fee, *actually paid to the Agency*, associated with the Project in an amount not to exceed $331,177.00; and

WHEREAS, in furtherance of the Infrastructure Resolution, the Agency and the Company executed and delivered an Infrastructure Agreement, dated as of December 1, 2017 (the "***Original Infrastructure Agreement***") pursuant to which the Company received some or all of the Proceeds available thereunder; and

WHEREAS, in connection with the execution and delivery of the Company Lease, this Agreement and the Bill of Sale, the Company and the Agency will enter into an amendment of the Original Infrastructure Agreement, dated as of February 1, 2018, amending the term of thereof (the "***First Amendment to Infrastructure Agreement***" and together with the Original Infrastructure Agreement, the "***Infrastructure Agreement***"); and

WHEREAS, the Agency now proposes to sublease the Project Facility to the Company pursuant to the terms and conditions herein set forth; and

WHEREAS, all things necessary to constitute this Agency Lease a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution, and delivery of this Agency Lease have, in all respects, been duly authorized.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows, to wit:

ARTICLE I
RECITALS AND DEFINITIONS

1.0 RECITALS.

The foregoing recitals are incorporated herein by reference as if fully set forth hereinbelow.

1.1 DEFINITIONS.

For all purposes of this Agency Lease and any agreement supplemental thereto, all defined terms indicated by the capitalization of the first letter of such term shall have the meanings specified in the Table of Definitions attached hereto as **Exhibit "C"** except as otherwise expressly defined herein or the context hereof otherwise requires.

1.2 INTERPRETATION.

In this Agency Lease, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "herein," "hereunder," and any similar terms as used in this Agency Lease refer to this Agency Lease; the term "heretofore" shall mean before and the term "hereafter" shall mean after the date of this Agency Lease;

(b) Words of masculine gender shall mean and include correlative words of feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa; and

(c) Any certificates, letters, or opinions required to be given pursuant to this Agency Lease shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law, or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Agency Lease; and

(d) The "Company" shall refer to Dromik and Steri-Pharma, jointly, unless otherwise specifically indicated.

ARTICLE II
REPRESENTATIONS AND COVENANTS

2.1 REPRESENTATIONS OF THE AGENCY.

The Agency makes the following representations to the Company as the basis for the undertakings on its part herein contained:

(a) The Agency is duly established under the provisions of the Act and has the power to enter into this Agency Lease and to carry out its obligations hereunder. Based upon the representations of the Company as to the utilization of the Project Facility, the Project Facility will constitute a "project," as such quoted term is defined in the Act. By proper official action, the Agency has been duly authorized to execute, deliver, and perform this Agency Lease and the other Agency Documents.

(b) Neither the execution and delivery of this Agency Lease, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the provisions of this Agency Lease and the other Agency Documents by the Agency will conflict with or result in a breach by the Agency of any of the terms, conditions, or provisions of the Act, the By-Laws of the Agency, or any order, judgment, restriction, agreement, or instrument to which the Agency is a party or by which it is bound or will constitute a default by the Agency under any of the foregoing.

(c) This Agency Lease and the other Agency Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Agency, enforceable in accordance with their respective terms.

2.2 REPRESENTATIONS AND COVENANTS OF THE COMPANY.

Dromik and Steri-Pharma, each for itself, except where specifically noted otherwise, acknowledges, represents, warrants and covenants to the Agency as follows:

(a) Steri-Pharma is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware, duly organized, validly existing and in good standing under the laws of the State of New York and Delaware, has the power to enter into this Agency Lease and the other Company Documents and to carry out its obligations hereunder and thereunder, and has duly authorized the execution, delivery, and performance of this Agency Lease and the other Company Documents. Dromik is a limited liability company, duly organized, validly existing and in good standing under the laws of the

State New York, has the power to enter into this Agency Lease and the other Company Documents and to carry out its obligations hereunder and thereunder, and has duly authorized the execution, delivery, and performance of this Agency Lease and the other Company Documents.

(b) This Agency Lease and the other Company Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of each Company, enforceable in accordance with their respective terms.

(c) Dromik is the fee owner of the Land and Facility and shall remain the fee owner of the Land and Facility for the term of this Agency Lease unless otherwise consented to in writing by the Agency.

(d) Steri-Pharma is the operating company of the Project Facility and shall remain the operating company for the term of this Agency Lease unless otherwise consented to in writing by the Agency.

(e) This Project is not primarily used for retail as set forth in the Act.

(f) Neither the execution and delivery of this Agency Lease and the other Company Documents, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the provisions thereof will:

(1) Result in a breach of, or conflict with any term or provision in, either of the Company's Articles of Organization and Operating Agreement; or

(2) Require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which either Company is a party or by which either Company or any of its property may be bound or affected; or

(3) Conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction, or decree of any Governmental Authority or court (domestic or foreign) having jurisdiction over either Company or any of the property of either Company.

(g) The providing of Financial Assistance to the Project by the Agency:

(1) Has been an important consideration in the Company's decision to acquire, reconstruct, renovate and equip the Project Facility in the City of Syracuse;

(2) Will not result in the removal of an industrial or manufacturing plant or commercial activity of any Project Facility occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of any user, occupant, or proposed user or occupant of the Project Facility located within the State, except as permitted by the Act; and

(3) Will preserve or increase the overall number of permanent, private sector jobs in the State and the City.

(h) So long as the Agency holds a leasehold interest in the Project Facility, the Project Facility is and will continue to be a "project" (as such quoted term is defined in the Act), and the Company will not take any action (or omit to take any action required by the Company Documents or which the Agency, together with Agency's counsel, advise the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way cause the Project Facility not to constitute a "project" (as such quoted term is defined in the Act).

(i) The Company shall cause all notices as required by law to be given and shall comply or cause compliance with all laws, ordinances, municipal rules, and regulations and requirements of all Governmental Authorities applying to or affecting the construction, renovation, equipping and operation of the Project Facility (the applicability of such laws, ordinances, rules, and regulations to be determined both as if the Agency were the owner of the Project Facility and as if the Company, were the owner of the Project Facility), and the Company will defend and save the Agency and its officers, members, agents (other than the Company), and employees harmless from all fines and penalties due to failure to comply therewith.

(j) The Project will not have a significant effect on the environment" (within the meaning of such term as used in SEQRA) and the Company hereby covenants to comply with all mitigating measures, requirements and conditions, if any, enumerated in the SEQR Resolution under SEQRA applicable to the acquisition, construction and installation of the Project Facility and in any other approvals issued by any other Governmental Authority with respect to the Project. No material changes with respect to any aspect of the Project Facility have arisen from the date of the issuance of such negative declaration which would cause the determination contained therein to be untrue.

(k) The Company understands and agrees that it is the preference of the Agency that the Company provide opportunities for the purchase of goods and services from: (i) business enterprises located in the City; (ii) certified minority and or women-owned business enterprises; and (iii) business enterprises that employ residents of the City. The Company further understands and acknowledges that consideration will be given by the Agency to the Company's efforts to comply, and compliance, with this objective at any time an extension of benefits is sought or involvement by the Agency with the Project is requested by the Company.

(l) The Agency's undertaking of the Project and the provision of Financial Assistance for the Project will not have a significant impact on the environment within the meaning of SEQRA.

(m) The acquisition, reconstruction, renovation, construction and equipping of the Project Facility will promote employment opportunities and help prevent economic deterioration in the City by the creation and/or preservation of both full and part-time jobs.

(n) The Company has, or will have as of the first date of construction and equipping, all then necessary permits, licenses, and governmental approvals and consents (collectively, "***Approvals***") for the construction and equipping of the Project Facility and has or will have such Approvals timely for each phase of, and throughout the, reconstruction, renovation, construction and equipping of the Project Facility.

(o) The Company will not sublease the whole or any portion of the Project Facility for an unlawful purpose.

(p) No part of the Project Facility will be located outside of the City.

(q) The Company shall perform, or cause to be performed, for and on behalf of the Agency, each and every obligation of the Agency (which is within the control of the Company) under and pursuant to this Agency Lease, the Company Lease and the other Company Documents and shall defend, indemnify, and hold harmless the Agency and its members, officers, agents (other than the Company), servants and employees from and against every expense, liability, or claim arising out of the failure of the Company to fulfill its obligations under the provisions of this Section 2.2.

(r) The Company agrees that except as is otherwise provided by collective bargaining contracts or agreements applicable to the Project, new employment opportunities created as a result of the Project shall be listed with the New York State Department of Labor Community Services Division, and with the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) in which the Project is located. The Company further agrees that except as is otherwise provided by collective bargaining contracts or agreements applicable to the Project, it will first consider persons eligible to participate in the Federal Job Training Partnership (P.L. No. 97-300) programs who shall be referred by administrative entities of service delivery areas created pursuant to such act or by the Community Services Division of the Department of Labor for such new employment opportunities.

(r) The Company shall provide to the Agency any and all documentation or information requested by the Agency so that the Agency can comply with all of its reporting requirements under the Act.

(s) As a condition precedent to receiving or benefiting from any State sales and use tax exemption benefits, the Company acknowledges and agrees to all terms and conditions of Section 875(3) of the Act. Section 875(3) of the Act is herein incorporated by reference as if fully set forth herein. As part of such conditions precedent:

(1) The Company shall not take any State or local sales and use tax exemptions to which it is not entitled, which are in excess of the amount authorized by the Agency in reliance on the Company's Application or which are for property or services not authorized.

(2) The Company shall comply with all material terms and conditions to use property or services in the manner required by the Agency Documents.

(3) The Company shall cooperate with the Agency in the Agency's efforts to recover, recapture, receive or otherwise obtain from the Company any Recapture Amount (as defined in Section 8.12(g) hereof), and shall, upon the Agency's request, immediately pay to the Agency any Recapture Amount, together with any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise, as provided in Section 8.12(g) hereof. The Company acknowledges and agrees that the failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds for the State Commissioner of Taxation and Finance to collect sales and use taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties and for the Agency to take any and all necessary action and steps to collect local sales and use taxes from the Company.

(r) The amount of State and local sales and use tax benefits comprising the Financial Assistance approved by the Agency shall not exceed **$712,971.52**. The Company shall not request, obtain nor claim State and local sales and use tax exemptions in excess of this amount.

(s) The Company hereby acknowledges that the exemption from mortgage recording tax authorized by the Agency as part of the Financial Assistance is limited by Section 874 of the Act.

ARTICLE III
CONVEYANCE OF LEASEHOLD INTEREST IN PROJECT FACILITY

3.1 AGREEMENT TO CONVEY LEASEHOLD INTEREST TO COMPANY.

The Company has conveyed to the Agency, pursuant to the Company Lease, a leasehold interest in the Land and Facility, as more fully described in **Exhibit "A"** attached hereto, any improvements now or hereafter constructed and installed thereon, subject to Permitted Encumbrances and all of its right, title and interest in the Equipment via a Bill of Sale, as more fully described in **Exhibit "B"** attached hereto. Under this Agency Lease, the Agency will convey, or will cause to be conveyed, to the Company, a subleasehold interest in the Project Facility subject to Permitted Encumbrances and exclusive of the Agency's Unassigned Rights.

3.2 USE OF PROJECT FACILITY.

Subsequent to the Closing Date, the Company shall be entitled to use the Project Facility in any manner not otherwise prohibited by this Agency Lease, the Company Lease and other Company Documents, provided that such use causes the Project Facility to qualify or continue to qualify as a "project" under the Act.

ARTICLE IV
RECONSTRUCTION, RENOVATION, CONSTRUCTION AND EQUIPPING OF THE PROJECT

4.1 RECONSTRUCTION, RENOVATION, CONSTRUCTION AND EQUIPPING OF THE PROJECT FACILITY.

(a) The Company shall promptly construct, equip and complete the Project Facility, all in accordance with the Plans and Specifications. Unless a written waiver is first obtained from the Agency, in accordance with the Agency's Local Access Policy, Steri-Pharma and its Additional Agents (as defined herein), shall utilize local labor, contractors and suppliers for the reconstruction, renovation, construction and equipping of the Project Facility. For purposes of this Agency Lease, and in particular this Section 4.1, the term "***local***" shall mean Onondaga, Oswego, Oneida, Madison, Cayuga and Cortland Counties. Failure to comply with the local labor requirements of this Section 4.1 (collectively, "***Local Labor Requirements***") may result in the revocation or recapture of all benefits provided/approved to the Project by the Agency.

(b) The Agency hereby confirms the appointment of Steri-Pharma as its true and lawful agent to perform the following in compliance with the terms, purposes, and intent of this Agency Lease, the Act and the other Company Documents, and Steri-Pharma hereby accepts such appointment:

(1) To reconstruction, renovation, construction equip and complete the Project Facility and to acquire the Equipment in accordance with the terms hereof;

(2) To make, execute, acknowledge, and deliver any contracts, orders, receipts, writings, and instructions with any other Persons and, in general, to do all things which may be requisite or proper, all for the reconstruction, renovation, construction equipping and completion of the Project Facility with the same powers and with the same validity as the Agency could do if acting in its own behalf, provided that the Agency shall have no liability for the payment of any sums due thereunder;

(3) To pay all fees, costs and expenses incurred in reconstruction, renovation, construction, equipping and completion of the Project Facility from funds made available therefore from the funds of the Company; and

(4) To ask, demand, sue for, levy, recover, and receive all such sums of money, debts, dues, and other demands whatsoever which may be due, owing, and payable to the Agency under the terms of any contract, order, receipt, or writing in connection with the reconstruction, renovation, construction, equipping and completion of the Project Facility and to enforce the provisions of any contract, agreement, obligation, bond, or other performance security.

(c) The Agency shall enter into, and accept the assignment of, such contracts as the Company may request in order to effectuate the purposes of this Section 4.1, provided, however, that the Agency shall have no liability for the payment of any sums due thereunder.

(d) The Company has given, or will give or cause to be given, all notices and have complied, or will comply or cause compliance with, all laws, ordinances, rules, regulations, and requirements of all Governmental Authorities applying to or affecting the conduct of work on the Project Facility (the applicability of such laws, ordinances, rules, and regulations to be determined both as if the Agency were the owner of the Project Facility and as if the Company were the owner of the Project Facility), and the Company will defend, indemnify, and save the Agency and its officers, members, agents, servants, and employees harmless from all fines and penalties due to failure to comply therewith. All permits and licenses necessary for the prosecution of work on the Project Facility shall be procured promptly by the Company.

(e) The Company understands and agrees that it is the preference of the Agency that the Company provide opportunities for the purchase of goods and services relative to the Project from: (i) business enterprises located in the City; (ii) certified minority and/or women-owned business enterprises; and (iii) business enterprises that employ residents of the City. Consideration will be given by the Agency to the Company's efforts to comply, and compliance with, this objective at any time an extension of benefits is requested, or further involvement by the Agency with the Project, is requested by the Company.

4.2 COMPLETION OF PROJECT FACILITY.

(a) The Company will proceed with due diligence to acquire, reconstruct, renovate, construct, equip and complete the Project Facility. Completion of the acquisition, reconstruction, renovation, construction and equipping of the Project Facility shall be evidenced by a certificate signed by an Authorized Representative of the Company and approved by the Agency, stating:

(1) The date of such completion;

(2) That all labor, services, materials, and supplies used therefor and all costs and expenses in connection therewith have been paid;

(3) That the Company has good and valid title to all Property constituting the Project Facility subject to the interest of the Agency therein and to this Agency Lease, the Company Lease and the Bill of Sale; and

(4) That the Project Facility is ready for occupancy, use and operation for its intended purposes.

(b) Notwithstanding the foregoing, such certificate may state that (1) it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being; (2) it is given only for the purposes of this Section 4.2; and (3) no Person other than the Agency may benefit therefrom.

(c) Such certificate shall be accompanied by (1) copy of a certificate of occupancy, if required, and any and all permissions, licenses, or consents required of Governmental Authorities for the occupancy, operation, and use of the Project Facility for its

intended purposes; and (2) Lien releases from the Company's contractor and any subcontractors under a contract with a price in excess of $100,000.

4.3 COSTS OF COMPLETION PAID BY COMPANY.

(a) The Company agrees to complete the Project and to pay in full all costs of the reconstruction, renovation, construction, equipping and completion of the Project Facility.

(b) No payment by the Company pursuant to this Section 4.3 shall entitle the Company to any diminution or abatement of any amounts payable by the Company under this Agency Lease.

4.4 REMEDIES TO BE PURSUED AGAINST CONTRACTORS, SUBCONTRACTORS, MATERIALMEN AND THEIR SURETIES.

In the event of a default by any materialman or Additional Agent (as defined herein) under any contract made by them in connection with reconstruction, renovation, construction, equipping and completion of the Project Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship, or performance guaranty, the Company shall proceed, either separately or in conjunction with others, to exhaust the remedies of the Company against the materialman or Additional Agent so in default and against each surety for the performance of such contract. The Company may prosecute or defend any action or proceeding or take any other action involving any such materialman or Additional Agent or surety which the Company deems reasonably necessary. The Company shall advise the Agency of any actions or proceedings taken hereunder. No such suit shall relieve the Company of any of its obligations under this Agency Lease and the other Company Documents.

4.5 COOPERATION IN EXECUTION OF ADDITIONAL MORTGAGES AND MODIFICATIONS OF MORTGAGES.

The Agency agrees, upon written request of an Authorized Representative of Dromik (in the case of a mortgage) and Steri-Pharma (in the event of a leasehold mortgage) and subject to the provisions of the Act, to use its commercially reasonable efforts to execute and deliver one or more Mortgages and such additional instruments and documents may be requested by the Company and approved by counsel to the Agency and as may be required in connection with the Company's financing or refinancing for the costs of reconstruction, renovation, construction and equipping of the Project Facility, provided that:

(a) No Event of Default under this Agency Lease, the Company Lease, the PILOT Agreement, the Project Agreement or the Mortgage shall have occurred and be continuing; and

(b) The execution and delivery of such documents by the Agency (i) is permitted by law in effect at the time; and (ii) will serve the public purposes of the Act; and

(c) The Company will be responsible for and shall pay, from the proceeds thereof or otherwise, the Agency's fee and the costs and expenses of the Agency incidental to such additional financing, refinancing or modification thereof, including without limitation the reasonable attorneys' fees of the Agency; and

(d) The documents to be signed by the Agency shall contain the provisions set forth in Sections 8.2 and 11.11 hereof, and shall not impose any duties or obligations upon the Agency except as may be acceptable to the Agency.

(e) Any and all Mortgages, shall, by its terms, be subordinate to the Agency's right to receive payments under the PILOT Agreement.

ARTICLE V
AGREEMENT TO LEASE PROJECT FACILITY; RENTAL PAYMENTS

5.1 AGREEMENT TO LEASE PROJECT FACILITY.

In consideration of the Company's covenant herein to make rental payments, and the other covenants of the Company contained herein, including the covenant to make additional rent and other payments required hereby, the Agency hereby agrees to lease to the Company, and the Company hereby agrees to lease from the Agency, the Project Facility for and during the term provided herein and upon and subject to the terms and conditions herein set forth and subject to Permitted Encumbrances.

The Agency's acceptance of the leasehold interest in and to the Land and Facility pursuant to the Company Lease, and its acquisition of an interest in the Equipment pursuant to the Bill of Sale, and the holding of said interests were effected and performed solely at the request of the Company pursuant to the requirements of the Act. The Agency hereby transfers and conveys all of its beneficial and equitable interests, if any, in the Project Facility to the Company, except for its Unassigned Rights. As a result, the parties hereby acknowledge and agree that subject to the terms and conditions of this Agency Lease, the Company has all of the equitable and beneficial ownership and other interest in the Project Facility (except for the Unassigned Rights), and will have all the equitable and beneficial ownership and other interest in the Project Facility (except for the Unassigned Rights), such that the Company, and not the Agency, shall have an:

(i) unconditional obligation to bear the economic risk of depreciation and diminution in value of the Project Facility due to obsolescence or exhaustion, and shall bear the risk of loss if the Project Facility is destroyed or damaged;

(ii) unconditional obligation to keep the Project Facility in good condition and repair;

(iii) unconditional and exclusive right to the possession of the Project Facility, and shall have sole control of and responsibility for the Project Facility;

(iv) unconditional obligation to maintain insurance coverage on, and such reserves with respect to, the Project Facility as may be required by the Company, the Agency and the Mortgagee with respect to the Project;

(v) unconditional obligation to pay all taxes levied on, or payments in lieu thereof, and assessments made with respect to, the Project Facility;

(vi) subject to the Unassigned Rights, unconditional and exclusive right to receive rental and any other income and other benefits of the Project Facility and from the operation of the Project;

(vii) unconditional obligation to pay for all of the capital investment in the Project Facility;

(viii) unconditional obligation to bear all expenses and burdens of the Project Facility and to pay for all maintenance and operating costs in connection with the Project Facility; and

(ix) unconditional and exclusive right to include all income earned from the operation of the Project Facility and claim all deductions and credits generated with respect to the Project Facility on its annual federal, state and local tax returns.

The Agency shall have no position or responsibility with respect to the allocation of the foregoing rights and benefits as between Dromik and Steri-Pharma.

5.2 TERM OF LEASE; EARLY TERMINATION; SURVIVAL.

(a) The term of this Agency Lease shall commence on the date hereof and continue in full force and effect until the earlier of: (1) **June 30, 2035**; or (2) the early termination of this Agency Lease as provided herein.

(b) The Company hereby irrevocably designates the Agency as its attorney-in-fact, coupled with an interest, for the purpose of executing, delivering and recording terminations of the Agency Lease, the Company Lease, preparing a bill of sale together with any other documents therewith and to take such other and further actions reasonably necessary to confirm the termination of the Agency's interest in the Project.

(c) The Company shall have the option, at any time during the term of this Agency Lease, to terminate this Agency Lease. In the event that the Company shall exercise its option to terminate this Agency Lease pursuant to this Section 5.2(c), the Company shall file with the Agency a certificate stating the Company's intention to do so pursuant to this Section 5.2(c) and to comply with the requirements set forth in Section 5.2(d) hereof.

(d) As a condition to the effectiveness of the Company's exercise of its right to early termination, the following payments shall be made:

(1) **To the Agency**: an amount certified by the Agency as sufficient to pay all unpaid fees and expenses of the Agency incurred under this Agency Lease, the Company Lease and the PILOT Agreement (including, but not limited to those in connection with the early termination of this Agency Lease); and

(2) **To the Appropriate Person:** an amount sufficient to pay all other fees, expenses or charges, if any, then due and payable under this Agency Lease and the other Agency Documents.

(e) The certificate required to be filed pursuant to Section 5.2(c), setting forth the provision thereof permitting early termination of this Agency Lease shall also specify the date upon which the payments pursuant to subdivision (d) of this Section 5.2 shall be made, which date shall not be less than thirty (30) nor more than sixty (60) days from the date such certificate is filed with the Agency.

(f) Contemporaneously with the termination of this Agency Lease in accordance with Sections 5.1 or 5.2 hereof, the Agency shall transfer, and the Company shall accept, all of the Agency's right, title and interest in the Project Facility, including the Equipment, for a purchase price of One Dollar ($1.00) plus the payment of all other sums due hereunder and all legal fees and costs associated therewith. Contemporaneously with the termination of this Agency Lease, the Company Lease and the PILOT Agreement shall terminate.

(g) The Agency shall, upon payment by the Company of the amounts pursuant hereto and to Sections 5.2(d) above and Section 5.3, deliver to the Company all documents furnished to the Agency by the Company, or prepared by the Agency at the sole expense of the Company, and reasonably necessary to evidence termination of the Company Lease and the Agency Lease, including, but not limited to, lease terminations and a bill of sale from the Agency with respect to its interest in the Equipment, without representation or warranty, subject to the following: (1) any Liens to which such Project Facility was subject when conveyed to the Agency, (2) any Liens created at the request of the Company or to the creation of which the Company consented or in the creation of which the Company acquiesced, (3) any Permitted Encumbrances, and (4) any Liens resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Agency Lease.

(h) The obligation of the Agency under this Section 5.2 to convey the Project Facility to the Company will be subject to: (i) there being no Event of Default existing hereunder or under any payment in lieu of tax agreement now or hereafter entered into with respect to all or any portion of the Project Facility or under any other Company Documents, or any other event which would, but for the passage of time or the giving of notice, or both, be such an Event of Default; and (ii) the Company's payment of all expenses, fees and taxes, if any, applicable to or arising from such transfer. The Agency shall have no obligation to determine, as between them, the interests of Dromik and Steri-Pharma in and to the Equipment. Any and all disputes regarding title to the Equipment shall be addressed solely between Dromik and Steri-Pharma following the transfer of the Agency's interest therein.

5.3 RENTAL PAYMENTS AND OTHER AMOUNTS PAYABLE.

(a) The Company shall pay basic rental payments for the Project Facility consisting of: (i) to the Agency in an amount sufficient to pay the sums due under the PILOT Agreement at the times and in the manner provides for therein, and an amount sufficient to pay any and all other amounts due hereunder; and (ii) to the Mortgagee, an amount equal to the debt service and amounts becoming due and payable under the Mortgage and the indebtedness secured thereby on the due date thereof.

(b) The Company shall pay to the Agency, as additional rent, within ten (10) days after the receipt of a demand therefor from the Agency, any annual administrative fees of the Agency, the sum of the reasonable fees, costs and expenses of the Agency and the officers, members, agents, and employees thereof incurred by the reason of the Agency's lease or sublease of the Project Facility or in connection with the carrying out of the Agency's duties and obligations under this Agency Lease, the Company Lease or any of the other Agency Documents and any other fee or expense of the Agency with respect to the Project Facility, or any of the other Agency Documents, the payment of which is not otherwise provided for under this Agency Lease, including, without limitation, reasonable fees and disbursements of Agency counsel, including fees and expenses incurred in connection with the Agency's enforcement of any rights hereunder or incurred after the occurrence and during the continuance of an Event of Default, in connection with any waiver, consent, modification or amendment to this Agency Lease or any other Agency Document that may be requested by the Company, or, in connection with any action by the Agency at the request of or on behalf of the Company hereunder or under any other Agency Document. Any additional rent not received within ten (10) business days after demand shall accrue interest after the expiration of such ten days at a rate of ten percent (10%) per annum or the highest rate permitted by law, whichever is less.

(c) The administrative fee payable by the Company to the Agency in conjunction with this Project and the Agency's granting of Financial Assistance and all outstanding counsel fees and costs shall be paid at closing.

(d) The Company agrees to make the above-mentioned payments, without any further notice, in lawful money of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. In the event that the Company shall fail to make or cause to be made any of the payments required under this Agency Lease, the item or installment not so paid shall continue as an obligation of the Company until such item or installment is paid in full.

The obligations under this Section 5.3 are joint and several.

5.4 NATURE OF OBLIGATIONS OF COMPANY HEREUNDER.

(a) The obligations of the Company to make the payments required by this Agency Lease and to perform and observe any and all of the other covenants and agreements on its part contained herein are general obligations of the Company and are absolute and unconditional irrespective of any defense or any rights of set-off, recoupment, or counterclaim it

may otherwise have against the Agency. The Company agrees that it will not suspend, discontinue, or abate any payment required by, or fail to observe any of its other covenants or agreements contained in this Agency Lease for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the reconstruction, renovation, construction and equipping of the Project Facility, any defect in the title, design, operation, merchantability, fitness, or condition of the Project Facility, or any part thereof, or in the suitability of the Project Facility, or any part thereof, for the Company's purposes or needs, or failure of consideration for, destruction of or damage to, or Condemnation of title to, or the use of all or any part of the Project Facility, any change in the tax or other laws of the United States of America or of the State of New York, or any political subdivision thereof, or any failure of the Agency to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Agency Lease or the Company Lease.

(b) Nothing contained in this Section 5.4 shall be construed to release the Agency from the performance of any of the agreements on its part contained in this Agency Lease or the Company Lease, and in the event the Agency should fail to perform any such agreement, the Company may institute such action against the Agency as the Company may deem necessary to compel performance (subject to the provisions of Section 11.11).

ARTICLE VI
MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

6.1 MAINTENANCE AND MODIFICATIONS OF PROJECT FACILITY.

The Company shall:

(a) Keep the Project Facility in good condition and repair and preserve the same against waste, loss and damage, ordinary wear and tear excepted;

(b) Make all necessary repairs and replacements to the Project Facility or any part thereof (whether ordinary or extraordinary, structural, or non-structural, foreseen or unforeseen) which is damaged, destroyed, or condemned; and

(c) Operate the Project Facility in a sound and economic manner in general accordance with the Project pro-forma statements Company previously provided to the Agency.

6.2 TAXES, ASSESSMENTS AND UTILITY CHARGES.

(a) The Company shall pay as the same respectively become due:

(1) Any and all taxes and governmental charges of any kind, whatsoever which may at any time be lawfully assessed or levied against or with respect to the Project Facility;

(2) All utility and other charges, including "service charges," incurred or imposed for the operation, maintenance, use, occupancy, upkeep, and improvement of the

Project Facility, the non-payment of which would create, or entitle the obligee to impose, a Lien on the Project Facility;

(3) All assessments and charges of any kind whatsoever lawfully made by any Governmental Authority for public improvements; and

(4) Any and all payments of taxes, if applicable, or all payments in lieu of taxes, if any, required to be made to the Agency under the terms of the PILOT Agreement or any other agreement with respect thereto.

(b) Subject to the terms of the PILOT Agreement, the Company may in good faith actively contest any such taxes, assessments, and other charges, provided that (1) the Company shall have first notified the Agency of such contest; (2) no Event of Default under this Agency Lease or any of the other Company Documents shall have occurred and be continuing; and (3) the Company shall have set aside adequate reserves for any such taxes, assessments and other charges. If the Company demonstrates to the reasonable satisfaction of the Agency and certifies to the Agency by delivery of a written certificate, that the non-payment of any such items will not endanger any part of the Project Facility or subject the Project Facility, or any part thereof, to loss or forfeiture, the Company may permit the taxes, assessments, and other charges so contested to remain unpaid during the period of such contest and any appeal therefrom. Otherwise, such taxes, assessments, or charges shall be paid promptly by the Company or secured by the Company's posting a bond in form and substance satisfactory to the Agency.

The obligations of the Company under this Section 6.2 are joint and several.

6.3 INSURANCE REQUIRED.

During the term of this Agency Lease, the Company shall maintain or cause to be maintained insurance with respect to the Project Facility against such risks and for such amounts as are customarily insured against by businesses of like size and type and as required of the Agency, paying (as the same becomes due and payable) all premiums with respect thereto, including:

(a) Insurance against loss or damage by fire, lightning, and other casualties customarily insured against (with a uniform standard extended coverage endorsement), such insurance to be in an amount not less than the full replacement value of the completed Project Facility, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Company.

(b) Workers' compensation insurance, disability benefits' insurance, and each other form of insurance which the Company is required by law to provide covering loss resulting from injury, sickness, disability, or death of employees of the Company who are located at or assigned to the Project Facility;

(c) A policy of commercial general liability insurance with a limit of liability of not less than $1,000,000 per occurrence on an "occurrence" basis and $2,000,000 in the

aggregate for bodily injury, including death, and property damage, including but not limited to, contractual liability under this Agency Lease and personal injury, with blanket excess liability coverage in an amount not less than $2,000,000, covering the Project Facility and Equipment and the Company's and the Agency's use or occupancy thereof against all claims on account of bodily injury or death and property damage occurring upon, in or about the Project Facility or in connection with the ownership, maintenance, use and/or occupancy of the Project Facility and all appurtenant areas.

6.4 ADDITIONAL PROVISIONS RESPECTING INSURANCE.

All insurance required by Section 6.3 shall be with insurance companies of recognized financial standing selected by the Company and licensed to write such insurance in the State of New York. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other Persons engaged in businesses similar in size, character, and other respects to those in which the Company are engaged. All policies evidencing such insurance except the Workers' Compensation policy shall name the Company as insured and the Agency as an additional insured, as its interests may appear, and shall provide that such coverage with respect to the Agency be primary and non-contributory with any insurance secured by the Agency and require at least thirty (30) days' prior written notice to the Agency of cancellation, reduction in policy limits, or material change in coverage thereof.

Prior to the Closing Date, the Company shall deliver to the Agency, satisfactory to the Agency in form and substance: (i) certificates evidencing all insurance required hereby; (ii) the additional insured endorsement(s) applicable to the Agency; (iii) the final insurance binder addressed to the Company covering the Project Facility; and (iv) evidence that the insurance so required is on a primary and non-contributory basis. In addition, the Company shall provide, if so requested by the Agency, a final and complete copy of each insurance policy within thirty (30) days of the Closing Date.

The Company shall deliver or cause to be delivered to the Agency on or before the first business day of each January thereafter each of the items set forth in the immediately preceding paragraph, dated not earlier than the immediately preceding month, reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance in the amounts and of the types required by Sections 6.3 and 6.4. The Company shall furnish to the Agency evidence that the policy has been renewed or replaced or is no longer required by this Agency Lease each year throughout the term of this Agency Lease.

All premiums with respect to the insurance required by Section 6.3 shall be paid by the Company, provided, however, that, if the premiums are not timely paid, the Agency may pay such premiums and the Company shall pay immediately upon demand all sums so expended by the Agency, together with interest at a rate of ten percent (10%) per annum or the highest rate permitted by law, whichever is less.

6.5 APPLICATION OF NET PROCEEDS OF INSURANCE.

The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.3 shall be applied as follows:

(a) The Net Proceeds of the insurance required by subsection 6.3(a) shall be paid and applied as provided in Section 7.1 hereof; and

(b) The Net Proceeds of the insurance required by subsections 6.3(b) and 6.3(c) shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

6.6 PAYMENTS IN LIEU OF REAL ESTATE TAXES.

Dromik and the Agency have entered into a PILOT Agreement with respect to payments in lieu or real estate taxes for the Project Facility.

ARTICLE VII
DAMAGE, DESTRUCTION, AND CONDEMNATION

7.1 DAMAGE OR DESTRUCTION.

(a) If the Mortgage shall be in effect or the Mortgagee shall have any interest in the Project Facility arising under or related to the Mortgage, whether by foreclosure or otherwise and the Project Facility shall be damaged or destroyed, in whole or in part, then insurance proceeds shall be paid in accordance with the relevant provisions of the Mortgage regarding the distribution of such insurance proceeds, provided that there shall be no abatement or reduction in amounts payable to the Agency hereunder. If the Mortgage shall not be in effect and the Mortgagee shall have no interest in the Project Facility and the Project Facility shall be damaged or destroyed, in whole or in part:

(1) There shall be no abatement or reduction in the amounts payable by the Company under this Agency Lease or otherwise (whether or not the Project Facility is replaced, repaired, rebuilt, or restored); and

(2) The Company shall promptly give notice thereof to the Agency; and

(3) Except as otherwise provided in subsections 7.1(b) and 7.1(c) hereof, upon receipt of the insurance proceeds, the Company shall promptly replace, repair, rebuild, or restore the Project Facility to substantially the same condition as existed prior to such damage or destruction, with such changes, alterations, and modifications as may be desired by the Company and consented to in writing by the Agency, provided that such changes, alterations, or modifications do not change the nature of the Project Facility, such that it does not constitute a "project" (as such quoted term is defined in the Act); and in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, or restoration, the

Company shall nonetheless complete such work and shall pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds.

(b) If the Mortgage shall not be in effect and the Mortgagee shall have no interest in the Project Facility, then notwithstanding anything to the contrary contained in subsection 7.1(a), the Company shall not be obligated to replace, repair, rebuild, or restore the Project Facility, and the Net Proceeds of any insurance settlement shall not be applied as provided in subsection 7.1(a) if the Company shall notify the Agency that, in the Company's sole judgment, the Company does not deem it practical or desirable to replace, repair, rebuild, or restore the Project Facility. In such event, the lesser of (1) the total amount of the Net Proceeds collected under any and all policies of insurance covering the damage to or destruction of the Project Facility, or (2) any other sums payable to the Agency pursuant to this Agency Lease and the other Agency and Company Documents, shall be applied to the repayment of all amounts due to the Agency under this Agency Lease, the Company Lease, the PILOT Agreement and other Agency Documents and the Company Documents. If the Net Proceeds collected under any and all policies of insurance are less than the amount necessary to repay any and all amounts payable to the Agency, the Company shall pay the difference between such amounts and the Net Proceeds of all such insurance settlements so that any and all amounts payable under this Agency Lease, the Company Lease, the PILOT Agreement and the other Agency Documents to the Agency shall be paid in full. If all amounts due under this Agency Lease, the Company Lease, the Mortgage, the PILOT Agreement and the other Agency Documents are paid in full, all such Net Proceeds, or the balance thereof, shall be paid to the Company for its purposes.

(c) The Company and the Mortgagee may adjust all claims under any policies of insurance required by subsections 6.3(a) and 6.3(c) hereof with the prior written consent of the Agency, which consent shall not be unreasonably withheld.

7.2 CONDEMNATION.

(a) If the Mortgage shall be in effect or the Mortgagee shall have any interest in the Project Facility arising under or related to the Mortgage, whether by foreclosure or otherwise and title to, or the use of, all, substantially all or less than substantially all of the Project Facility shall be taken by Condemnation, then Condemnation proceeds shall be paid in accordance with the relevant provisions of the Mortgage regarding the distribution of such Condemnation proceeds, provided that there shall be no abatement or reduction in amounts payable to the Agency hereunder. If the Mortgage shall not be in effect and the Mortgagee shall have no interest in the Project Facility and if title to, or the use of, less than substantially all of the Project Facility shall be taken by Condemnation:

(1) There shall be no abatement or reduction in the amounts payable by the Company under this Agency Lease or otherwise (whether or not the Project Facility is restored); and

(2) The Company shall promptly give notice thereof to the Agency; and

(3) Except as otherwise provided in subsections 7.2(b) and 7.2(c) hereof, upon receipt of the Condemnation proceeds, the Company shall promptly restore the Project Facility (excluding any part of the Project Facility taken by Condemnation) to substantially the condition and value as an operating entity as existed prior to such Condemnation; and the Company shall nonetheless complete such restoration and shall pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds.

(b) If the Mortgage shall not be in effect and the Mortgagee shall have no interest in the Project Facility and if title to, or the use of, less than substantially all of the Project Facility shall be taken by Condemnation, then notwithstanding anything to the contrary contained in subsection 7.2(a), the Company shall not be obligated to restore the Project Facility, and the Net Proceeds of any Condemnation award shall not be applied as provided in subsection 7.2(a) if the Company shall notify the Agency that, in the Company's sole judgment, the Company does not deem it practical or desirable to restore the Project Facility. In such event, the lesser of (1) the Net Proceeds of any Condemnation award, or (2) the amount necessary to pay the Agency pursuant to this Agency Lease, the Company Lease, the PILOT Agreement and the other Agency Documents, shall be applied to payment of all amounts due to the Agency under this Agency Lease, the Company Lease, the PILOT Agreement and other Agency Documents. If the Net Proceeds of any Condemnation award are less than the amount necessary to pay any and all amounts payable to the Agency, the Company shall pay the difference between such amounts and the Net Proceeds of such Condemnation award so that any and all amounts payable under this Agency Lease, the Company Lease, the PILOT Agreement and other Agency Documents to the Agency shall be paid in full. If all amounts due under this Agency Lease, the Company Lease, the PILOT Agreement, the Mortgage and the other Agency Documents have been paid in full, all such Net Proceeds or the balance thereof shall be paid to the Company for its purposes.

(c) The Company and the Mortgagee with the prior written consent of the Agency (which consent shall not be unreasonably withheld), shall have sole control of any Condemnation proceeding with respect to the Project Facility, or any part thereof, and may negotiate the settlement of any such proceeding.

7.3 ADDITIONS TO PROJECT FACILITY.

All replacements, repairs, rebuilding, or restoration made pursuant to Sections 7.1 or 7.2 hereof, whether or not requiring the expenditure of the Company's own moneys, shall automatically become part of the Project Facility as if the same were specifically described herein.

ARTICLE VIII
SPECIAL COVENANTS

8.1 NO WARRANTY OF CONDITION OR SUITABILITY BY THE AGENCY; ACCEPTANCE "AS IS."

THE AGENCY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY, OR FITNESS OF THE PROJECT FACILITY, OR ANY PART THEREOF, OR AS TO THE SUITABILITY OF THE PROJECT FACILITY OR ANY PART THEREOF FOR THE COMPANY'S PURPOSES OR NEEDS. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE AGENCY SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

8.2 HOLD HARMLESS PROVISIONS.

(a) The Company hereby releases the Agency and its members, officers, agents and employees from, agrees that the Agency and its members, officers, agents and employees shall not be liable for, and agrees to indemnify, defend, and hold the Agency and its members, officers, agents and employees harmless from and against any and all claims arising as a result of the Agency's undertaking the Project, including, but not limited to:

(1) Liability for loss or damage to Project Facility or bodily injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project Facility, or arising by reason of or in connection with the occupation or the use thereof, or the presence on, in, or about the Project Facility;

(2) Liability arising from or expense incurred by the Agency's acquisition of a leasehold interest in the Project Facility and the subleasing of the Project Facility, including, without limiting the generality of the foregoing, all liabilities or claims arising as a result of the Agency's obligations under this Agency Lease, the Company Lease, the Mortgage or any other documents executed by the Agency at the direction of the Company in conjunction with the Project Facility;

(3) All claims arising from the exercise by the Company, and or its Additional Agents (as defined herein) of the authority conferred upon it and performance of the obligations assumed under Section 4.1 hereof;

(4) Any and all claims arising from the non-disclosure of information, if any, requested by the Company in accordance with Section 11.14 hereof;

(5) All causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the

foregoing, provided that any such losses, damages, liabilities, or expenses of the Agency are not incurred or do not result from the intentional wrongdoing of the Agency or any of its members, officers, agents or employees.

To the fullest extent permitted by law, the foregoing indemnities shall apply notwithstanding the fault or negligence (other than gross negligence or willful misconduct) on the part of the Agency or any of its officers, members, agents, servants or employees and irrespective of any breach of statutory obligation or any rule of comparative or apportional liability.

(b) In the event of any claim against the Agency or its members, officers, agents, or employees by any employee of the Company, or any materialman or Additional Agent of the Company, or anyone directly or indirectly employed by any of them, or any one for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefit laws, or other employee benefit laws.

(c) To effectuate the provisions of this Section 8.2, the Company agrees to provide for and insure, in the liability policies required by Section 6.3, its liabilities assumed pursuant to this Section 8.2.

(d) Notwithstanding any other provisions of this Agency Lease, the obligations of the Company pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Agency Lease and the Company Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action, or prosecution relating to the matters herein described may be brought, and the payment in full or the satisfaction of such claim, cause of action, or prosecution, and the payment of all expenses and charges incurred by the Agency, or its officers, members, agents or employees relating thereto.

(e) For purposes of this Section 8.2 and Section 11.11 hereof: (i) the Company shall not be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency's control or supervision; and (ii) the Company shall be deemed jointly and severally liable.

8.3 RIGHT OF ACCESS TO PROJECT FACILITY.

During the term of this Agency Lease, the Company agrees that the Agency and its duly authorized agents shall have the right to enter upon and to examine and inspect the Project Facility upon reasonable notice to the Company and with the least disturbance of Project Facility tenants as reasonably possible.

8.4 MAINTENANCE OF EXISTENCE.

During the term of this Agency Lease, the Company will maintain its existence and will not dissolve or otherwise dispose of all or substantially all of its assets.

8.5 AGREEMENT TO PROVIDE INFORMATION.

During the term of this Agency Lease, and no less frequently than annually, the Company agrees, whenever reasonably requested by the Agency or the Agency's auditor, to provide and certify, or cause to be certified, such information concerning the Project and/or the Company, its finances, and for itself and each of its Additional Agents, information regarding job creation[1], Local Labor Requirements, exemptions from State and local sales and use tax, real property and mortgage recording taxes and other topics as the Agency from time to time reasonably considers necessary or appropriate including, but not limited to those reports, in substantially the form as set forth in **Exhibit "D"** attached hereto, and such other information necessary as to enable the Agency to monitor and/or make any reports required by law or governmental regulation, including but not limited to §875 of the Act. Notwithstanding anything in this Section 8.5 to the contrary, the Company shall provide the Contract Status Report in accordance with Section 4.1 hereof.

8.6 BOOKS OF RECORD AND ACCOUNT; FINANCIAL STATEMENTS.

During the term of this Agency Lease, the Company agrees to maintain proper accounts, records, and books, in which full and correct entries shall be made in accordance with generally accepted accounting principles, of all business and affairs of the Company.

8.7 COMPLIANCE WITH ORDERS, ORDINANCES, ETC.

(a) The Company agrees that it will, during any period in which the amounts due under this Agency Lease remain unpaid, promptly comply with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, and requirements of all Governmental Authorities, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter affect the Company's obligations hereunder or be applicable to the Project Facility, or any part thereof, or to any use, manner of use, or condition of the Project Facility, or any part thereof, the applicability of the same to be determined both as if the Agency were the owner of the Project Facility and as if the Company were the owner of the Project Facility.

(b) Notwithstanding the provisions of subsection 8.7(a), the Company may, in good faith, actively contest the validity or the applicability of any requirement of the nature referred to in said subsection 8.7(a), provided that the Company shall have first notified the Agency of such contest, no Event of Default shall be continuing under this Agency Lease, or any of the other Company Documents; and such contest and failure to comply with such requirement shall not subject the Project Facility to loss or forfeiture. In such event, the Company may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom unless the Agency or its members, officers, agents, or employees may be

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[1] **To the extent the Project includes commercial space and/or tenants for which the Company calculated job creation as part of its projections in its Application, the Company is obligated, through its lease or other rental agreement with those commercial tenants, to require that such tenants report to the Company, in accordance with the terms of Section 8.5 hereof, the number of full and part time jobs created and maintained by each such tenant for inclusion in the Company's reporting to or at the request of the Agency.**

liable for prosecution for failure to comply therewith, in which event the Company shall promptly take such action with respect thereto as shall be satisfactory to the Agency.

8.8 DISCHARGE OF LIENS AND ENCUMBRANCES.

During the term of this Agency Lease, the Company hereby covenants that, except for Permitted Encumbrances, the Company agrees not to create, or suffer to be created, any Lien on the Project Facility, or any part thereof without the prior written consent of the Agency. The Company shall promptly notify the Agency of any Permitted Encumbrances created, or suffered to be created, on the Project Facility.

8.9 PERFORMANCE BY AGENCY OF COMPANY'S OBLIGATIONS.

Should the Company fail to make any payment or to do any act as herein provided, the Agency may, but need not, upon ten (10) days' prior written notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company, or the Agency and paying all expenses, including, without limitation, reasonable attorneys' fees; and the Company shall pay immediately upon demand all sums so expended by the Agency under the authority hereof, together with the interest thereon at a rate of ten percent (10%) per annum or the highest rate permitted by law, whichever is greater.

8.10 DEPRECIATION DEDUCTIONS AND TAX CREDITS.

The parties agree that as between them, the Company shall be entitled to all depreciation deductions and accelerated cost recovery system deductions with respect to any portion of the Project Facility pursuant to Sections 167 and 168 of the Code and to any investment credit pursuant to Section 38 of the Code with respect to any portion of the Project Facility which constitutes "Section 38 Property" and to all other State and/or federal income tax deductions and credits which may be available with respect to the Project Facility. It shall be the sole responsibility of the Company to determine, as between Dromik and Steri-Pharma, their respective rights under this Section 8.10.

8.11 EMPLOYMENT OPPORTUNITIES.

The Company shall insure that all employees and applicants for employment with regard to the Project are afforded equal employment opportunities without discrimination.

8.12 SALES AND USE TAX EXEMPTION.

(a) Pursuant to Section 874 of the Act, the parties understand that the Agency is exempt from certain State and local sales use taxes imposed by the State and local governments in the State, and that the Project may be exempted from those taxes due to the involvement of the Agency in the Project. The Agency makes no representations or warranties that any property is exempt from the payment of State or local sales or use taxes. Any exemption from the payment of State or local sales or use taxes resulting from the involvement of the Agency with the Project shall be subject to Section 875 of the Act and shall be limited to

purchases of services and tangible personal property conveyed to the Agency or utilized by the Agency or by Steri-Pharma as agent of the Agency as a part of the Project prior to the Completion Date, or incorporated within the Project Facility prior to the Completion Date. No operating expenses of the Project Facility, and no other purchases of services or property shall be subject to an exemption from the payment of State sales or use tax. It is the intention of the parties hereto that Steri-Pharma will receive a State and local sales and use tax exemption with respect to the Project, said sales tax exemption to be evidenced by a letter to be issued by the Agency on the date of the execution of this Agency Lease. Steri-Pharma acknowledges that as an agent of the Agency, it must complete and provide to each vendor Form ST-123 for purchases. The failure to furnish a completed Form ST-123 (IDA Agent or Project Operator Exempt Purchase Certificate) with each purchase will result in loss of the exemption for that purchase.

(b) Steri-Pharma may use and appoint a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***") in furtherance of the completion of the Project. However, for each Additional Agent, Steri-Pharma must first: (i) cause the each such appointed Additional Agent to execute and deliver a sub-agent agreement, in the form attached hereto at **Exhibit "E"**, and provide a fully executed copy to the Agency; and (ii) submit a completed Form ST-60 to the Agency for execution and filing with the New York State Department of Taxation and Finance.

(c) Steri-Pharma acknowledges and agrees that an Additional Agent must be appointed as an agent of the Agency in order to avail itself of the Agency's sales and use tax exemption for purchases or rentals of equipment, tools and supplies with respect to the Project Facility.

(d) Pursuant to Section 874(8) of the Act, Steri-Pharma agrees to annually file and cause each Additional Agent or other operator of the Project Facility to file annually, with the New York State Department of Taxation and Finance, and provide the Agency with a copy of same, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "***Annual Sales Tax Report***"), a statement of the value of all sales and use tax exemptions claimed by Steri-Pharma and all other Additional Agents under the authority granted to Steri-Pharma pursuant to Section 4.1(b) of this Agency Lease. Pursuant to Section 874(8) of the Act, the penalty for failure to file the Annual Sales Tax Report shall be removal of authority to act as agent of the Agency. Therefore, if Steri-Pharma shall fail to comply with the requirements of this subsection (d), irrespective of any notice and cure period afforded, Steri-Pharma and each Additional Agent shall immediately cease to be the agent of the Agency in connection with the Project. Steri-Pharma is responsible for obtaining from the New York State Department of Taxation and Finance the current version of such Annual Sales Tax Report.

(e) Steri-Pharma agrees to furnish to the Agency a copy of each such Annual Sales Tax Report submitted to the New York State Department of Taxation and Finance by the Company pursuant to Section 874(8) of the Act for itself and any Additional Agent.

(f) Pursuant to Section 874(9) of the Act, the Agency agrees to file within thirty (30) days of the Closing Date with the New York State Department of Taxation and

Finance, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "***Thirty-Day Sales Tax Report***"), a statement identifying Steri-Pharma, or 30 days from the appointment of any Additional Agent appointed in accordance with the terms herein, as agent of the Agency, setting forth the taxpayer identification number of Steri-Pharma, giving a brief description of the goods and/or services intended to be exempted from sales taxes as a result of such appointment as agent, indicating the estimated value of the goods and/or services to which such appointment as agent relates, indicating the date when such designation as agent became effective and indicating the date upon which such designation as agent shall cease.

(g) Pursuant to Section 875(3) of the Act, and in conjunction with Agency policy, the Agency shall and in some circumstances may, recover, recapture, receive or otherwise obtain from the Company the portion of the Financial Assistance (the "***Recapture Amount***") consisting of State and local sales and use tax exemption in accordance with the Agency's Recapture Policy, a copy of which is attached hereto at **Exhibit "F"**, and the Project Agreement.

8.13. IDENTIFICATION OF THE EQUIPMENT.

All Equipment which is or may become part of the Project Facility pursuant to the provisions of this Lease Agreement shall be properly identified by the Company by such appropriate records, including computerized records, as may be approved by the Agency.

ARTICLE IX
ASSIGNMENTS; TRANSFERS; MERGER OF AGENCY

9.1 ASSIGNMENT OF AGENCY LEASE.

This Agency Lease may not be assigned by the Company, in whole or in part, nor all or any part of the Project Facility subleased, nor any part of the Project Facility sold, leased, transferred, conveyed or otherwise disposed of without the prior written consent of the Agency, which consent shall be in the Agency's sole and absolute discretion; provided however, that the Company may enter into leases for individual rental units that are part of the Project Facility without the consent of the Agency. Any assignment or sublease of this Agency Lease shall not effect a release of the Company from its obligations hereunder or under the PILOT Agreement.

9.2 TRANSFERS OF INTERESTS.

Company shall not assign or otherwise transfer or allow an assignment or transfer, of a controlling interest in the Company, whether by operation of law or otherwise (including, without limitation, by way of a merger, consolidation or a change of control whereby the current existing equity holders of the Company, as of the date of the application to the Agency, would own, in the aggregate, less than a majority of the total combined voting power of all classes of equity interest of the Company or any surviving entity), without the prior written consent of Agency, which consent shall be in the Agency's sole and absolute discretion.

9.3 MERGER OF AGENCY.

(a) Nothing contained in this Agency Lease shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to any other body corporate and politic and public instrumentality of the State of New York, or political subdivision thereof, which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger, or assignment, the due and punctual performance and observance of all the agreements and conditions of this Agency Lease to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(b) Promptly following the effective date of any such consolidation, merger, or assignment, the Agency shall give notice thereof in reasonable detail to the Company. The Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger, or assignment as the Company reasonably may request.

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

10.1 EVENTS OF DEFAULT DEFINED.

The following shall be "Events of Default" under this Agency Lease, and the terms "Event of Default" or "Default" shall mean, whenever they are used in this Agency Lease, any one or more of the following events:

(a) A default by the Company in the due and punctual payment of the amounts specified to be paid pursuant to subsection 5.3 or 8.12(g); or

(b) Failure by the Company to maintain the insurance required by Section 6.3; or

(c) A default in the performance or the observance of any other of the covenants, conditions, or agreements on the part of the Company in this Agency Lease and the continuance thereof for a period of thirty (30) days after written notice is given by the Agency or, if such covenant, condition, or agreement is capable of cure but cannot reasonably be cured within such thirty-day period, the failure of the Company to commence to cure within such thirty-day period and to prosecute the same with due diligence and cure the same within an additional thirty (30) days; or

(d) A transfer in contravention of Article 9 hereof; or

(e) The occurrence of an "Event of Default" under the Mortgage, the PILOT Agreement, the Company Lease, the Project Agreement or any of the other Company Documents which is not timely cured as provided therein; or

(f) The Company shall generally not pay its debts as such debts become due or is unable to pay its debts as they become due; or

(g) The Company shall conceal, remove, or permit to be concealed or removed any part of its Property with intent to hinder, delay, or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance, or similar law, or shall make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof; or

(h) By order of a court of competent jurisdiction, a trustee, receiver, or liquidator of the Project Facility, or any part thereof, or of the Company shall be appointed and such order shall not be discharged or dismissed within sixty (60) days after such appointment; or

(i) The filing by the Company of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy statute; the failure by the Company within sixty (60) days to lift any execution, garnishment, or attachment of such consequence as will impair the Company's ability to carry out its obligations hereunder; the commencement of a case under Title 11 of the United States Code against the Company as the debtor, or commencement under any other federal or state bankruptcy statute of a case, action, or proceeding against the Company, and continuation of such case, action, or proceeding without dismissal for a period of sixty (60) days; the entry of an order for relief by a court of competent jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of the Company; or in connection with any insolvency or bankruptcy case, action, or proceeding, appointment by final order, judgment, or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the Property of the Company unless such order, judgment, or decree is vacated, dismissed, or dissolved within sixty (60) days of its issuance; or

(j) The imposition of a Lien on the Project Facility other than a Permitted Encumbrance.

10.2 REMEDIES ON DEFAULT.

(a) Whenever any Event of Default shall have occurred and be continuing, the Agency may, to the extent permitted by law, take any one or more of the following remedial steps:

1) Terminate this Agency Lease; or

2) Terminate the Company Lease; or

3) Terminate the PILOT Agreement; or

4) Terminate the Company's appointment as agent of the Agency; or

5) Take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due, or thereafter to become due, hereunder or under the Company Lease, the Project Agreement, or the PILOT Agreement, and/or to enforce the Company's obligations and duties under the Company Documents and the Agency's rights under the Agency Documents, including but not limited to, specific performance; or

6) Seek to recover the recapture amount set forth in Article 8 hereof as well as any and all other components of Financial Assistance provided to the Company in accordance with the Agency's Recapture Policy.

(b) No action taken pursuant to this Section 10.2 shall relieve the Company from its obligations to make all payments required by Sections 5.3(b) and 8.2 hereof.

10.3 REMEDIES CUMULATIVE.

No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Agency Lease, the Company Lease and the other Company Documents or the PILOT Agreement now or hereafter existing at law or in equity to collect any amounts then due, or thereafter to become due, hereunder and thereunder and to enforce the Agency's right to terminate this Agency Lease, the PILOT Agreement and the Company Lease. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it in this Article 10, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Agency Lease.

10.4 AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES.

In the event the Company should Default under any of the provisions of this Agency Lease, or a dispute arises hereunder, and the Agency should employ attorneys or incur other expenses to preserve or enforce its rights hereunder or for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the reasonable fees and costs of such attorneys and such other expenses so incurred.

10.5 NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER.

In the event any agreement contained herein should be breached by either party and thereafter such breach be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI
MISCELLANEOUS

11.1 NOTICES.

All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) If to the Agency, to:

City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202
Attn: Chairman

With a copy to:

Corporation Counsel
City of Syracuse
233 East Washington Street
Syracuse, New York 13202

and

Barclay Damon LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

(b) If to the Company, to:

Steri-Pharma, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante

and

Dromik, LLC
429 South West Street
Syracuse, New York 13202

Attn: Vincent Durante

With a copy to:

Wendy S. Lougnot, Esq.
Costello, Cooney and Fearon, PLLC
500 Plum Street, Suite 300
Syracuse, New York 13204

The Agency and the Company, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, and other communications shall be sent.

11.2 BINDING EFFECT.

This Agency Lease shall inure to the benefit of and shall be binding upon the Agency and the Company and, as permitted by this Agency Lease, upon their respective heirs, successors and assigns.

11.3 SEVERABILITY.

If any one or more of the covenants or agreements provided herein on the part of the Agency or the Company to be performed shall for any reason be held, or shall in fact be, inoperative, unenforceable, or contrary to law in any particular circumstance; such circumstance shall not render the provision in question inoperative or unenforceable in any other circumstance. Further, if any one or more of the sentences, clauses, paragraphs, or sections herein is contrary to law, then such covenant(s) or agreement(s) shall be deemed severable of remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Agency Lease.

11.4 AMENDMENTS, CHANGES AND MODIFICATIONS.

This Agency Lease may not be amended, changed, modified, altered, or terminated except by an instrument in writing signed by the parties hereto.

11.5 EXECUTION OF COUNTERPARTS.

This Agency Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

11.6 APPLICABLE LAW.

This Agency Lease shall be governed exclusively by the applicable laws of the State of New York.

11.7 WAIVER OF TRIAL BY JURY.

THE COMPANY AND THE AGENCY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY DISPUTE ARISING UNDER THIS AGENCY LEASE, AND THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGENCY LEASE.

11.8 SUBORDINATION.

This Agency Lease shall be subject and subordinate to the Company Lease and the Mortgage and all Permitted Encumbrances in all respects.

11.9 SURVIVAL OF OBLIGATIONS.

(a) The obligations of the Company to repay, defend and/or provide the indemnity required by Section 8.2 and 8.12 hereof shall survive the termination of this Agency Lease and all such payments and obligations after such termination shall be made upon demand of the party to whom such payment and/or obligation is due.

(b) The obligations of the Company to repay, defend and/or provide the indemnity required by Sections 8.2 and 8.12 shall survive the termination of this Agency Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action, or prosecution may be brought, and the payment in full or the satisfaction of such claim, cause of action, or prosecution, and the payment of all expenses and charges incurred by the Agency or its officers, members, agents (other than the Company) or employees relating thereto.

(c) The obligations of the Company required by Article 4 and Sections 2.2 8.4 and 11.14 hereof shall similarly survive the termination of this Agency Lease.

11.10 TABLE OF CONTENTS AND SECTION HEADINGS NOT CONTROLLING.

The Table of Contents and the Section headings in this Agency Lease have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Agency Lease.

11.11 NO RECOURSE; SPECIAL OBLIGATION.

The obligations and agreements of the Agency contained herein and in the other Agency Documents and in any other instrument or document executed in connection herewith or therewith, and any instrument or document supplemental hereto or thereto, shall be deemed the obligations and agreements of the Agency and not of any member, officer, agent or employee of the Agency in his individual capacity; and the members, officers, agents and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Agency contained herein or therein shall not constitute or give rise to an obligation of the State New York or of the City of Syracuse,

and neither the State of New York nor the City of Syracuse shall be liable hereon or thereon. Further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived, and to be derived from, the lease, sale, or other disposition of the Project Facility, other than revenues derived from or constituting Unassigned Rights. No order or decree of specific performance with respect to any of the obligations of the Agency hereunder or thereunder shall be sought or enforced against the Agency unless:

(a) The party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and thirty (30) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or if compliance therewith would reasonably be expected to take longer than thirty (30) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period; and

(b) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses; and

(c) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall (1) agree to indemnify and hold harmless the Agency and its members, officers, agents and employees against any liability incurred as a result of its compliance with such demand; and (2) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

(d) For purposes of this Section 11.11, neither the Company nor any Additional Agent shall be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

Any failure to provide notice, indemnity, or security to the Agency pursuant to this Section 11.11 shall not alter the full force and effect of any Event of Default under this Agency Lease.

11.12 OBLIGATION TO SELL AND PURCHASE THE EQUIPMENT.

(a) Contemporaneously with the termination of this Agency Lease in accordance with Section 5.2 hereof, the Agency shall sell and the Company shall purchase all the Agency's right, title and interest in and to all of the Equipment for a purchase price equal to the sum of One Dollar ($1.00), plus payment of all sums due and payable to the Agency or any other Person pursuant to this Agency Lease and the other Company Documents. The Company hereby irrevocably designates the Agency as its attorney-in-fact, coupled with an interest, for the purpose of executing and delivering the bill of sale together with any other documents therewith,

including lease terminations in accordance with Section 5.2 hereof, and to take such other and further actions reasonably necessary to confirm the termination of the Agency's interest in the Equipment.

(b) The sale and conveyance of the Agency's right, title and interest in and to the Equipment shall be effected by the execution and delivery by the Agency to the Company of a bill of sale to Company. The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from such transfer of title.

(c) The Company agrees to prepare bills of sale to Dromik and Steri-Pharma and all schedules thereto, together with all necessary documentation, and to forward same to the Agency at least thirty (30) days prior to the date that title to the Equipment is to be conveyed to the Dromik and Steri-Pharma.

11.13 ENTIRE AGREEMENT.

This Agency Lease and the Company Lease contain the entire agreement between the parties and all prior negotiations and agreements are merged therein.

11.14 DISCLOSURE.

Section 875(7) of the New York General Municipal Law ("*GML*") requires that the Agency post on its website all resolutions and agreements relating to the Company's appointment as an agent of the Agency or otherwise related to the Project; and Article 6 of the New York Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Company feels that there are elements of the Project or information about the Company in the Agency's possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Company's competitive position, the Company must identify such elements in writing, supply same to the Agency on or before the Closing Date, and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the GML.

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IN WITNESS WHEREOF, the Agency and the Company have caused this Agency Lease to be executed in their respective names by their duly authorized representatives as of the day and year first written above.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Honora Spillane, Executive Director

STERI-PHARMA, LLC

By: _____
Vincent Durante, Director

DROMIK, LLC

By: _____
Vincent Durante, Sole Member

14762265.2

STATE OF NEW YORK)
COUNTY OF ONONDAGA) SS.:

On the 14th day of March in the year 2018 before me, the undersigned, personally appeared **HONORA SPILLANE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 22

STATE OF NEW YORK)
COUNTY OF ONONDAGA) SS.:

On the 16th day of March in the year 2018 before me, the undersigned, personally appeared **VINCENT DURANTE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 22

EXHIBIT "A"

REAL PROPERTY DESCRIPTION

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

November 6, 2017

PROPOSED LEGAL DESCRIPTION
Portion of Block No. 192B
City of Syracuse

Re: 100 Tully Street (Rear)

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at the intersection of the present southerly road boundary of Jefferson Street (66 feet wide public right-of-way) and the easterly road boundary of South West Street (66 feet wide public right-of-way); **thence** S.08°44'00"E., along said easterly road boundary of South West Street, a distance of 202.46 feet to a point; **thence** S. 89°48'10"E., along a line parallel with and 200.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 246.10 feet to the centerline of a former railroad siding; **thence** N.00°11'50"E., along said centerline of a former railroad siding, a distance of 15.00 feet to a point; **thence** S.89°48'10"E., along a line parallel to and 185.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 39.64 feet to the **ACTUAL POINT OF BEGINNING;**

thence S.89°48'10"E., a distance of 9.80 feet to a point;

thence S.01°23'45" W., a distance of 32.53 feet to a point, said point hereinafter referred to as "Point X";

thence N.51°56'20"W., a distance of 11.69 feet to a point;

thence N.00°26'00"E., a distance of 25.35 feet to the point of beginning.

Containing 277 Square Feet of Land more or less.

ALSO ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at "Point X" of the hereinbefore described parcel of land; **thence** S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building; **thence** S.00°30'35"W., along the easterly line of said building, a distance of 133.00 feet to the **ACTUAL POINT OF BEGINNING**;

thence S.49°20'37"E., a distance of 8.00 feet to a point;

thence S.38°51'00"E., a distance of 28.00 feet to a point;

thence N.89°48'10"W., a distance of 15.00 feet to a point;

thence N.06°03'17"W., a distance of 5.94 feet to a point;

thence N.89°29'25"W., a distance of 8.20 feet to a point;

thence N.00°30'35"E., along the easterly line of said building, a distance of 21.00 feet to the point of beginning.

Containing 291 Square Feet of Land more or less.

The hereinbefore described parcels of land are subject to any and all easements and/or rights-of-ways of record.

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

PROPOSED LEGAL DESCRIPTION
New Lot 1B of the Resubdivision Map for
Proposed Planned Development District (PPD)
City of Syracuse

December 7, 2017

RE: 429 South West Street A.K.A. 110 Tully Street and 108 Fabius Street

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being Lot 1B of the Resubdivision Map for Proposed Planned Development District (PPD) filed in the Onondaga County Clerk's Office on August 26, 2015 as Map No. 12072 and being more particularly described as follows:

BEGINNING at the intersection of the present easterly street line of South West Street (66 feet wide) and the northerly street line of former Tully Street (66 feet wide [abandoned by the Syracuse Common Council on March 5, 1990]);

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 227.88 feet to the southwesterly corner of property now or formerly owned by KJNK, LLC as recorded in the Onondaga County Clerk's Office in Liber 5283 of Deeds, Page 638;

thence S.89°48'10"E., along the southerly line of said KJNK, LLC property and its easterly prolongation, a distance of 246.10 feet to the southeasterly corner of property now or formerly owned by Hosek Contractors, Inc. as recorded in the Onondaga County Clerk's Office in Liber 3972 of Deeds, Page 104;

thence N.00°11'50"E., along the easterly line of said Hosek Contractors, Inc. property, a distance of 15.00 feet to the southwesterly corner of property now or formerly owned by F. & P. Hosek as recorded in the Onondaga County Clerk's Office in Liber 3779 of Deeds, Page 83;

thence S.89°48'10"E., along said southerly line of said Hosek property, a distance of 39.64 feet to a point;

thence S.00°26'00"W., a distance of 25.35 feet to a point;

thence S.51°56'20"E., a distance of 11.69 feet to a point;

thence S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building;

thence S.00°30'35"W., along the easterly brick face of said building, a distance of 154.00 feet to a point;

thence S.89°29'25"E., a distance of 8.20 feet to a point;

thence S.06°03'17"E., a distance of 6.93 feet to a point;

thence S.42°57'35"E., a distance of 102.08 feet to a point;

thence S.44°08'51"E., a distance of 77.94 feet to a point;

thence S.60°27'51"E., a distance of 110.07 feet to the northwesterly corner of property now or formerly owned by Sycamore Holding as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 85;

thence S.08°54'00"E., along the westerly line of said Sycamore Holding property, a distance of 94.69 feet to its intersection with the northerly street line of Fabius Street (66 feet wide);

thence S.81°16'10"W., along said northerly street line of Fabius Street, a distance of 280.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC;

thence N.08°54'00"W., along the easterly line of said Sycamore Holding LLC property, a distance of 116.00 feet to the northeasterly corner of said Sycamore Holding LLC property;

thence S.81°16'10"W., along the northerly line of said Sycamore Holding LLC property, a distance of 15.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 53;

thence N.00°19'33"E., along the easterly line of said Sycamore Holding LLC property (4784/53), a distance of 77.86 feet to the northeasterly corner of said Sycamore Holding LLC property (4784/53);

thence N.89°48'10"W., along the northerly line of said Sycamore Holding LLC property (4784/53) property, a distance of 171.48 feet to its intersection with said easterly street line of South West Street;

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 133.62 feet to the point of beginning.

Containing 3.460 Acres of Land more or less.

The hereinbefore described parcel of land is subject to any and all easements and/or rights-of-ways of record.

EXHIBIT "B"

DESCRIPTION OF EQUIPMENT

All articles of personal property, all machinery, apparatus, equipment, appliances, floor coverings, furniture, furnishings, supplies, materials, fittings and fixtures of every kind and nature whatsoever and all appurtenances acquired by **STERI-PHARMA, LLC and DROMIK, LLC** (collectively, the "***Company***") and now or hereafter attached to, contained in or used or acquired in connection with the Project Facility (as defined in this Agency Lease or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, furniture, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, freezers, rugs, movable partitions, cleaning equipment, maintenance equipment, restaurant supplies and equipment, shelving, racks, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

EXHIBIT "C"

TABLE OF DEFINITIONS

The following terms shall have the meanings set forth below, unless the context or use clearly indicate another or different meaning and the singular form of such defined words and terms shall include the plural and vice versa:

***Act*:** means the New York State Industrial Development Agency Act (N.Y. Gen. Municipal Law §§ 850 et seq.) as amended, together with Section 926 of the N.Y. General Municipal Law, as amended from time to time.

Additional Agents: means a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents appointed by the Company in furtherance of the completion of the Project in accordance with the terms of the Agency Lease.

***Agency*:** means the City of Syracuse Industrial Development Agency and its successors and assigns.

***Agency Documents*:** means the Project Agreement, the Agency Lease, the Company Lease, the Mortgage, the PILOT Agreement and any other documents executed by the Agency in connection with the Project or the Financial Assistance granted in connection therewith.

***Agency Lease*:** means the Agency Lease Agreement dated as of March 1, 2018, by and between the Agency and the Company, as the same may be amended or supplemented from time to time.

Application: means the application submitted by the Company to the Agency dated April 5, 2017, requesting the Agency undertake the Project, as same may be amended or supplemented from time to time.

***Authorized Representative*:** means for the Agency, the Chairman, Vice Chairman or Executive Director of the Agency; for Steri-Pharma and Dromik, its Member or Managing Member or any officer designated in a certificate signed by an Authorized Representative of such Company and, for either the Agency or the Company, any additional persons designated to act on behalf of the Agency or the Company by written certificate furnished by the designating party containing the specimen signature of each designated person.

Bill of Sale: means collectively the Dromik Bill of Sale and Steri-Pharma Bill of Sale.

***City*:** means the City of Syracuse.

Closing Date: means March 16, 2018.

Closing Memorandum: means the closing memorandum of the Agency relating to the Project.

Company: means collectively, Steri-Pharma and Dromik.

Company Documents: means the Company Lease, the Agency Lease, the Project Agreement, the PILOT Agreement (only as to Dromik), the Mortgage, the Environmental Compliance and Indemnification Agreement, the Bill of Sale, the Company Certification and any other documents executed by the Company in connection with the Project or the Financial Assistance granted in connection therewith.

Company Lease: means the Company Lease Agreement dated as of March 1, 2018 from the Company to the Agency, pursuant to which the Company leased the Project Facility to the Agency, as the same may be amended or supplemented from time to time.

Condemnation: means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under governmental authority.

County: means the County of Onondaga in the State of New York.

Dromik: means Dromik, LLC, a limited liability company, organized and existing under the laws of the State of New York, having an address at 429 South West Street, Syracuse, New York 13202, and its permitted successors and assigns.

Dromik Bill of Sale: means that certain bill of sale from Dromik LLC to the Agency dated as of March 1, 2018 in connection with the Equipment.

Environmental Compliance and Indemnification Agreement: means the Environmental Compliance and Indemnification Agreement dated as of March 1, 2018 by the Company to the Agency.

Equipment: means all materials, machinery, furnishings, fixtures and equipment installed or used at the Project Facility, as of the Closing Date and thereafter acquired for or installed in, or upon, the Project Facility, as more fully described in **Exhibit "B"** to the Agency Lease.

Facility: means the buildings and other improvements located or to be constructed on the Land.

Financial Assistance: has the meaning given to such term in Section 854(14) of the Act.

Governmental Authority: means any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign.

Interim Project Agreement: means the interim project agreement dated as of December 1, 2017, by and between the Agency and the Company setting forth rights and obligations of the parties with respect to the Financial Assistance, the Project and the Company's temporary appointment as agent of the Agency.

Land: means the improved real property located at 429 South West Street and the unimproved real property located at 100 Tully Street, each in the City of Syracuse, County of Onondaga, State of New York, as more particularly described on **Exhibit "A"** attached to the Agency Lease.

Lien: means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including, but not limited to, a security interest arising from a mortgage, encumbrance, pledge, conditional sale, or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases, and other similar title exceptions and encumbrances, including, but not limited to mechanics, materialmen, warehousemen, and carriers liens and other similar encumbrances effecting real property. For purposes hereof, a Person shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the property has been retained by or vested in some other person for security purposes.

Steri-Pharma: means Steri-Pharma, LLC, a limited liability company, organized and existing under the laws of the State of Delaware and duly organized, validly existing and in good standing under the laws of the State of New York and Delaware, having an address at 429 South West Street, Syracuse, New York 13202, and its permitted successors and assigns.

Steri-Pharma Bill of Sale: means that certain bill of sale from Steri-Pharma to the Agency dated as of March 1, 2018 in connection with the Equipment.

Mortgage: means one or more mortgages from the Agency and the Company to the Mortgagee and recorded in the Onondaga County Clerk's office subsequent to the filing and recording of the Memorandum of Agency Lease, securing construction and/or permanent financing for the Project Facility, executed in accordance with Section 4.5 of the Agency Lease, and securing the Note.

Mortgagee: means a lender, its successors and assigns, providing financing pursuant to the Note and Mortgage, relative to the costs of construction and/or equipping of the Project Facility.

Net Proceeds: means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys' fees) incurred in obtaining such gross proceeds.

***Note*:** means one or more notes given by the Company to the Mortgagee in connection with the Mortgage for construction or permanent financing relative to the Project Facility.

***Permitted Encumbrances*:** means (A) utility, access and other easements and rights of way, and restrictions. encroachments and exceptions, that benefit or do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (B) artisans', mechanics', materialmen's, warehousemen's, carriers', landlords', bankers', workmen's compensation, unemployment compensation and social security, and other similar Liens to the extent permitted by the Agency Lease, including the lien of the Mortgage, (C) Liens for taxes (1) to the extent permitted by the Agency Lease or (2) at the time not delinquent, (D) any Lien on the Project Facility obtained through any Agency Document or Company Document or the Mortgage, (E) Liens of judgments or awards in respect of which an appeal or proceeding for review shall be pending (or is pending within ten days after entry) and a stay of execution shall have been obtained (or is obtained within ten days after entry), or in connection with any claim or proceeding, (F) Liens on any Property hereafter acquired by the Company or any subsidiary which liens are created contemporaneously with such acquisition to secure or provide for the payment or financing of any part of the purchase price thereof, (G) Liens consisting solely of restrictions under any applicable laws or any negative covenants in any applicable agreements (but only to the extent that such restrictions and covenants do not prohibit the execution, delivery and performance by the Company of the Agency Lease and the Mortgage, and (H) existing mortgages or encumbrances on the Project Facility as of the Closing Date or thereafter incurred with the consent of the Mortgagee and the Agency.

***Person*:** means an individual, partnership, corporation, limited liability company, trust, or unincorporated organization, and any government or agency or political subdivision or branch thereof.

PILOT Agreement : means the Payment in Lieu of Taxes Agreement dated as of March 1, 2018 between the Agency and Dromik, as amended or supplemented from time to time.

***Plans and Specifications*:** means the representations, plans and specifications, if any, and presented by the Company to the Agency in its application and any presentation relating to the reconstruction, renovation, construction and equipping of the Project Facility; and any plans and specifications approved by the Mortgagee.

Project: shall have the meaning ascribed thereto in the third ***WHEREAS*** clause of this Agency Lease.

***Project Agreement*:** means the Project Agreement dated as of March 1, 2018, which replaced the Interim Project Agreement, between the Company and the Agency setting forth rights and obligations of the parties with respect to the Financial Assistance.

***Project Facility*:** means the Land, the Facility and the Equipment.

***Property*:** means any interest in any kind of property or asset, whether real, personal, or mixed, or tangible or intangible.

Resolution or Resolutions: means the Agency's resolutions adopted on May 16, 2017 authorizing the undertaking of the Project and the execution and delivery of certain documents by the Agency in connection therewith.

Sales and Use Tax or State Sales and Use Taxes: means, when used with respect to State sales and use taxes, sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

SEQRA: means the State Environmental Quality Review Act constituting Article 8 of the State Environmental Conservation Law and the regulations promulgated thereunder, as amended.

State: means the State of New York.

Unassigned Rights: means:

(i) the right of the Agency in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications, if any, required to be delivered to the Agency under the Agency Lease;

(ii) the right of the Agency to grant or withhold any consents or approvals required of the Agency under the Agency Lease;

(iii) the right of the Agency to enforce or otherwise exercise in its own behalf all agreements of the Company with respect to ensuring that the Project Facility shall always constitute a qualified "project" as defined in and as contemplated by the Act;

(iv) the right of the Agency to require and enforce any right of defense and any indemnity from any Person;

(v) the right of the Agency in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under Sections 2.2(f), 2.2(h), 2.2(m), 2.2(q), 4.1, 4.5, 5.3, 5.4, 6.2, 6.3, 6.4, 8.2, 8.3, 8.5, 8.7, 8.9, 8.12, 10.2, 10.4, 11.9, 11.11 and 11.12 of the Agency Lease and Sections 2.6(g), 4.8 and 4.9 of the Company Lease; and

(vi) the right of the Agency in its own behalf to declare an Event of Default and enforce its remedies under Article X of the Agency Lease or with respect to any of the Agency's Unassigned Rights.

EXHIBIT "D"

FORM OF ANNUAL REPORTING REQUIREMENTS

SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
201 East Washington Street, 7th Floor, Syracuse, New York 13202

Date

COMPANY
COMPANY ADDRESS

Dear _____:

Our auditors, _____, CPAs are conducting an audit of our financial statements for the year ended December 31, _____. In connection with that audit, we request that you furnish certain information directly to our auditor with regard to the following security issued by/through the City of Syracuse Industrial Development Agency:

Sale - Leaseback Financing

Project: _____

Date of Financing:

Principal Amount Financed:

Maturity Date:

Original Interest Rate:

Please provide the following information as of December 31, [year]:

Name of Lender

Debt Retired in [year] Yes/No

Debt Refinanced in [year] Yes/No

(If Yes, please update information in Paragraph 1 above)

Debt in Default as of [date] Yes/No

Current Interest Rate(s)

Rate range, if Variable

Principal balance outstanding as of [date]

Principal payments made during [year]

Payments in Lieu of Taxes (PILOT)

paid in [year]

Total cost of goods/services purchased: $_____

New York State Sales Tax Exemptions Claimed [year]

New York Local Sales Tax Exemptions Claimed: [year]

New York State Mortgage Recording

Tax Exemption: [year]

Form of Syracuse Industrial Development Agency — Project Jobs Data [year]

From:

To: , CPAs

Re:

The following jobs information is furnished to you with regard to the above cited project:

Full Time Equivalent (FTE) Jobs Created and Retained – [year]

# of Current FTE Employees as of [closing date]
# of FTE Jobs Created during [year]
# of FTE Jobs Retained during [year]
# of FTE Construction Jobs Created during [year]

Comments:

_____

_____

_____

_____

_____
Signature

_____
Print Name

_____
Title

_____
Date

EXHIBIT "E"

FORM OF SUB-AGENT AGREEMENT

THIS SUB-AGENT APPOINTMENT AGREEMENT (the "***Agreement***"), dated as of _____, 20__, is by and between **STERI-PHARMA, LLC**, with a mailing address of 429 South West Street, Syracuse, New York 13202 (the "***Company***"), and [NAME OF SUB-AGENT], a of the State of New York, having an office for the transaction of business at (the "***Sub-Agent***").

W I T N E S S E T H:

WHEREAS, the City of Syracuse Industrial Development Agency (the "***Agency***") was created by Chapter 641 of the Laws of 1979 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the "***Act***") as a body corporate and politic and as a public benefit corporation of the State of New York (the "***State***"); and

WHEREAS, by resolution of its members adopted on May 16, 2017 (the "***Resolution***"), the Agency agreed to undertake a project for the benefit of the Company (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, under the Resolution and in the Agency Lease Agreement by and between the Company and the Agency dated as of March 1, 2018 (the "***Agency Lease***") the Agency appointed the Company as its agent for purposes of completing the Project and delegated to the Company the authority to appoint as agents of the Agency a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (the "***Additional Agents***" or "***Sub-Agents***"), for the purpose of completing the Project and benefitting from the State and local sales and use tax exemption that forms a portion of the Financial Assistance all in accordance with the terms of the Resolution and the Agency Lease; and

WHEREAS, the Company and the Agency entered into a Project Agreement dated as of March 1, 2018 (the "***Project Agreement***").

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. The Company hereby appoints the Sub-Agent as an Additional Agent of the Agency for the purpose of assisting the Company and the Agency in the completion of the Project and benefitting from the State and local sales and use tax exemption relative to expenditures made in furtherance thereof. The Sub-Agent is only an agent of the Agency for the aforementioned purposes. The Sub-Agent hereby agrees to limit its activities as agent for the Agency under the authority of this Agreement to acts reasonably related to the completion of the Project Facility.

2. The Sub-Agent covenants, agrees and acknowledges:

a. to make all records and information regarding State and local sales and use tax exemption benefits claimed by it in connection with the Project available to the Company and the Agency upon request. The Sub-Agent agrees to comply with all procedures and policies established by the State Department of Taxation and Finance, or any similar entity, regarding the documenting or reporting of any State and local sales and use tax exemption benefits, including providing to the Company all information of the Sub-Agent necessary for the Company to complete the State Department of Taxation and Finance's "Annual Report of Sales and Use Tax Exemptions" (Form ST-340).

b. to be bound by and comply with the terms and conditions of the Agency's policies, the Resolution and Section 875(3) of the Act (as if such section were fully set forth herein). Without limiting the scope of the foregoing, the Sub-Agent acknowledges and agrees to be bound by the Agency's Suspension, Discontinuation and Recapture of Benefits Policy (the "***Recapture Policy***"), a copy of which is attached hereto as **Schedule "A"**.

c. that the failure of the Sub-Agent to promptly pay such Recapture Amount to the Agency will be grounds for the Agency, the State Commissioner of Taxation and Finance or such other entity, to collect sales and use taxes from the Sub-Agent under Article 28 of the Tax Law, or other applicable law, policy or contract, together with interest and penalties. In addition to the foregoing, the Sub-Agent acknowledges and agrees that for purposes of exemption from State sales and use taxation, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the Tax

Law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

d. that all purchases made by the Sub-Agent in connection with the Project shall be made using Form ST-123 (IDA Agent or Project Operator Exempt Purchase Certificate), a copy of which is attached hereto as **Exhibit "A"**). It shall be the responsibility of the Sub-Agent (and not the Company or the Agency) to complete Form ST-123. The failure to furnish a completed Form ST-123 with each purchase will result in loss of the exemption for that purchase.

e. that it shall identify the Project on each bill and invoice for such purchases and further indicate on such bills or invoices that the Sub-Agent is making purchases of tangible personal property or services for use in the Project as agent of the Agency. For purposes of indicating who the purchaser is, the Sub-Agent acknowledges and agrees that the bill of invoice should state, "I, [NAME OF SUB-AGENT], certify that I am a duly appointed agent of the City of Syracuse Industrial Development Agency and that I am purchasing the tangible personal property or services for use in the following Agency project and that such purchases qualify as exempt from sales and use taxes under my Sub-Agent Appointment Agreement." The Sub-Agent further acknowledges and agrees that the following information shall be used by the Sub-Agent to identify the Project on each bill and invoice: **STERI-PHARMA, LLC PROJECT, 429 South West Street and 100 Tully Street, Syracuse, New York 13202, IDA Project No.: 31021712**.

f. that for purposes of any exemption from the State sales and use taxation as part of any Financial Assistance requested, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

g. that the Sub-Agent shall indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the Project Facility (including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing), for such claims or liabilities that arise as a result of the Sub-Agent acting as agent for the Agency pursuant to this Agreement or otherwise.

The Sub-Agent shall indemnify and hold the Agency, its members, officers, employees and agents and anyone for whose acts or omissions the Agency or any one of them may be liable, harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation only to Sub-Agent's work on or for the Project Facility, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

The foregoing defenses and indemnities shall survive expiration or termination of this Agreement and shall apply whether or not the claim, liability, cause of action or expense is

caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by statutory law.

h. that as agent for the Agency or otherwise, the Sub-Agent will comply at the Sub-Agent's sole cost and expense with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Sub-Agent with respect to the Project Facility.

i. that Section 875(7) of the Act requires the Agency to post on its website all resolutions and agreements relating to the Sub-Agent's appointment as an agent of the Agency or otherwise related to the Project, including this Agreement, and that Public Officers Law Article 6 declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Sub-Agent feels that there is information about the Sub-Agent in the Agency's possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Sub-Agent's competitive position, the Sub-Agent must identify such elements in writing, supply same to the Agency prior to or contemporaneously with the execution hereof and request that such elements be kept confidential in accordance with Public Officers Law Article 6. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the Act.

j. The Sub-Agent agrees Local contractors and suppliers will be used for the construction and equipping of the Project unless a waiver is first received from the Agency in writing. Such waiver shall be in the Agency's sole discretion. The Sub-Agent agrees that such Local contractors shall be provided the opportunity to bid on contracts related to the Project. Local shall mean, for the purposes of this Agreement, Onondaga, Oswego, Madison, Cayuga, Cortland and Oneida Counties. Failure to comply with the local labor requirements of this Section (j) (collectively, the "***Local Labor Requirements***") may result in the revocation or recapture of benefits provided/approved to the Project by the Agency.

k. that the Sub-Agent must timely provide the Company with the necessary information to permit the Company, pursuant to General Municipal Law §874(8), to timely file an Annual Statement with the New York State Department of Taxation and Finance on "Annual Report of Sales and Use Tax Exemptions" (Form ST-340) regarding the value of sales and use tax exemptions the Additional Agent claimed pursuant to the agency conferred on it by the Company with respect to this Project on an annual basis.

l. that the failure to comply with the foregoing will result in the loss of the exemption.

m. that if the Sub-Agent is the general contractor for the Project, then at all times following the execution of this Agreement, and during the term thereof, the Sub-Agent

shall maintain or cause to be maintained the following insurance policies with an insurance company licensed in the State that has an A.M. Best rating of not less than A-:

(a) Insurance against loss or damage by fire, lightning, and other casualties customarily insured against (with a uniform standard extended coverage endorsement), such insurance to be in an amount not less than the full replacement value of the completed Project Facility, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the general contractor.

(b) Workers' compensation insurance, disability benefits' insurance, and each other form of insurance which the general contractor is required by law to provide covering loss resulting from injury, sickness, disability, or death of employees of the general contractor who are located at or assigned to the Project Facility;

(c) A policy of commercial general liability insurance with a limit of liability of not less than $1,000,000 per occurrence on an "occurrence" basis and $2,000,000 in the aggregate for bodily injury, including death, and property damage, including but not limited to, contractual liability under this Agency Lease and personal injury, with blanket excess liability coverage in an amount not less than $2,000,000, covering the Project Facility and Equipment and the Company's and the Agency's use or occupancy thereof against all claims on account of bodily injury or death and property damage occurring upon, in or about the Project Facility or in connection with the ownership, maintenance, use and/or occupancy of the Project Facility and all appurtenant areas.

In addition, all insurance required by this section shall be with insurance companies of recognized financial standing selected by the general contractor and licensed to write such insurance in the State of New York. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other Persons engaged in businesses similar in size, character, and other respects to those in which the general contractor is engaged. All policies evidencing such insurance except the Workers' Compensation policy shall name the general contractor as insured and the Agency as an additional insured, as its interests may appear, and shall provide that such coverage with respect to the Agency be primary and non-contributory with any insurance secured by the Agency and require at least thirty (30) days' prior written notice to the Agency of cancellation, reduction in policy limits, or material change in coverage thereof.

Prior to the effective date of this Agreement, the general contractor shall deliver to the Agency, satisfactory to the Agency in form and substance: (i) Certificates evidencing all insurance required hereby; (ii) the additional insured endorsement(s) applicable to the Agency; (iii) the final insurance binder addressed to the general contractor covering the Project Facility; and (iv) evidence that the insurance so required is on a primary and non-contributory basis. In addition, the general contractor shall provide, if so requested by the Agency, a final and complete copy of each insurance policy within thirty (30) days of the execution of this Agreement.

The general contractor shall deliver or cause to be delivered to the Agency on or before the first business day of each January thereafter each of the items set forth in the immediately preceding paragraphs, dated not earlier than the immediately preceding month,

reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance in the amounts and of the types required hereby for so long as the general contractor is performing, supervising or causing work to be done on or at the Project Facility. The general contractor shall furnish to the Agency evidence that the policy has been renewed or replaced or is no longer required by this Agreement in each such year.

n. that every controversy, dispute or claim arising out of or relating to this Agreement shall be governed by the laws of the State of New York, without regard to its conflicts-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Sub-Agent irrevocably and expressly submits to the exclusive personal jurisdiction of the Supreme Court of the State of New York and the United States District Court for the Northern District of New York, to the exclusion of all other courts, for the purposes of litigating every controversy, dispute or claim arising out of or relating to this Agreement.

3. Failure of the Sub-Agent to comply with any of the provisions of this Agreement shall result in the immediate nullification of the appointment of the Sub-Agent and the immediate termination of this Agreement and may result in the loss of the Company's State and local sales and use tax exemption with respect to the Project at the sole discretion of the Agency. In addition, such failure may result in the recapture of the State and local sales and use taxes avoided.

4. The Company acknowledges that the assumption of certain obligations by the Sub-Agent in accordance with this Agreement does not relieve the Company of its obligations under any provisions of the Agency Lease or of any other agreement entered into by the Company in connection with the Project.

5. The Company and the Sub-Agent agree that the Agency is a third-party beneficiary of this Agreement.

6. This Agreement shall be in effect until the earlier of: (i) the completion of the work on the Project by the Sub-Agent; or (ii) the Sub-Agent's loss of status as an agent of the Agency as set forth herein. Notwithstanding the foregoing, the provisions of Sections 2(b), 2(c), 2(f), 2(g), 2(j), and 2(l) shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Company and the Sub-Agent have caused this Agreement to be executed in their respective names by their respective duty authorized officers, all as of the day and year first above written.

STERI-PHARMA, LLC

By: _____
Name:
Title:

[NAME OF SUB-AGENT]

By: _____
Name:
Title:

EXHIBIT "A"
to Sub-Agent Agreement

FORM ST-123

New York State Department of Taxation and Finance

New York State Sales and Use Tax

IDA Agent or Project Operator Exempt Purchase Certificate

ST-123
(7/14)

Effective for projects beginning on or after June 1, 2014

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Form FT-123, *IDA Agent or Project Operator Exempt Purchase Certificate for Fuel*.

Name of seller	Name of agent or project operator
Street address	Street address
City, town, or village / State / ZIP code	City, town, or village / State / ZIP code
	Agent or project operator sales tax ID number (see instructions)

Mark an **X** in one: ☐ Single-purchase certificate ☐ Blanket-purchase certificate (valid only for the project listed below)

To the seller:

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Name of IDA		
Name of project	IDA project number (see osc number)	
Street address of project site		
City, town, or village	State	ZIP code
Enter the date that you were appointed agent or project operator (mm/dd/yy) ..... / /	Enter the date that agent or project operator status ends (mm/dd/yy) ..... / /	

Exempt purchases

*(Mark an **X** in boxes that apply)*

☐ A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project

☐ B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project

☐ C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (include title and relationship)	Date
Type or print the name, title, and relationship that appear in the signature box	

14762265.2

Instructions

To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter *N/A*.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

A. Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.

B. Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration, and steam; and gas, electric, refrigeration, and steam services.

C. Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A $50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your *Certificate of Authority* if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

Need help?

Visit our Web site at **www.tax.ny.gov**

- get information and manage your taxes online
- check for new online services and features

Sales Tax Information Center:	(518) 485-2889
To order forms and publications:	(518) 457-5431
Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY):	(518) 485-5082

14762265.2

SCHEDULE "A"
to Sub-Agent Agreement

RECAPTURE POLICY

City of Syracuse
Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, NY 13202
Tel (315) 473-3275 Fax (315) 435-3669

RECAPTURE POLICY

I. STATEMENT OF PURPOSE

The City of Syracuse Industrial Development Agency (the "*Agency*") has adopted this Recapture Policy (the "*Recapture Policy*") in accordance with Sections 874(10) and 874(11) of the New York State General Municipal Law. This Recapture Policy shall be consistent with and in compliance with the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "*Enabling Act*") and Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (said Chapter and the Enabling Act being hereinafter collectively referred to as the "*Act*"), and any other applicable law.

II. MANDATORY RECAPTURE OF THE NEW YORK STATE PORTION OF SALES AND USE TAX

The Agency shall recapture from project applicants New York State sales and use tax benefits, in accordance with the provisions of the General Municipal Law, from projects that utilized State sales and use tax exemptions:

a) To which the project was not entitled;

b) In excess of the amounts authorized by the Agency;

c) For property or services not authorized by the Agency; and/or

d) For a project that has failed to comply with a material term or condition to use the property or services in the manner required by any of the project documents between the company and the Agency.

The approving resolution(s) and project documents granting financial assistance in the form of State sales and use tax exemption benefits shall include the terms and conditions of the foregoing recapture provision. Within thirty (30) days of the recapture, the recapture amount shall be remitted to the New York State Department of Taxation and Finance. Such remittances shall include interest, at the legal rate, imposed by the Agency. The failure to pay over such amounts to the Agency shall be grounds for the New York State Tax Commissioner to assess and

determine State sales and use taxes due from the company under article twenty-eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

In order to determine if one of the foregoing events have occurred (a "*State Mandated Recapture Event*") and to effectuate this recapture of New York State sales and use tax benefits the Agency shall:

a) Keep records of the New York State and local sales tax exemptions provided to each project, with such records available to the New York State Tax Commissioner upon request.

b) Report within thirty days of providing any financial assistance in the form of a sales and use tax exemption, the project, the estimated amount of the exemption and other information as may be required by the New York State Tax Commissioner (Form ST-60).

c) The Agency shall file an annual report with the New York State Tax Commissioner detailing its terms and conditions and its activities in recapturing any unauthorized New York State sales and use tax exemptions.

III. SUSPENSION, DISCONTINUATION, RECAPTURE AND TERMINATION OF OTHER FORMS OF FINANCIAL ASSISTANCE

With respect to all other financial assistance provided to a project (other than the State portion of sales and use tax exemptions) the Agency shall have the right to suspend, discontinue, recapture or terminate financial assistance to any company for a project to the extent that:

a) for projects that utilized local sales and use tax exemptions, the project was not entitled to such exemptions, such exemptions were in excess of the amounts authorized by the Agency, and/or such exemptions were for property or services not authorized by the Agency (each, a "*Local Sales Tax Benefit Violation*");

b) the company, upon completion of the project, fails to reach and maintain at least 85 percent of its employment requirements for job creation and/or retention ("*Job Deficit*");

c) the total investment actually made with respect to the project at the project's completion date is less than 85 percent of its investment requirement ("*Investment Deficit*");

d) the company fails to provide annually to the Agency certain information to confirm that the project is achieving the investment, job retention, job creation, and other objectives of the Project ("*Reporting Failure*"); or

e) there otherwise occurs any event of default under any project document (each, an "Event of Default") or a material violation of the terms and conditions of any project document (a "*Material Violation*").

IV. ANNUAL ASSESSMENT

The Agency shall evaluate, annually as of December 31, or at any time information is brought to the Agency's attention, whether a State Mandated Recapture Event, a Local Sales Tax Benefit Violation, Job Deficit, Investment Deficit, Reporting Failure Event of Default or Material Violation (each a "*Noncompliance Event*") has occurred. Notwithstanding the foregoing, the Agency may determine whether an Event of Default has occurred pursuant to any project document in accordance with the terms of the project document.

At the time of any Noncompliance Event (other than a State Mandated Recapture Event), the Agency shall determine by resolution whether to exercise its right to suspend, discontinue, recapture or terminate all or any portion of the financial assistance provided to a project, and shall consider the following in making its determination:

a) Whether the company has proceeded in good faith.

b) Whether the project has not performed as required due to economic issues, changes in market conditions or adverse events beyond the control of the company.

c) Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance would create a more adverse situation for the company, such as the company going out of business or declaring bankruptcy, which would not occur if the Agency's rights were not exercised.

d) Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance would create an adverse situation for the residents of the City of Syracuse.

e) The assessment prepared in accordance with the Agency's Annual Assessment Policy.

f) Such other criteria as the Agency shall determine is a relevant factor in connection with any decision regarding the exercise of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance.

The Agency shall document its evaluation of the above criteria in writing and based upon its evaluation, the Agency shall determine whether to suspend, discontinue, recapture or terminate all or any portion of the financial assistance (the "*Determination*"). The Determination shall provide terms, if any, by which a company may remedy any Noncompliance Event (other than a State Mandated Recapture Event) upon which the Determination was based. The

company must submit written documentation to the Agency of compliance with all terms and conditions of the Determination in order for the Agency to consider whether to resume financial assistance to the company (which will be at the Agency's sole discretion).

The project agreement entered into between the Agency and the company (the "*Project Agreement*") shall include the terms and conditions of the foregoing provisions. The Agency shall also include in the Project Agreement a requirement that the company comply with the Agency's right to suspend, discontinue, recapture or terminate the financial assistance and that the company shall repay all or a portion of the financial assistance granted by the Agency to the company pursuant to any Determination.

Any such amount constituting local tax exemptions shall be redistributed to the appropriate affected tax jurisdictions, unless agreed to otherwise by any local taxing jurisdiction.

IV. RECAPTURE PERIOD

Except as otherwise provided by the General Municipal Law, the recapture period will be the longer of: (1) the term of the Lease Agreement; or (2) five years following the project's completion date. A project will remain "active" for purposes of Section 874(12) of General Municipal Law and the Agency's Annual Assessment Policy during the term of the Project Agreement.

Adopted: June 21, 2016

EXHIBIT "F"

RECAPTURE POLICY

City of Syracuse
Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, NY 13202
Tel (315) 473-3275 Fax (315) 435-3669

RECAPTURE POLICY

I. STATEMENT OF PURPOSE

The City of Syracuse Industrial Development Agency (the "*Agency*") has adopted this Recapture Policy (the "*Recapture Policy*") in accordance with Sections 874(10) and 874(11) of the New York State General Municipal Law. This Recapture Policy shall be consistent with and in compliance with the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "*Enabling Act*") and Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (said Chapter and the Enabling Act being hereinafter collectively referred to as the "*Act*"), and any other applicable law.

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The Agency shall recapture from project applicants New York State sales and use tax benefits, in accordance with the provisions of the General Municipal Law, from projects that utilized State sales and use tax exemptions:

e) To which the project was not entitled;

f) In excess of the amounts authorized by the Agency;

g) For property or services not authorized by the Agency; and/or

h) For a project that has failed to comply with a material term or condition to use the property or services in the manner required by any of the project documents between the company and the Agency.

The approving resolution(s) and project documents granting financial assistance in the form of State sales and use tax exemption benefits shall include the terms and conditions of the foregoing recapture provision. Within thirty (30) days of the recapture, the recapture amount shall be remitted to the New York State Department of Taxation and Finance. Such remittances shall include interest, at the legal rate, imposed by the Agency. The failure to pay over such amounts to the Agency shall be grounds for the New York State Tax Commissioner to assess and

determine State sales and use taxes due from the company under article twenty-eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

In order to determine if one of the foregoing events have occurred (a "*State Mandated Recapture Event*") and to effectuate this recapture of New York State sales and use tax benefits the Agency shall:

d) Keep records of the New York State and local sales tax exemptions provided to each project, with such records available to the New York State Tax Commissioner upon request.

e) Report within thirty days of providing any financial assistance in the form of a sales and use tax exemption, the project, the estimated amount of the exemption and other information as may be required by the New York State Tax Commissioner (Form ST-60).

f) The Agency shall file an annual report with the New York State Tax Commissioner detailing its terms and conditions and its activities in recapturing any unauthorized New York State sales and use tax exemptions.

III. SUSPENSION, DISCONTINUATION, RECAPTURE AND TERMINATION OF OTHER FORMS OF FINANCIAL ASSISTANCE

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f) for projects that utilized local sales and use tax exemptions, the project was not entitled to such exemptions, such exemptions were in excess of the amounts authorized by the Agency, and/or such exemptions were for property or services not authorized by the Agency (each, a "*Local Sales Tax Benefit Violation*");

g) the company, upon completion of the project, fails to reach and maintain at least 85 percent of its employment requirements for job creation and/or retention ("*Job Deficit*");

h) the total investment actually made with respect to the project at the project's completion date is less than 85 percent of its investment requirement ("*Investment Deficit*");

i) the company fails to provide annually to the Agency certain information to confirm that the project is achieving the investment, job retention, job creation, and other objectives of the Project ("*Reporting Failure*"); or

j) there otherwise occurs any event of default under any project document (each, an "Event of Default") or a material violation of the terms and conditions of any project document (a "*Material Violation*").

IV. ANNUAL ASSESSMENT

The Agency shall evaluate, annually as of December 31, or at any time information is brought to the Agency's attention, whether a State Mandated Recapture Event, a Local Sales Tax Benefit Violation, Job Deficit, Investment Deficit, Reporting Failure Event of Default or Material Violation (each a "*Noncompliance Event*") has occurred. Notwithstanding the foregoing, the Agency may determine whether an Event of Default has occurred pursuant to any project document in accordance with the terms of the project document.

At the time of any Noncompliance Event (other than a State Mandated Recapture Event), the Agency shall determine by resolution whether to exercise its right to suspend, discontinue, recapture or terminate all or any portion of the financial assistance provided to a project, and shall consider the following in making its determination:

g) Whether the company has proceeded in good faith.

h) Whether the project has not performed as required due to economic issues, changes in market conditions or adverse events beyond the control of the company.

i) Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance would create a more adverse situation for the company, such as the company going out of business or declaring bankruptcy, which would not occur if the Agency's rights were not exercised.

j) Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance would create an adverse situation for the residents of the City of Syracuse.

k) The assessment prepared in accordance with the Agency's Annual Assessment Policy.

l) Such other criteria as the Agency shall determine is a relevant factor in connection with any decision regarding the exercise of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance.

The Agency shall document its evaluation of the above criteria in writing and based upon its evaluation, the Agency shall determine whether to suspend, discontinue, recapture or terminate all or any portion of the financial assistance (the "*Determination*"). The Determination shall provide terms, if any, by which a company may remedy any Noncompliance Event (other than a State Mandated Recapture Event) upon which the Determination was based. The

company must submit written documentation to the Agency of compliance with all terms and conditions of the Determination in order for the Agency to consider whether to resume financial assistance to the company (which will be at the Agency's sole discretion).

The project agreement entered into between the Agency and the company (the "*Project Agreement*") shall include the terms and conditions of the foregoing provisions. The Agency shall also include in the Project Agreement a requirement that the company comply with the Agency's right to suspend, discontinue, recapture or terminate the financial assistance and that the company shall repay all or a portion of the financial assistance granted by the Agency to the company pursuant to any Determination.

Any such amount constituting local tax exemptions shall be redistributed to the appropriate affected tax jurisdictions, unless agreed to otherwise by any local taxing jurisdiction.

IV. RECAPTURE PERIOD

Except as otherwise provided by the General Municipal Law, the recapture period will be the longer of: (1) the term of the Lease Agreement; or (2) five years following the project's completion date. A project will remain "active" for purposes of Section 874(12) of General Municipal Law and the Agency's Annual Assessment Policy during the term of the Project Agreement.

Adopted: June 21, 2016

8

Lisa Dell, County Clerk
401 Montgomery Street
Room 200
Syracuse, NY 13202
(315) 435-2229

Onondaga County Clerk Recording Cover Sheet

Received From :
COSTELLO COONEY & FEARON
ATTORNEY PICK UP BOX
COURTHOUSE

Return To :
COSTELLO COONEY & FEARON
ATTORNEY PICK UP BOX
COURTHOUSE

First PARTY 1
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

First PARTY 2
STERI-PHARMA LLC

Index Type : Land Records
Instr Number : 2018-00012550
Book : **Page :**

Type of Instrument : Deed
Type of Transaction : Deed Misc
Recording Fee: $95.50

Recording Pages : 10

The Property affected by this instrument is situated in Syracuse, in the County of Onondaga, New York

Real Estate Transfer Tax

RETT # :	8615
Deed Amount :	$0.00
RETT Amount :	$0.00
Total Fees :	$95.50

State of New York
County of Onondaga
I hereby certify that the within and foregoing was recorded in the Clerk's office for Onondaga County, New York

On (Recorded Date) : 03/16/2018
At (Recorded Time) : 2:46:38 PM

Doc ID - 0279462200010

Lisa Dell, County Clerk

This sheet constitutes the Clerks endorsement required by Section 319 of Real Property Law of the State of New York

Entered By: cplochocki Printed On : 03/16/2018 At : 2:46:56PM

MEMORANDUM OF
AGENCY LEASE AGREEMENT

NAME AND ADDRESS OF LESSOR: City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202

NAME AND ADDRESS OF LESSEE: Steri-Pharma, LLC
429 South West Street
Syracuse, New York 13202

Dromik, LLC
429 South West Street
Syracuse, New York 13202

DESCRIPTION OF LEASED PREMISES:

All that tract or parcel of land situate in the City of Syracuse, County of Onondaga and State of New York, being more particularly described in **Exhibit "A"** annexed hereto, together with the improvements thereon.

DATE OF EXECUTION OF AGENCY LEASE AGREEMENT:

As of March 1, 2018

TERM OF AGENCY LEASE AGREEMENT:

The term of the Agency Lease Agreement shall commence as of March 1, 2018 and continue in full force and effect until the earlier of: (1) June 30, 2035; or (2) an earlier termination in accordance with the terms of the Agency Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum as of the 1st day of March, 2018.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By:_____
Honora Spillane, Executive Director

STERI-PHARMA, LLC

By:_____
Vincent Durante, Director

DROMIK, LLC

By:_____
Vincent Durante, Sole Member

STATE OF NEW YORK)
) ss.:
COUNTY OF ONONDAGA)

On this 14th day of March, 2018, before me, the undersigned, personally appeared, **HONORA SPILLANE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2022

STATE OF NEW YORK)
) ss.:
COUNTY OF ONONDAGA)

On this 16th day of March, 2018, before me, the undersigned, personally appeared, **VINCENT DURANTE,** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2022

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

November 6, 2017

PROPOSED LEGAL DESCRIPTION
Portion of Block No. 192B
City of Syracuse

Re: 100 Tully Street (Rear)

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at the intersection of the present southerly road boundary of Jefferson Street (66 feet wide public right-of-way) and the easterly road boundary of South West Street (66 feet wide public right-of-way); **thence** S.08°44'00"E., along said easterly road boundary of South West Street, a distance of 202.46 feet to a point; **thence** S. 89°48'10"E., along a line parallel with and 200.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 246.10 feet to the centerline of a former railroad siding; **thence** N.00°11'50"E., along said centerline of a former railroad siding, a distance of 15.00 feet to a point; **thence** S.89°48'10"E., along a line parallel to and 185.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 39.64 feet to the **ACTUAL POINT OF BEGINNING;**

thence S.89°48'10"E., a distance of 9.80 feet to a point;

thence S.01°23'45" W., a distance of 32.53 feet to a point, said point hereinafter referred to as "Point X";

thence N.51°56'20"W., a distance of 11.69 feet to a point;

thence N.00°26'00"E., a distance of 25.35 feet to the point of beginning.

Containing 277 Square Feet of Land more or less.

ALSO ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at "Point X" of the hereinbefore described parcel of land; **thence** S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building; **thence** S.00°30'35"W., along the easterly line of said building, a distance of 133.00 feet to the **ACTUAL POINT OF BEGINNING**;

thence S.49°20'37"E., a distance of 8.00 feet to a point;

thence S.38°51'00"E., a distance of 28.00 feet to a point;

thence N.89°48'10"W., a distance of 15.00 feet to a point;

thence N.06°03'17"W., a distance of 5.94 feet to a point;

thence N.89°29'25"W., a distance of 8.20 feet to a point;

thence N.00°30'35"E., along the easterly line of said building, a distance of 21.00 feet to the point of beginning.

Containing 291 Square Feet of Land more or less.

The hereinbefore described parcels of land are subject to any and all easements and/or rights-of-ways of record.

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

PROPOSED LEGAL DESCRIPTION
New Lot 1B of the Resubdivision Map for
Proposed Planned Development District (PPD)
City of Syracuse

December 7, 2017

RE: 429 South West Street A.K.A. 110 Tully Street and 108 Fabius Street

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being Lot 1B of the Resubdivision Map for Proposed Planned Development District (PPD) filed in the Onondaga County Clerk's Office on August 26, 2015 as Map No. 12072 and being more particularly described as follows:

BEGINNING at the intersection of the present easterly street line of South West Street (66 feet wide) and the northerly street line of former Tully Street (66 feet wide [abandoned by the Syracuse Common Council on March 5, 1990]);

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 227.88 feet to the southwesterly corner of property now or formerly owned by KJNK, LLC as recorded in the Onondaga County Clerk's Office in Liber 5283 of Deeds, Page 638;

thence S.89°48'10"E., along the southerly line of said KJNK, LLC property and its easterly prolongation, a distance of 246.10 feet to the southeasterly corner of property now or formerly owned by Hosek Contractors, Inc. as recorded in the Onondaga County Clerk's Office in Liber 3972 of Deeds, Page 104;

thence N.00°11'50"E., along the easterly line of said Hosek Contractors, Inc. property, a distance of 15.00 feet to the southwesterly corner of property now or formerly owned by F. & P. Hosek as recorded in the Onondaga County Clerk's Office in Liber 3779 of Deeds, Page 83;

thence S.89°48'10"E., along said southerly line of said Hosek property, a distance of 39.64 feet to a point;

thence S.00°26'00"W., a distance of 25.35 feet to a point;

thence S.51°56'20"E., a distance of 11.69 feet to a point;

thence S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building;

thence S.00°30'35"W., along the easterly brick face of said building, a distance of 154.00 feet to a point;

thence S.89°29'25"E., a distance of 8.20 feet to a point;

thence S.06°03'17"E., a distance of 6.93 feet to a point;

thence S.42°57'35"E., a distance of 102.08 feet to a point;

thence S.44°08'51"E., a distance of 77.94 feet to a point;

thence S.60°27'51"E., a distance of 110.07 feet to the northwesterly corner of property now or formerly owned by Sycamore Holding as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 85;

thence S.08°54'00"E., along the westerly line of said Sycamore Holding property, a distance of 94.69 feet to its intersection with the northerly street line of Fabius Street (66 feet wide);

thence S.81°16'10"W., along said northerly street line of Fabius Street, a distance of 280.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC;

thence N.08°54'00"W., along the easterly line of said Sycamore Holding LLC property, a distance of 116.00 feet to the northeasterly corner of said Sycamore Holding LLC property;

thence S.81°16'10"W., along the northerly line of said Sycamore Holding LLC property, a distance of 15.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 53;

thence N.00°19'33"E., along the easterly line of said Sycamore Holding LLC property (4784/53), a distance of 77.86 feet to the northeasterly corner of said Sycamore Holding LLC property (4784/53);

thence N.89°48'10"W., along the northerly line of said Sycamore Holding LLC property (4784/53) property, a distance of 171.48 feet to its intersection with said easterly street line of South West Street;

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 133.62 feet to the point of beginning.

Containing 3.460 Acres of Land more or less.

The hereinbefore described parcel of land is subject to any and all easements and/or rights-of-ways of record.

TP-584 (4/13)

New York State Department of Taxation and Finance

Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax

Recording office time stamp

See Form TP-584-I, Instructions for Form TP-584, *before completing this form. Print or type.*

Schedule A — Information relating to conveyance

Grantor/Transferor	Name *(if individual, last, first, middle initial)* (☐ *check if more than one grantor*)			Social security number
☐ Individual	City of Syracuse Industrial Development Agency			
☐ Corporation	Mailing address			Social security number
☐ Partnership	201 East Washington Street, 7th Floor			
☐ Estate/Trust	City	State	ZIP code	Federal EIN
☐ Single member LLC	Syracuse	NY	13202	52-1380308
☒ Other	Single member's name if grantor is a single member LLC *(see instructions)*			Single member EIN or SSN

Grantee/Transferee	Name *(if individual, last, first, middle initial)* (☐ *check if more than one grantee*)			Social security number
☐ Individual	Steri-Pharma, LLC and Dromik, LLC			
☐ Corporation	Mailing address			Social security number
☐ Partnership	429 South West Street			
☐ Estate/Trust	City	State	ZIP code	Federal EIN
☐ Single member LLC	Syracuse	NY	13202	26-2372400 +36-4891449
☒ Other	Single member's name if grantee is a single member LLC *(see instructions)*			Single member EIN or SSN

Location and description of property conveyed

Tax map designation – Section, block & lot *(include dots and dashes)*	SWIS code (six digits)	Street address	City, town, or village	County
101.-18-26.0 101.-17-08.0	311500	429 South West Street and 100 Tully Street	Syracuse	Onondaga

Type of property conveyed *(check applicable box)*

1 ☐ One- to three-family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☐ Vacant land
5 ☒ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☐ Other _____ -

Date of conveyance

03	01	2018
month	day	year

Percentage of real property conveyed which is residential real property 0 % *(see instructions)*

Condition of conveyance *(check all that apply)*

a. ☐ Conveyance of fee interest

b. ☐ Acquisition of a controlling interest (state percentage acquired _____ %)

c. ☐ Transfer of a controlling interest (state percentage transferred _____ %)

d. ☐ Conveyance to cooperative housing corporation

e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*

f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*

g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*

h. ☐ Conveyance of cooperative apartment(s)

i. ☐ Syndication

j. ☐ Conveyance of air rights or development rights

k. ☐ Contract assignment

l. ☐ Option assignment or surrender

m. ☐ Leasehold assignment or surrender

n. ☒ Leasehold grant

o. ☐ Conveyance of an easement

p. ☐ Conveyance for which exemption from transfer tax claimed *(complete Schedule B, Part III)*

q. ☐ Conveyance of property partly within and partly outside the state

r. ☐ Conveyance pursuant to divorce or separation

s. ☐ Other *(describe)* _____

For recording officer's use	Amount received	Date received	Transaction number
	Schedule B., Part I $ Schedule B., Part II $		

Schedule B — Real estate transfer tax return (Tax Law, Article 31)

Part I – Computation of tax due

1 Enter amount of consideration for the conveyance *(if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III)* ☒ **Exemption claimed**	1.	0	00
2 Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2.	0	00
3 Taxable consideration *(subtract line 2 from line 1)*	3.	0	00
4 Tax: $2 for each $500, or fractional part thereof, of consideration on line 3	4.	0	00
5 Amount of credit claimed for tax previously paid *(see instructions and attach Form TP-584.1,* Schedule G*)*	5.	0	00
6 Total tax due* *(subtract line 5 from line 4)*	6.	0	00

Part II – Computation of additional tax due on the conveyance of residential real property for $1 million or more

1 Enter amount of consideration for conveyance *(from* Part I, *line 1)*	1.		
2 Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property, as shown in* Schedule A*)*	2.		
3 Total additional transfer tax due* *(multiply line 2 by 1% (.01))*	3.		

Part III – Explanation of exemption claimed on Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☐

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal Bankruptcy Act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment ..... j ☐

k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) *(attach documents supporting such claim)* ...See Schedule "A" ..... k ☒

*The total tax (from Part I, line 6 and Part II, line 3 above) is due within 15 days from the date conveyance. Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, make check(s) payable to the ***NYC Department of Finance.*** If a recording is not required, send this return and your check(s) made payable to the ***NYS Department of Taxation and Finance,*** directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule C — Credit Line Mortgage Certificate (Tax Law, Article 11)

Complete the following only if the interest being transferred is a fee simple interest.
I (we) certify that: *(check the appropriate box)*

1. ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

2. ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
   - ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
   - ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
   - ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.
   - ☐ The maximum principal amount secured by the credit line mortgage is $3,000,000 or more, and the real property being sold or transferred is **not** principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

     Please note: for purposes of determining whether the maximum principal amount secured is $3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.
   - ☐ Other *(attach detailed explanation)*.

3. ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
   - ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
   - ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

4. ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City but not in Richmond County, make check payable to the **NYC Department of Finance.**)*

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of his/her knowledge, true and complete, and authorize the person(s) submitting such form on their behalf to receive a copy for purposes of recording the deed or other instrument effecting the conveyance.

Grantor signature	Title	Grantee signature	Title
City of Syracuse Industrial Development Agency Honora Spillane	Executive Director	Steri-Pharma, LLC Vincent Durante	Director
		Dromik, LLC Vincent Durante	Sole Member

Reminder: Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked *e*, *f*, or *g* in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, to the ***NYC Department of Finance***? If no recording is required, send your check(s), made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule D - Certification of exemption from the payment of estimated personal income tax (Tax Law, Article 22, section 663)

Complete the following only if a fee simple interest or a cooperative unit is being transferred by an individual or estate or trust.

If the property is being conveyed by a referee pursuant to a foreclosure proceeding, proceed to Part II, and check the second box under *Exemptions for nonresident transferor(s)/seller(s)* and sign at bottom.

Part I - New York State residents

If you are a New York State resident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), you must sign the certification below. If one or more transferors/sellers of the real property or cooperative unit is a resident of New York State, **each** resident transferor/seller must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all resident transferors/sellers.

Certification of resident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) as signed below was a resident of New York State, and therefore is not required to pay estimated personal income tax under Tax Law, section 663(a) upon the sale or transfer of this real property or cooperative unit.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

Note: A resident of New York State may still be required to pay estimated tax under Tax Law, section 685(c), but not as a condition of recording a deed.

Part II - Nonresidents of New York State

If you are a nonresident of New York State listed as a transferor/seller in Schedule A of Form TP-584 (or an attachment to Form TP-584) but are not required to pay estimated personal income tax because one of the exemptions below applies under Tax Law, section 663(c), check the box of the appropriate exemption below. If any one of the exemptions below applies to the transferor(s)/seller(s), that transferor(s)/seller(s) is not required to pay estimated personal income tax to New York State under Tax Law, section 663. **Each** nonresident transferor/seller who qualifies under one of the exemptions below must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all nonresident transferors/sellers.

If none of these exemption statements apply, you must complete Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, or Form IT-2664, *Nonresident Cooperative Unit Estimated Income Tax Payment Form*. For more information, see *Payment of estimated personal income tax,* on page 1 of Form TP-584-I.

Exemption for nonresident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) (grantor) of this real property or cooperative unit was a nonresident of New York State, but is not required to pay estimated personal income tax under Tax Law, section 663 due to one of the following exemptions:

☐ The real property or cooperative unit being sold or transferred qualifies in total as the transferor's/seller's principal residence (within the meaning of Internal Revenue Code, section 121) from _____ (Date) to _____ (Date) *(see instructions)*.

☐ The transferor/seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure, or in lieu of foreclosure with no additional consideration.

☐ The transferor or transferee is an agency or authority of the United States of America, an agency or authority of the state of New York, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

SCHEDULE "A"

The document being recorded for which this NYS Form TP-584 is being provided is a Memorandum of Lease between the Grantor and the Grantee. The sum of the term of the lease and any options for renewal do not exceed forty-nine (49) years, and therefore said lease is not a Conveyance within the meaning of Article 31 of the Tax Law.

9

CERTIFICATION

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agency Lease Agreement by and between the parties dated as of March 1, 2018.

The undersigned, Vincent Durante, Director and authorized signatory of Steri-Pharma, LLC (the "***Company***"), does hereby certify and confirm:

(1) that the Company has reviewed and understands the Agency's Local Labor Policy (the "***Policy***") which states as follows:

> The Company understands and agrees that local labor, contractors and suppliers will be used for the construction, renovation and equipping of the Project unless a written waiver is first received in accordance with the terms of the Policy. Failure to comply may result in the revocation or recapture of benefits awarded to the Project by the Agency.
>
> For purposes of this Policy, the term "local" shall mean: Cayuga, Cortland, Madison, Onondaga, Oneida and Oswego Counties.

(2) that the Company has complied, and will, for so long as the Agency has an interest in the Project, continue to comply with, the Agency's Local Labor Policy.

Dated: March 1, 2018

STERI-PHARMA, LLC

By: _____
Vincent Durante, Director

10

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/29/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Scirocco Group
777 Terrace Avenue
Hasbrouck Heights NJ 07604

CONTACT NAME:
PHONE (A/C, No, Ext): 201-727-0070 Ext. 218 FAX (A/C, No): 201-727-0080
E-MAIL ADDRESS: gwhite@sciroccogroup.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : American Casualty Company	20427
INSURER B : Valley Forge Insurance Co.	20508
INSURER C : Continental Casualty Company	20443
INSURER D : Columbia Casualty Ins. Co.	31127
INSURER E :	
INSURER F :	

INSURED STERI-1
Steri-Pharma LLC & Dromik LLC
120 Route 17N
Paramus NJ 07652

COVERAGES **CERTIFICATE NUMBER:** 947649792 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			4017244481	9/22/2017	9/22/2018	EACH OCCURRENCE	$1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$15,000*
							PERSONAL & ADV INJURY	$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$Excluded
	OTHER:							$
B	AUTOMOBILE LIABILITY			4017244514	9/22/2017	9/22/2018	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
C	UMBRELLA LIAB X OCCUR			4017244528	9/22/2017	9/22/2018	EACH OCCURRENCE	$10,000,000
	X EXCESS LIAB CLAIMS-MADE						AGGREGATE	$10,000,000
	DED X RETENTION $ 10,000							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			417254573	9/22/2017	9/22/2018	X PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N	N / A					E.L. EACH ACCIDENT	$1,000,000
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000
D	Products/Professional Liability Ded.-$25,000			ADT4016006986	9/22/2017	9/22/2018	Prods/Prof'l Liab.	10,000,000
							Aggregate	10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is included as an additional insured as required by written contract under the commercial general liability policy subject to the policy terms and conditions. Excess Liability follows form to primary commercial general liability additional insured status, subject to policy terms and conditions.

CERTIFICATE HOLDER

City of Syracuse Industrial Development Agency
201 East Washington Street
7th Floor
Syracuse NY 13202

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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OP ID: B2

EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY) 11/29/2017

THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

PRODUCER NAME, CONTACT PERSON AND ADDRESS
Scirocco Financial Group, Inc.
777 Terrace Avenue, Suite 309
Hasbrouck Heights, NJ 07604
Scirocco Financial Group, Inc.

PHONE (A/C, No, Ext): 201-727-0070

FAX (A/C, No): 201-727-0080

E-MAIL ADDRESS:

CODE: 190-031295

SUB CODE:

AGENCY CUSTOMER ID #: STERI-1

COMPANY NAME AND ADDRESS
American Casualty Company of Reading PA

NAIC NO: 20427

IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH

POLICY TYPE
Commercial Package

NAMED INSURED AND ADDRESS
Steri-Pharma LLC & Dromik LLC
120 Route 17N
Paramus, NJ 07652

LOAN NUMBER

POLICY NUMBER 4017244481

EFFECTIVE DATE 09/22/17

EXPIRATION DATE 09/22/18

☐ CONTINUED UNTIL TERMINATED IF CHECKED

ADDITIONAL NAMED INSURED(S)

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION (Use REMARKS on page 2, if more space is required)

☒ BUILDING OR ☐ BUSINESS PERSONAL PROPERTY

LOCATION / DESCRIPTION
429 So. West Street
Syracuse, NY 13204

Blanket limit applies to: Building/Stock/Personal Property
Coverage included for equipment breakdown up to policy limit.

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

PERILS INSURED: ☐ BASIC ☐ BROAD ☒ SPECIAL ☐

COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: $ 62,000,000 DED: 25,000

	YES	NO	N/A				
☒ BUSINESS INCOME ☐ RENTAL VALUE	X			If YES, LIMIT:	20,000,000	Actual Loss Sustained; # of months:	12
BLANKET COVERAGE	X			If YES, indicate value(s) reported on property identified above: $			
TERRORISM COVERAGE	X			Attach Disclosure Notice / DEC			
IS THERE A TERRORISM-SPECIFIC EXCLUSION?		X					
IS DOMESTIC TERRORISM EXCLUDED?		X					
LIMITED FUNGUS COVERAGE		X		If YES, LIMIT:		DED:	
FUNGUS EXCLUSION (If "YES", specify organization's form used)	X						
REPLACEMENT COST	X						
AGREED VALUE			X				
COINSURANCE		X		If YES, %			
EQUIPMENT BREAKDOWN (If Applicable)	X			If YES, LIMIT:		DED:	25,000
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg	X			If YES, LIMIT:	500,000	DED:	25,000
- Demolition Costs	X			If YES, LIMIT:	500,000	DED:	25,000
- Incr. Cost of Construction	X			If YES, LIMIT:	500,000	DED:	25,000
EARTH MOVEMENT (If Applicable)	X			If YES, LIMIT:	5,000,000	DED:	50,000
FLOOD (If Applicable)	X			If YES, LIMIT:	5,000,000	DED:	50,000
WIND / HAIL INCL ☐ YES ☐ NO Subject to Different Provisions:			X	If YES, LIMIT:		DED:	
NAMED STORM INCL ☐ YES ☐ NO Subject to Different Provisions:			X	If YES, LIMIT:		DED:	
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS		X					

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

☐ MORTGAGEE ☐ CONTRACT OF SALE
☒ LENDERS LOSS PAYABLE

NAME AND ADDRESS
City of Syracuse Industrial Development Agency
201 East Washington St.
Syracuse, NY 13202

LENDER SERVICING AGENT NAME AND ADDRESS

AUTHORIZED REPRESENTATIVE

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EVIDENCE OF COMMERCIAL PROPERTY INSURANCE REMARKS - Including Special Conditions (Use only if more space is required)

CNA

CNA PARAMOUNT

Renewal

Effective Date: 09/22/2017

Insured Name:
STERI-PHARMA LLC

120 N RTE 17 NORTH

PARAMUS, NJ 07652-2819

Policy Number: 4017244481

Policy Period: 09/22/2017 – 09/22/2018

Producer's Information:
SCIROCCO FINANCIAL GROUP, INC.
777 TERRACE AVE SUITE 309

HASBROUCK HEIGHTS, NJ 07604
(201)727-0070

Producer Code: 051744

CNA Branch Number: 978

CNA Branch Name and Address:
HPRO-ADVANCED TECHNOLOGY
333 SO WABASH AVE. - 35 SOUTH

CHICAGO, IL 60604
(212)440-3000

000001

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Thank you for choosing CNA!

With your CNA Paramount package policy, you have insurance coverage tailored to meet the needs of your modern business. The international network of insurance professionals and the financial strength of CNA, rated "A" by A.M. Best, provide the resources to help you manage the daily risks of your organization so that you may focus on what's most important to you.

Claim Services — There When You Need Us

Claims are reported through a single point of entry available 24/7, connecting you to the individuals and information to help you resume your business when you need it most.

To report a claim, please call (877) CNA-ASAP, fax (800) 953-7389, email lossreport@cnaasap.com, or visit www.cna.com/claim.

Risk Control Services — Help Avoid A Claim Before It Occurs

As a CNA policyholder, you have access to certified risk control professionals, risk mitigation programs and online resources to help identify and manage exposures that may disrupt your operation. We collaborate with business leaders to develop customized programs to assist you in safeguarding your assets and improving the bottom line.

To learn how our award-winning Risk Control services can help your business, please call (866) 262-0540, email us at riskcontrolwebinfo@cna.com or visit www.cna.com/riskcontrol.

When it comes to providing the coverage, service and resources paramount to your business success ... **we can show you more.**

INSURED

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CNA

CNA PARAMOUNT

Amendment of Forms and Endorsements Schedule
Addition or Deletion of Endorsements

It is understood and agreed as follows:

I. ADDITION OF FORMS OR ENDORSEMENTS

The **Forms and Endorsements Schedule** is amended to add the following forms or endorsements effective as of the date set forth in such form or endorsement

Endm't Number	Form or Endorsement Name	Form Number	Form Edition
14	Amendment of Forms and Endorsements Schedule Addition or Deletion of Endorsements	CNA62673XX	09-12
	General Liability Coverage Part Declaration	P55170A	01-86
	ENDORSEMENT EFFECTIVE 9/22/2017	G56015B	11-91
	Addl Ins-Designated Person or Organization	CG2026	04-13

II. DELETION OF FORMS OR ENDORSEMENTS

The **Forms and Endorsements Schedule** is amended to delete the following forms or endorsements effective as of the "deletion date" indicated below.

The net premium change, if any, for the above endorsements in Sections **I.** and **II.** is: $0.00

Total change is : $0.00

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA

General Liability

Endorsement Declaration

POLICY NUMBER	COVERAGE PROVIDED BY	FROM - POLICY PERIOD - TO
A 4017244481	AMERICAN CASUALTY CO OF READING,PA 333 S. WABASH CHICAGO, IL. 60604	09/22/2017 09/22/2018

INSURED NAME AND ADDRESS
STERI-PHARMA LLC
120 N RTE 17 NORTH
PARAMUS, NJ 07652-2819

AGENCY NUMBER	AGENCY NAME AND ADDRESS
051744	SCIROCCO FINANCIAL GROUP, INC. 777 TERRACE AVE SUITE 309 HASBROUCK HEIGHTS, NJ 07604 Phone Number: (201)727-0070

BRANCH NUMBER	BRANCH NAME AND ADDRESS
978	HPRO-ADVANCED TECHNOLOGY 333 SO WABASH AVE. - 35 SOUTH CHICAGO, IL 60604 Phone Number: (212)440-3000

This endorsement changes your policy. Please read it carefully.

This endorsement results in no change in premium.

POLICY NUMBER	INSURED NAME AND ADDRESS
A 4017244481	STERI-PHARMA LLC 120 N RTE 17 NORTH PARAMUS, NJ 07652-2819

SCHEDULE OF LOCATIONS AND COVERAGES

COVERAGE/HAZARD DESCRIPTION	EXPOSURE	PREMIUM BASIS	RATE	ESTIMATED PREMIUM
POLICY LEVEL COVERAGES				
The following change has been made, effective 09/22/2017.				
NY-BROAD FORM CGL PLUS		(SL)	3%	$0

POLICY NUMBER	INSURED NAME AND ADDRESS
A 4017244481	STERI-PHARMA LLC 120 N RTE 17 NORTH PARAMUS, NJ 07652-2819

ADDITIONAL INSURED SCHEDULE

LOCATION: 1

The following has been added, effective 09/22/2017.

Additional Insured Name and Address:
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
201 East Washington St.
.
Syracuse, NY 13202

TYPE: Additional Insured - Designated Person or Organization

Countersignature

Chairman of the Board

Secretary

POLICY NUMBER
A 4017244481

INSURED NAME AND ADDRESS
STERI-PHARMA LLC
120 N RTE 17 NORTH

PARAMUS, NJ 07652-2819

POLICY CHANGES
ENDORSEMENT EFFECTIVE 9/22/2017

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

The following Form has Been added:

Form #:CG2026
Title: ADDITIONAL INSURED-DESINATED PERSON OR ORGANIZATION

City of Syracuse Industrial Development Agency
201 East Washington St.
Syracuse, NY 13202

Chairman of the Board

Jonathan Kanter
Secretary

G-56015-B (ED. 11/91)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
Refer to Declarations Additional Insured Schedule
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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END OF COPY

CNA

CNA PARAMOUNT

Endorsement

Effective Date: 09/22/2017

Insured Name:
STERI-PHARMA LLC

120 N RTE 17 NORTH

PARAMUS, NJ 07652-2819

Policy Number: 4017244481

Policy Period: 09/22/2017 – 09/22/2018

Producer's Information:
SCIROCCO FINANCIAL GROUP, INC.
777 TERRACE AVE SUITE 309

HASBROUCK HEIGHTS, NJ 07604
(201)727-0070

Producer Code: 051744

CNA Branch Number: 978

CNA Branch Name and Address:
HPRO-ADVANCED TECHNOLOGY
333 SO WABASH AVE. - 35 SOUTH

CHICAGO, IL 60604
(212)440-3000

Thank you for choosing CNA!

With your CNA Paramount package policy, you have insurance coverage tailored to meet the needs of your modern business. The international network of insurance professionals and the financial strength of CNA, rated "A" by A.M. Best, provide the resources to help you manage the daily risks of your organization so that you may focus on what's most important to you.

Claim Services — There When You Need Us

Claims are reported through a single point of entry available 24/7, connecting you to the individuals and information to help you resume your business when you need it most.

To report a claim, please call (877) CNA-ASAP, fax (800) 953-7389, email lossreport@cnaasap.com, or visit www.cna.com/claim.

Risk Control Services — Help Avoid A Claim Before It Occurs

As a CNA policyholder, you have access to certified risk control professionals, risk mitigation programs and online resources to help identify and manage exposures that may disrupt your operation. We collaborate with business leaders to develop customized programs to assist you in safeguarding your assets and improving the bottom line.

To learn how our award-winning Risk Control services can help your business, please call (866) 262-0540, email us at riskcontrolwebinfo@cna.com or visit www.cna.com/riskcontrol.

When it comes to providing the coverage, service and resources paramount to your business success ... **we can show you more.**

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INSURED

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CNA

CNA PARAMOUNT

Amendment of Forms and Endorsements Schedule Addition or Deletion of Endorsements

It is understood and agreed as follows:

I. ADDITION OF FORMS OR ENDORSEMENTS

The **Forms and Endorsements Schedule** is amended to add the following forms or endorsements effective as of the date set forth in such form or endorsement

Endm't Number	Form or Endorsement Name	Form Number	Form Edition
15	Amendment of Forms and Endorsements Schedule Addition or Deletion of Endorsements	CNA62673XX	09-12
16	Amendment to Schedule of Loss Payees or Mortgagees Endorsement	CNA62654XX	10-15

II. DELETION OF FORMS OR ENDORSEMENTS

The **Forms and Endorsements Schedule** is amended to delete the following forms or endorsements effective as of the "deletion date" indicated below.

The net premium change, if any, for the above endorsements in Sections I. and II. is: $0.00

Total change is : $0.00

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA	CNA PARAMOUNT **Amendment to Schedule of Loss Payees or Mortgagees Endorsement**

It is understood and agreed as follows:

The **Schedule of Loss Payees or Mortgagees** is amended as follows.

Loss Payee & Mortgage Clause Applicable are: Loss Payees (Clause A), Lender Loss Payees (Clause B), Mortgagees (including Trustees) (Clause B/C), Contract of Sale Loss Payees (Clause D) and Building Owner Loss Payees (Clause E) as described under the **LOSS PAYEES AND MORTGAGEES** section of the **First Party Terms and Conditions**.

A. Addition of Loss Payees or Mortgagees

The following are added to the **Schedule as Loss Payees or Mortgagees**:

Location Number	Name and Address of Loss Payee, Lender Loss Payee, Mortgagee, Building Owner Loss Payee, or Contract Sale Loss Payee
1	CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY 201 East Washington St. . Syracuse, NY 13202
Loss Payee & Mortgagee Clause Applicable: A **Description of Insured Property:**	

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA PARAMOUNT

Endorsement

Effective Date: 09/22/2017

Insured Name:
STERI-PHARMA LLC

120 N RTE 17 NORTH

PARAMUS, NJ 07652-2819

Policy Number: 4017244481

Policy Period: 09/22/2017 – 09/22/2018

Producer's Information:
SCIROCCO FINANCIAL GROUP, INC.
777 TERRACE AVE SUITE 309

HASBROUCK HEIGHTS, NJ 07604
(201)727-0070

Producer Code: 051744

CNA Branch Number: 978

CNA Branch Name and Address:
HPRO-ADVANCED TECHNOLOGY
333 SO WABASH AVE. - 35 SOUTH

CHICAGO, IL 60604
(212)440-3000

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Claim Services — There When You Need Us

Claims are reported through a single point of entry available 24/7, connecting you to the individuals and information to help you resume your business when you need it most.

To report a claim, please call (877) CNA-ASAP, fax (800) 953-7389, email lossreport@cnaasap.com, or visit www.cna.com/claim.

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To learn how our award-winning Risk Control services can help your business, please call (866) 262-0540, email us at riskcontrolwebinfo@cna.com or visit www.cna.com/riskcontrol.

When it comes to providing the coverage, service and resources paramount to your business success ... **we can show you more.**

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CNA PARAMOUNT

Amendment of Forms and Endorsements Schedule
Addition or Deletion of Endorsements

It is understood and agreed as follows:

I. ADDITION OF FORMS OR ENDORSEMENTS

The **Forms and Endorsements Schedule** is amended to add the following forms or endorsements effective as of the date set forth in such form or endorsement

Endm't Number	Form or Endorsement Name	Form Number	Form Edition
14	Amendment of Forms and Endorsements Schedule Addition or Deletion of Endorsements	CNA62673XX	09-12
	General Liability Coverage Part Declaration	P55170A	01-86
	ENDORSEMENT EFFECTIVE 9/22/2017	G56015B	11-91
	Addl Ins-Designated Person or Organization	CG2026	04-13

II. DELETION OF FORMS OR ENDORSEMENTS

The **Forms and Endorsements Schedule** is amended to delete the following forms or endorsements effective as of the "deletion date" indicated below.

The net premium change, if any, for the above endorsements in Sections **I.** and **II.** is: $0.00

Total change is : $0.00

All other terms and conditions of the Policy remain unchanged.

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CNA

General Liability

Endorsement Declaration

POLICY NUMBER	COVERAGE PROVIDED BY	FROM - POLICY PERIOD - TO
A 4017244481	AMERICAN CASUALTY CO OF READING,PA 333 S. WABASH CHICAGO, IL. 60604	09/22/2017 09/22/2018

INSURED NAME AND ADDRESS
STERI-PHARMA LLC
120 N RTE 17 NORTH
PARAMUS, NJ 07652-2819

AGENCY NUMBER	AGENCY NAME AND ADDRESS
051744	SCIROCCO FINANCIAL GROUP, INC. 777 TERRACE AVE SUITE 309 HASBROUCK HEIGHTS, NJ 07604 Phone Number: (201)727-0070

BRANCH NUMBER	BRANCH NAME AND ADDRESS
978	HPRO-ADVANCED TECHNOLOGY 333 SO WABASH AVE. - 35 SOUTH CHICAGO, IL 60604 Phone Number: (212)440-3000

This endorsement changes your policy. Please read it carefully.

This endorsement results in no change in premium.

POLICY NUMBER	INSURED NAME AND ADDRESS
A 4017244481	STERI-PHARMA LLC 120 N RTE 17 NORTH PARAMUS, NJ 07652-2819

SCHEDULE OF LOCATIONS AND COVERAGES

COVERAGE/HAZARD DESCRIPTION	EXPOSURE	PREMIUM BASIS	RATE	ESTIMATED PREMIUM
POLICY LEVEL COVERAGES				
The following change has been made, effective 09/22/2017.				
NY-BROAD FORM CGL PLUS		(SL)	3%	$0

POLICY NUMBER	INSURED NAME AND ADDRESS
A 4017244481	STERI-PHARMA LLC 120 N RTE 17 NORTH PARAMUS, NJ 07652-2819

ADDITIONAL INSURED SCHEDULE

LOCATION: 1

The following has been added, effective 09/22/2017.

Additional Insured Name and Address:
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
201 East Washington St.
.
Syracuse, NY 13202

TYPE: Additional Insured - Designated Person or Organization

Countersignature

Chairman of the Board

Secretary

POLICY NUMBER
A 4017244481

INSURED NAME AND ADDRESS
STERI-PHARMA LLC
120 N RTE 17 NORTH

PARAMUS, NJ 07652-2819

POLICY CHANGES
ENDORSEMENT EFFECTIVE 9/22/2017

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

The following Form has Been added:

Form #:CG2026
Title: ADDITIONAL INSURED-DESINATED PERSON OR ORGANIZATION

City of Syracuse Industrial Development Agency
201 East Washington St.
Syracuse, NY 13202

Chairman of the Board

Jonathan Kanter
Secretary

G-56015-B (ED. 11/91)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
Refer to Declarations Additional Insured Schedule
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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END OF COPY

CNA

CNA PARAMOUNT

Renewal

Effective Date: 09/22/2017

Insured Name:
STERI-PHARMA LLC

120 N RTE 17 NORTH

PARAMUS, NJ 07652-2819

Policy Number: 4017244481

Policy Period: 09/22/2017 – 09/22/2018

Producer's Information:
SCIROCCO FINANCIAL GROUP, INC.
777 TERRACE AVE SUITE 309

HASBROUCK HEIGHTS, NJ 07604
(201)727-0070

Producer Code: 051744

CNA Branch Number: 978

CNA Branch Name and Address:
HPRO-ADVANCED TECHNOLOGY
333 SO WABASH AVE. - 35 SOUTH

CHICAGO, IL 60604
(212)440-3000

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To learn how our award-winning Risk Control services can help your business, please call (866) 262-0540, email us at riskcontrolwebinfo@cna.com or visit www.cna.com/riskcontrol.

When it comes to providing the coverage, service and resources paramount to your business success ... **we can show you more.**

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INSURED

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CNA

Policyholder Notices

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IMPORTANT INFORMATION

NOTICE – OFFER OF TERRORISM COVERAGE
NOTICE – DISCLOSURE OF PREMIUM

Solely with respect to the following **coverage parts**:

Business Property

General Liability

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

The **Named Insured** is hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), the **Named Insured** has a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert the **Named Insured** to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, the Insurer is required to offer the **Named Insured** the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. In 2015, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention, and shall decrease by 1 percentage point per calendar year until equal to 80%.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

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If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Calendar year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

Further, this coverage is subject to a limit on the Insurer's liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed $100 billion in a Calendar year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion. 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.

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, the Insurer offered the **Named Insured** coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that the **Named Insured** has chosen to accept the Insurer's offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage is shown separately on the Declarations.

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IMPORTANT INFORMATION

REQUEST FOR JURISDICTIONAL INSPECTION OF PRESSURE EQUIPMENT

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters and pressure vessels. Periodic inspections are required to renew these certificates. In most jurisdictions, as part of an equipment breakdown policy, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own/operate pressure equipment that requires a certificate from a state, county, city or parish to operate legally, and
- We insure that equipment under this Policy, and
- You would like CNA to perform the next required inspection:

Then:

Complete the form on page 2 and email, mail or fax as instructed:

No need to call or respond if you do not have boilers or pressure vessels that require operating certificates.

BY EMAIL: EBinspections@cna.com (please scan the completed form and attach)
BY MAIL:

CNA Equipment Breakdown Risk Control
184 Liberty Corner Road
4th Floor, Suite 402
Warren, NJ 07059

BY FAX: 609-495-8896

BY PHONE: call 866-262-0540 – press "4"

Questions or inquiries can be made via any of the above methods of communication.

Please note the following:

- Your jurisdiction(s) may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- If CNA is required to pay the fee on your behalf, CNA will invoice you to recover that fee.
- All the provisions of the INSPECTION AND SURVEYS condition apply to the inspections described in this notice.

Failure to notify us can result in fines and penalties being issued to the equipment owner by the governing jurisdiction. CNA is not responsible for said fines or penalties.

REMINDER

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection, please let us know by transmitting the new information to the postal address/fax number/email address listed above and on the following page. If this is a renewal and information (locations) has not changed, please disregard this notice.

If inspection and maintenance are outside of your area of responsibility, we would appreciate your forwarding this notice to the appropriate person. **If no response is received, we are assuming there are no jurisdictional objects at your location(s) and no inspections are required.**

Note: Jurisdictional inspections are not conducted outside of the United States, its territories, possessions, or Canada.

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CNA	CNA PARAMOUNT Policyholder Notice – Countrywide

REQUEST FOR JURISDICTIONAL INSPECTION

Insured Name:	
Facility/Location Name:	

Policy Number:	**Policy Term:**

Contact Person & Title:	
Contact Phone Number(s)—Office:	**Cell:**
Contact Email Address:	

Location Address[1]	City	State	Zip
1.			
2.			
3.			

Equipment Type[2,3,4] (Boiler, Pressure Vessel)	Registration Number (State #)	Certificate Expiration Date

Completed By (Name & Date): _____

Telephone #/Email Address: _____

BY EMAIL: EBinspections@cna.com (please scan the completed form and attach)

BY MAIL:

CNA Equipment Breakdown Risk Control
184 Liberty Corner Road
4th Floor, Suite 402
Warren, NJ 07059

BY FAX: 609-495-8896

BY PHONE: call 866-262-0540 – press "4"

[1]If multiple objects and/or multiple locations, please list all required information on separate page(s).

[2]Boiler is defined as an enclosed vessel heated by fuel or electricity to produce steam or hot water.

[3]Pressure Vessel is defined as an enclosed vessel (tank) greater than 6 cubic feet (18 inches x 40 inches) to store liquid or gas under pressure for use when needed.

[4]LPG (ex: propane, propylene, butane & butylenes) Tank with vapor pressures not exceeding that allowed for commercial propane. California requirement only.

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IMPORTANT INFORMATION

NOTICE – OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

As used herein, 1) "we" means the insurer listed on the Declarations or the Certificate of Insurance, as applicable; and 2) "you" means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable.

You are hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), you have a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert you to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, we are required to offer you the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. In 2015, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention, and shall decrease by 1 percentage point per calendar year until equal to 80%.

LIMITATION ON 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 (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

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Further, this coverage is subject to a limit on our liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed $100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion. 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.

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, we offered you coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that you have chosen to accept our offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage, if any, is shown separately on the Declarations or the Certificate of Insurance, as applicable.

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POLICYHOLDER NOTICE

CNA Commercial Insurance
333 S. Wabash Ave.
Chicago, Illinois 60604-4153

Regarding Your: CNA Commercial Insurance Coverage

Dear CNA Policyholder:

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit **all** United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups) any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

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Policy Terms & Conditions

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CNA PARAMOUNT

Policy Declarations

Policy Issued by:	Policy Number: 4017244481 Renewal of: 4017244481 Name: AMERICAN CASUALTY CO OF READING,PA Address: 333 S. WABASH CHICAGO, IL. 60604
Producer's Information:	Producer Code: 051744 Name: SCIROCCO FINANCIAL GROUP, INC. Address: 777 TERRACE AVE SUITE 309 HASBROUCK HEIGHTS, NJ 07604
1. Named Insured and mailing address:	Name: STERI-PHARMA LLC Address: 120 N RTE 17 NORTH PARAMUS, NJ 07652-2819
2. Coverage Parts:	The **coverage parts** attached to and forming part of this Policy Business Property Crime General Liability
3. Policy Period:	Effective date from: 09/22/2017 to 09/22/2018 At 12:01 A.M. Standard Time at your mailing address shown above
4. Limits of Insurance and Deductibles:	See **Coverage Part** Declarations
5. Premium, Surcharges, Taxes and Fees at Issuance:	See **Coverage Part** Declarations for **Coverage Part** Premium, surcharges, taxes and fees Total Premium and applicable taxes, surcharges and fees $182,490.40

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6. Forms and Endorsements Attached to this Policy at Issuance:	See Schedule of Forms and Endorsements

These Declarations, along with any attached forms and endorsements shall constitute the contract between the **Insureds** and the Insurer.

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CNA PARAMOUNT

Schedule of Forms and Endorsements

Policy Number: 4017244481

I. CNA PARAMOUNT

A. Policyholder Notices

Endm't Number	Form Title	Form Number	Form Edition
	Policy Holder Notice - Countrywide	CNA62820XX	02-15
	Notice - Offer of Terrorism Disclosure of Premium	CNA81758XX	03-15
	IMP INF Economic And Trade Sanctions Condition	G145041A	05-03

B. Policy Terms & Conditions

	Policy Declarations	CNA62639XX	09-12
	Schedule of Forms and Endorsements	CNA62640XX	09-12
	Common Terms and Conditions	CNA62642XX	10-15

II. POLICY COVERAGE PARTS

A. First Party Terms & Conditions

	First Party Glossary of Defined Terms	CNA62641XX	10-15
	First Party Terms and Conditions	CNA62647XX	10-15

B. Business Property

	Business Property Coverage Part Declarations	CNA62643XX	09-12
	Business Property Schedule of Coverages and Limits	CNA62645XX	10-15
	Business Property Schedule of Locations	CNA62644XX	10-15
1	Loss Payee or Mortgagee Schedule	CNA62728XX	10-15
	Business Property Coverage Part	CNA62648XX	10-15
2	Life Sciences Property Extension Endorsement	CNA62664XX	10-15
3	Additional Covered Property Endorsement	CNA62682XX	10-15
4	Earthquake Coverage Endorsement	CNA62705XX	10-15
5	Specified Property Deductibles Endorsement	CNA62709XX	10-15
6	Flood coverage Endorsement	CNA62716XX	10-15

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Policy Number: 4017244481

Endm't Number	Form Title	Form Number	Form Edition
7	Temperature or Humidity Change Coverage Endorsement	CNA62745XX	10-15
	ADDITIONAL INSURED ENDORSEMENT	CNA82130XX	04-15

C. Crime			
	Business Crime Coverage Part Declarations	CNA62658XX	09-12
	Business Crime Schedule of Coverages, Limits and Deductibles	CNA62659XX	09-12
	Business Crime Coverage Part	CNA62657XX	10-15

F. General Liability			
	General Liability Coverage Part Declaration	P55170A	01-86
	Employee Benefits Liability Supplemental Schedule	G15104A	10-89
	Commercial General Liability Coverage Form	CG0001	04-13
	New York Changes-Premium Audit	CG0104	12-04
	NY Changes - Commercial General Liability Cov Form	CG0163	04-09
	Exclusion - Products-Completed Operations Hazard	CG2104	11-85
	Abuse or Molestation Exclusion	CG2146	07-98
	Employment-Related Practices Exclusion	CG2147	12-07
	Cap on Losses for Certified Acts of Terrorism	CG2170	01-15
	Excl.- Services Furnished by Health Care Providers	CG2244	07-98
	NY Changes-Trans Duties When Limit of Ins Used Up	CG2621	10-91
	Amendatory Endorsement - Pollution Exclusion	G132263B	11-04
	Noncontractors Additional Insured Endorsement	G134802C	11-04
	New York Changes - Commercial GL Coverge Form	G136080A31	05-00
	Exclusion - Silica	G145658A31	08-04
	Exclusion - Human Clinical Trials	G145777A	11-04
	Exclusion - Lead Paint	G16776A	06-91
	Exclusion - Asbestos	G43316C	06-98

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Policy Number: 4017244481

Endm't Number	Form Title	Form Number	Form Edition
	Employee Benefits Liability Coverage	G43815B	06-90
	Amendatory Endorsement - NY Collateral Business	G43939A31	00-00
	New York Amendatory Endorsement	G44395B31	01-89
	Premium Bases	G55157B	02-88
	Broad Form Endorsement - CGL Plus - New York	SCG24504B	07-98

III. POLICY ENDORSEMENTS			
8	Amendment to Policy Declarations- Named Insured Endorsement	CNA62700XX	09-12
9	Bridge Endorsement	CNA62646XX	09-12
	Economic And Trade Sanctions Condition	G144291A	03-03
	Nuclear Energy Liab Exclusion Endt (Broad Form)	IL0023	04-98
	New York Changes - Calculation Of Premium		null
10	Broad Named Insured Endorsement - New York	CNA75108NY	01-15
11	Cancellation / Non-Renewal - New York	CNA62814NY	09-12
12	Amendatory Endorsement - New York	CNA62815NY	10-15
13	Cap on Losses from Certified Acts of Terrorism Endorsement	CNA81503XX	02-15

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The Insurer and the **Named Insured**, in consideration of the payment of the premium and in reliance upon all statements made in the application furnished to the Insurer designated in the **Policy Declarations**, a stock insurance corporation, hereafter called the "Insurer," agree as follows. Terms in bold face type have special meaning as set forth in any applicable **First Party Glossary of Defined Terms** or the applicable **coverage parts** of this Policy. All headings are also in bold, whether or not they contain defined terms. See **Section XVI, HEADINGS** below.

I. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy except in the case of death of a natural person **Named Insured**.

II. BANKRUPTCY

Bankruptcy or insolvency of any **Named Insured** or of the **Named Insured's** estate shall not relieve the Insurer of any of its obligations hereunder.

III. CANCELLATION/NONRENEWAL

A. Insurer's Right to Cancel

The Insurer may cancel this policy by providing to the **First Named Insured** written notice of such cancellation stating when, not less than 10 days thereafter, such cancellation shall be effective if such cancellation is due to non-payment of premium. If cancellation is due to any other reason, such notice shall be provided not less than 60 days thereafter.

B. Named Insured's Right to Cancel

The **First Named Insured** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient.

C. Premium Refund

If this policy is cancelled, the Insurer will send the **First Named Insured** any premium refund due. If the Insurer cancels, 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 the Insurer has not made or offered a refund.

D. Nonrenewal

If the Insurer decides not to offer any renewal terms for this Policy, the Insurer shall provide written notice to the **Named Insured** at least 60 days prior to the Policy expiration date. The notice shall include the reason for such non-renewal.

E. Notices

If any notice required under this Section is mailed, proof of mailing will be sufficient proof of notice.

IV. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

V. CONFORMITY TO STATUTE

Terms of these conditions or any **coverage part** that are in conflict with the statutes of the state in which this policy is issued are hereby amended to conform to such statutes.

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VI. COORDINATION AMONG COVERAGE PARTS

Subject always to the applicable Limit of Liability, should two or more **coverage parts** apply to the same loss, the Insurer will not pay more than the **Named Insured's** actual loss.

VII. COVERAGE PART TERMS AND CONDITIONS

The terms and conditions of each **coverage part** apply only to that **coverage part** and shall not apply to any other **coverage part**. If any provision in the **Common Terms and Conditions** is inconsistent or in conflict with the terms and conditions of any **coverage part**, the terms and conditions of such **coverage part** shall control for purposes of that **coverage part**.

VIII. CURRENCY

All premiums, limits, deductibles and other amounts stated or payable under this Policy are expressed and payable in the currency of the United States of America. If any payments due under this Policy are stated or incurred in a currency other than United States of America dollars, payment under this Policy will be made in United States of America dollars, at the rate of exchange published in The Wall Street Journal on the date the Insurer's obligation to pay such amount is established (or, if not published on such date, the next publication date of The Wall Street Journal).

IX. ENTIRE AGREEMENT

The **Named Insureds** agree that this Policy constitutes the entire contract existing between them and the Insurer or any of its agents relating to this insurance.

X. EXAMINATION OF THE INSURED'S BOOKS AND RECORDS

The Insurer may examine and audit any **Named Insured's** books and records as they relate to this Policy at any time during the **policy period** and up to 3 years afterward.

XI. INSPECTIONS AND SURVEYS

The Insurer has the right but not the obligation to:

A. make inspections and surveys at any time;

B. provide reports on the conditions it finds;

C. recommend changes; or

D. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.

The Insurer does not:

1. make safety inspections;

2. undertake to perform the duty of any entity to provide for the health or safety of workers or the public;

3. warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

XII. LIBERALIZATION

If the Insurer adopts any revision that would broaden the coverage under this Policy without additional premium within 60 days prior to or during the **policy period**, the broadened coverage will immediately apply to this Policy.

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XIII. NAMED INSURED AUTHORIZATION AND NOTICES

The **First Named Insured** agrees that it will act on behalf of all **Named Insureds** with respect to the giving of all notices to the Insurer, the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the acceptance of endorsements.

Any notices required under the **CANCELLATION / NON-RENEWAL** sections of this Policy shall be provided to the **First Named Insured** at the last known address and to its insurance agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

XIV. NO SUIT AGAINST INSURER

A. No suit shall be brought under this Policy by anyone other than the **Named Insured**. The **Named Insured** may not bring any such suit, action or legal proceeding unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy and:

1. with respect to any property **coverage part**, the action is brought within 3 years after the date on which the loss or damage occurred or, with respect to any crime coverage, the date the loss was **discovered**;

2. with respect to any third party **coverage part**, the amount of the **Named Insured's** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Named Insured** after trial or by written agreement of the **Named Insured**, the claimant and the Insurer.

However, if any law prohibits such time limitation then the limitation is amended to equal the minimum time limitation required by such law.

B. No person or organization shall have any right under this Policy to join the Insurer as a party to any suit against the **Named Insured** to determine the **Named Insured's** liability, nor shall the Insurer be impleaded by the **Named Insured** or their legal representatives in any such suit.

XV. TRADE AND ECONOMIC SANCTIONS

This Policy does not provide coverage for any **Named Insured**, transactions, or any loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

XVI. HEADINGS

The descriptions in the headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its Chairman and Secretary at Chicago, Illinois, but the same shall not be binding upon the Insurer unless countersigned by a duly authorized representative of the Insurer.

Chairman	Secretary

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First Party Terms and Conditions

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This **First Party Glossary of Defined Terms** applies to the **Business Property Coverage Part** and the **Business Crime Coverage Part**, as applicable, and their associated forms and endorsements. For purposes of this Policy, words in **bold**, whether expressed in the singular or the plural, have the meaning shown below.

Act or Decision

Act or decision means any act or decision, whether intentional or negligent, including the failure to act or decide, of any person, group, organization or governmental body which creates or allows a result which is unexpected, inadequate, defective, faulty or otherwise unsuitable for the intended purpose.

Actual Cash Value

Actual cash value means the **replacement cost** with deduction for depreciation, deterioration and obsolescence which amount is computed as of the time and at the place of loss or damage.

Alteration

Alteration means the material modification of an **original document** by a person acting without authority and with the intent to deceive. **Alteration** does not include the electronic or manual insertion of any personal identification code, including personal identification numbers or password or a **counterfeit**.

Banking Premises

Banking premises means the interior of that portion of any **building** occupied by a **financial institution**.

Bonus Payment

Bonus payment means the unamortized amount, other than rent or security, which the **Named Insured** paid to acquire the **Named Insured's** lease and that will not be refunded to the **Named Insured**.

Building

Building means a building or structure, including completed additions, additions under construction and alterations and repairs to such building or structure that the **Named Insured** owns, occupies or is legally or contractually required to insure.

Business Income

Business income means **net income**, including **rental value**, plus **continuing operating expenses**. **Business income** does not include **research and development business income**.

Client

Client means a third party for whom the **Named Insured** performs specified professional services for a fee.

Computer Fraud

Computer fraud means **theft** of **money**, **securities** and **other property** following and directly related to the use of any computer to fraudulently cause a transfer of that property to a person who is not an **employee** or to an account of any **financial institution** not controlled by the **Named Insured**.

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Contaminants or Pollutants

Contaminants or 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.

Continuing Operating Expenses

Continuing operating expenses means:

A. the **Named Insured's** normal operating expenses including any reasonable and necessary payroll; plus

B. charges that are the unsatisfied legal obligation of the **Named Insured's** tenants and for which the **Named Insured** is now obligated.

Continuing operating expenses does not include **extra expense,** expediting expense or **research and development project continuing expenses**.

Counterfeit

Counterfeit means a **written** imitation of an actual valid **original document** that is intended to deceive and to be taken as the **original document**.

Coverage Part

Coverage part means the **Business Property Coverage Part** and **Business Crime Coverage Part**, as applicable.

Coverage Territory

Coverage territory means the United States of America, its territories or possessions, Canada, or Puerto Rico. **Coverage territory** does not include any waterborne shipment to or from Alaska, Puerto Rico, Hawaii or territories or possessions of the United States of America.

Covered Equipment

Covered equipment means any boiler, fired or unfired vessel, refrigerating or air conditioning system, piping and its accessory equipment, and any mechanical or electrical machine or apparatus used for the generation, transmission, or utilization of mechanical or electrical power.

Covered Instruments

Covered instruments means **written** checks, drafts, promissory notes or similar **written** promises, orders or directions to pay a sum certain in **money**, and also includes **written** instruments required in conjunction with any credit, debit or charge card issued to the **Named Insured** or to any **employee** for business purposes, or issued to any proprietor, partner, **member** or officer of the **Named Insured** for personal use.

Covered Peril

Covered peril means a fortuitous cause or event, not otherwise excluded, which occurs during this **policy period**.

Covered peril does not include:

1. a fortuitous cause or event, whether or not excluded, which actually occurred prior to the **policy period**, regardless of the date on which it first becomes manifest or is first discovered; or
2. damage from unknown causes or events.

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Covered Property

Covered property means the property that is insured for loss or damage under the **Business Property Coverage Part** or endorsements.

Denial of Service Attack

Denial of service attack means an attack executed over one or more networks or the internet, which attack is designed and intended to disrupt the operation of one or more networks and render the networks inaccessible to authorized users.

Dependent Property

Dependent property means a premises that is operated by others on whom the **Named Insured** depends to:

A. deliver materials or services to the **Named Insured** or to others for the **Named Insured's** account;

B. accept the **Named Insured's** products or services;

C. manufacture products for delivery to the **Named Insured's** customers under contract of sale; or

D. attract customers to the **Named Insured's** business.

The **dependent property** includes the area associated with that address in which the occupant of the above premises is legally entitled to conduct business activities and includes the area extending 1,000 feet beyond that address.

Dependent property does not include:

1. any premises operated by others on whom the **Named Insured** depends to deliver any:

a. power, communications or other utility services;

b. internet access or internet services; or

c. data management, network management, software management or cloud computing and storage services; or

2. any premises within any country in which the United States government has imposed sanctions, embargoes or similar prohibitions.

Discover or Discovered

Discover or **discovered** means the earlier of the time when the **Named Insured** first:

A. becomes aware of facts which would cause a reasonable person to assume that a covered loss did or will happen, regardless of when the act that may cause or contribute to such loss occurred, even though the exact amount or details of loss may not be known; or

B. receives notice of an actual or potential claim in which it is alleged that the **Named Insured** is liable to a third party under circumstances that, if true, would constitute a covered loss.

Earth Movement

Earth movement means earthquake or other seismic activity (including but not limited to underground magma activity), the abrupt rising, sinking or shifting of earth (naturally occurring or man-made) or mine subsidence. However, **earth movement** does not include landslide, avalanche, tsunami, **sinkhole collapse** or **volcanic eruption**.

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Electronic Data Processing Equipment

Electronic data processing equipment means:

A. a network of electronic components capable of accepting information and processing it according to a plan and which exists primarily to generate information in tangible form or on electronic media, including climate control and fire protective equipment used solely in connection with data processing operations;

B. telephone equipment; and

C. facsimile equipment.

Electronic data processing equipment does not include any equipment which:

1. are **stock**; or
2. exist primarily to control or operate machinery or equipment to produce **goods in process** or **finished stock**.

Electronic Data Processing Equipment Leasehold Values

Electronic data processing equipment leasehold values means the present value of the difference between the:

A. actual periodic lease payments for **electronic data processing equipment** that has incurred direct physical loss or damage and for which the **Named Insured** remains liable during the unexpired term of the lease; and

B. periodic payment for the replacement of **electronic data processing equipment** due under the new lease, for each remaining month of the term of the lease.

Electronic Infection

Electronic infection means the transmission of a computer virus.

Electronic Vandalism

Electronic vandalism means the willful or malicious alteration, manipulation or destruction of **media**, **electronic data processing equipment**, **research and development project property** and **records of accounts receivable** due to **system penetration**, **electronic infection** or a **denial of service attack**, including such acts committed by an employee (including leased and temporary employees).

Employee

Employee means:

A. any natural person:

1. while in the **Named Insured's** service (and for 60 days after termination of service);
2. whom the **Named Insured** compensates directly by salary, wages, or commissions; and
3. whom the **Named Insured** has the right to direct and control while performing services for the **Named Insured**;

B. any natural person who is furnished to the **Named Insured**:

1. to substitute for a permanent employee on leave; or
2. to meet seasonal or short-term workload conditions,

while that person is subject to the **Named Insured's** direction and control and performing services for the **Named Insured**, excluding, however, any such person while having care and custody of the **Named Insured's** property outside the **premises**;

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C. any natural person leased to the **Named Insured**, under an agreement between the **Named Insured** and a labor leasing firm, while that person is subject to the **Named Insured's** direction and control and performing services for the **Named Insured**;

D. any non-compensated natural person:

1. other than one who is a fund solicitor, while performing services for the **Named Insured** that are usual to the duties of an employee or officer; or
2. while acting as a fund solicitor during fund raising campaigns; or

E. solely with respect to an **employee benefit plan**, any natural person who is required to be bonded by the Employee Retirement Income Security Act of 1974 (ERISA), any amendments thereto and any regulations promulgated thereunder.

Other than with respect to an **employee benefit plan**, **employee** does not include any:

1. agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
2. **manager**, **member,** partner, proprietor, director or trustee, but solely to the extent he or she is acting in his or her capacity as such.

Employee Benefit Plan

Employee benefit plan means an employee welfare benefit plan or an employee pension benefit plan as more fully set forth in Title 1, Section 3 of the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto and which is solely sponsored by the **Named Insured**.

Employee Theft

Employee theft means **theft** committed by an **employee** to the deprivation of the **Named Insured** or an **employee benefit plan**, whether identified or not, acting alone or in collusion with others. Solely with respect to an **employee benefit plan**, **employee theft** means all acts of fraud or dishonesty required to be bonded against by the Employee Retirement Income Security Act of 1974 (ERISA), any amendments thereto and any regulations promulgated thereunder.

Employee theft also includes **forgery** of such property by an **employee**.

Equipment Breakdown Peril

Equipment breakdown peril means:

A. Artificially generated electrical current, including electrical arcing, that injures or disturbs electrical devices wiring or equipment.

B. Explosion, rupture or bursting of steam boilers, steam pipes, steam engines, stream turbines, gas turbines or apparatus attached to and forming a part thereof, when owned, operated or controlled by the **Named Insured**, except for the explosion of accumulated gases or fuel within the furnace of any fired vessel, other than gas turbines, or within the flues or passages through which the products of combustion pass.

C. Any condition or event inside steam boilers, steam pipes, steam engines, steam turbines, gas turbines or apparatus attached to and forming a part thereof, when owned, operated or controlled by the **Named Insured**; except for explosion of accumulated gases or fuel within the furnace of any fired vessel, other than gas turbines, or within the flues or passages through which the gases of combustion pass.

D. Any condition or event, other than an explosion, inside hot water boilers, other water heating equipment, engines other than steam engines or pressure vessels when owned, operated or controlled by the **Named Insured**.

E. Mechanical or machinery breakdown, including rupture or bursting caused by centrifugal force, of property owned, operated or controlled by the **Named Insured**.

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Executive Officer

Executive officer means any natural person partner, member, officer, manager (of a limited liability company), director or trustee of the **Named Insured**.

Extra Expense

Extra expense means actual reasonable and necessary operating expenses the **Named Insured** incurs during the **period of restoration** that would not have been necessary to incur if there had been no direct physical loss of or damage to property, provided such expenses are incurred:

A. to avoid or minimize the suspension or delay of **operations** and to continue such **operations** which have been affected by the direct physical loss or damage to the property; or

B. in an attempt to minimize the **period of restoration**.

Extra expense does not include:

1. **research and development project continuing expenses** or **continuing operating expenses**;
2. costs incurred to purchase **merchandise** as a replacement for the **Named Insured's finished stock;**
3. costs to repair or replace any property, or research or restore **media** or **records of accounts receivable**; or
4. amounts incurred on financing or investment activity conducted for the **Named Insured's** account.

Financial Institution

Financial Institution means:

A. a banking, savings or thrift institution, credit union or similar depository institution; or

B. a stock brokerage firm, mutual fund, liquid assets fund or similar investment institution where the **Named Insured** maintains an account.

However, **financial institution** does not include check cashers, currency exchangers or money remittance firms.

Fine Arts

Fine arts means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antiques, porcelains, rare books, manuscripts, and similar property of rarity, historical value or artistic merit.

Finished Stock

Finished stock means **manufactured goods** that are in a completed state and ready for packing, shipment, installation or sale. However, **finished stock** does not include **manufactured goods** that are held for sale at a **location** of any retail outlet.

First Named Insured

First Named Insured means the person or entity first named in Item 1 of the Policy Declarations.

Fixtures

Fixtures means:

A. indoor or outdoor property fixed or attached to a **building**, including permanently installed machinery and equipment; or

B. glass (including all lettering and ornamentation) forming part of the **building**.

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Flood

Flood means a general and temporary condition of partial or complete inundation of normally dry land areas from:

A. the overflow, or the expansion beyond normal boundaries, of inland or tidal waters, including natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans or any other body of water or watercourse;

B. waves, tides or tidal waves including tsunami;

or their spray, all whether driven by wind or not, including storm surge.

Forgery

Forgery means the signing of the name of another person or organization with intent to deceive. **Forgery** does not include:

A. a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity for any purpose;

B. the electronic or manual insertion of any personal identification code, including personal identification numbers or passwords; or

C. **counterfeit**.

Funds Transfer Fraud

Funds transfer fraud means **theft** of **money** and **securities** following and directly related to the use of fraudulent **written** or verbal instructions which are purported to have been made by the **Named Insured**, which causes an electronic transfer of **money** or **securities** from a **financial institution** to:

A. an account at a **financial institution** not controlled by the **Named Insured**; or

B. a person other than an **employee**.

Fungi

Fungi means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. **Fungi** does not include any fungi intended by the **Named Insured** for consumption.

Goods In Process

Goods in process mean **raw stock** which has undergone any aging, seasoning, mechanical or other process of manufacture but which has not become **finished stock**.

Green Insured Property

Green insured property means **insured property** created, built or constructed following the practice of creating **buildings** or materials or using processes that incorporate one or more of the following practices and are certified as such by a government organization or a nationally or internationally recognized building industry organization or governmental agency, such as the U.S. Green Building Council (LEED certification), ECD Energy, Environment Canada (Green Globes) or the U.S. Department of Energy:

A. Energy Efficiency, including steps implemented to obtain an ENERGY STAR label for a **building** at a **location** or **reported unspecified location**, as well as use of ENERGY STAR or equivalently rated materials, lighting systems, HVAC equipment, appliances or electronic products (if current like kind and quality replacement is not ENERGY STAR rated).

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B. Water Efficiency, including use of water efficient processes and wastewater technologies, as well as use of alternative water or indoor plumbing systems that reduce water usage from any plumbing fixture.

C. Materials Efficiency, including use of sustainable and environmentally preferable construction materials, materials management and re-cycling programs.

D. Environmental Quality, including reduction of the quantity of indoor air contaminants by use of low-emitting products or materials.

Green insured property does not include **stock,** processing water, molds and dies, property in the open, **personal property of others** or **personal property of executive officers or employees**.

Gross Leasehold Interest

Gross leasehold interest means the difference between the:

A. the current monthly rental value at the market rate of the **location** or the **reported unspecified location** the **Named Insured** has leased on the date the direct physical loss or damage occurred; and

B. the actual monthly rent the **Named Insured** currently pays, including taxes, insurance, janitorial or other services or fees that the **Named Insured** pays as part of the rent and other monthly assessments.

Installation Location

Installation location means a premises that is not owned, leased or operated by the **Named Insured** at which **installation property** is or will be installed, constructed or serviced.

Installation Property

Installation property means **personal property** that has or will become a permanent part of an installation, construction, or service project being performed for others by the **Named Insured**, or on the **Named Insured's** behalf.

Insured Property

Insured property means **real property** and **personal property**.

Location

Location means each of the locations specified in the **Business Property Schedule of Locations** or scheduled in any endorsement to this Policy and includes:

A. the area associated with that address in which the **Named Insured** is legally entitled to conduct business activities; and

B. the area extending 1,000 feet beyond that address.

Manager

Manager means any natural person manager or **member**.

Manufactured Goods

Manufactured goods means goods manufactured at a premises:

A. the **Named Insured** owns or operates; or

B. that the **Named Insured** does not own or operate, provided the **Named Insured**:

1. contracted for the goods to be manufactured exclusively for the **Named Insured**; and

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2. the **Named Insured** is the owner or licensee of the design, patent, trademark or copyright for the goods.

Market Value

Market value means the price that property might be expected to realize if offered for sale in a fair market.

Media

Media means recorded information in any format which is an existing original or which can be duplicated or replaced by purchasing an existing duplicate that is for sale, and including any material upon which it is inscribed, printed, written or recorded, owned by the **Named Insured** or owned by others in the **Named Insured's** care, custody or control.

Media does not include **money**, **securities**, **stock**, **fine arts**, **records of accounts receivable** or **research and development project property**.

Member

Member means any person serving on the Board of Managers or equivalent executive of a **Named Insured** that is a limited liability company.

Merchandise

Merchandise means:

A. goods held for sale or installation by the **Named Insured** which are not **manufactured goods**; or

B. **manufactured goods** which are completed and ready for packing, shipment, installation or sale at a **location** of any retail outlet.

Messenger

Messenger means any of the **Named Insured's** natural person **members,** proprietors, partners, **executive officers** or **employees** who are duly authorized by the **Named Insured** to have care and custody of the property outside the **premises**.

Microbes

Microbes means any:

A. non-fungal microorganism;

B. non-fungal, colony-form organism;

C. virus; or

D. bacteria.

Microbe includes any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of **microbes**.

Mobile Computing Device

Mobile computing device means cellular phones, laptop computers and other personal hand-held electronic devices, including accessories for such portable computing devices used in the **Named Insured's** business that are owned by the **Named Insured**, **executive officers** or employees (including leased or temporary employees).

Mobile computing device does not include any of these devices while rented or leased to others or **stock**.

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Money

Money means:

A. currency, coins and bank notes in current use and having a face value; and

B. travelers checks, register checks and money orders held for sale to the public.

Monthly Leasehold Interest

Monthly leasehold interest means the original costs the **Named Insured** paid for **bonus payments** and **prepaid rent**, divided by the number of months left in the **Named Insured's** lease at the time of the expenditure.

Mudslide or Mudflow

Mudslide or mudflow means a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.

Named Insured

Named Insured means the persons or entities named as such on the **Business Crime Coverage Part**, **Business Property Coverage Part** or Policy Declarations.

For **insured property** that is the subject of a Contract of Sale, **Named Insured** includes the Contract of Sale Loss Payee.

Named Storm

Named storm means a tropical storm system that is declared to be named by the National Hurricane Center, World Meteorological Organization or any similar organization, agency or body responsible for naming such weather systems, including tropical storm spawned tornados or microbursts.

The named tropical storm begins when such organization, agency or body officially declares the storm system as a named tropical storm and ends when that organization, agency or body officially declares the named tropical storm:

A. permanently downgraded to a tropical depression;

B. reclassified as a Post Tropical Cyclone and the maximum sustained surface wind speed (using U.S. 1-minute average) is 33 kt (38 mph or 62 km/hr) or less; or

C. reclassified as an Extra Tropical Cyclone and the maximum sustained surface wind speed (using U.S. 1-minute average) is 33 kt (38 mph or 62 km/hr) or less.

Net Income

Net Income means net profit or loss that would likely have been earned or incurred before taxes. **Net income** does not include any profit that would likely have been earned as a result of an increase in the business transactions due to favorable business conditions caused by the impact of the **covered peril** in the vicinity of such **covered peril**.

Net Leasehold Interest

Net leasehold interest means the net present value of the **gross leasehold interest** for each remaining month of the term of the lease, discounted at the Prime Rate on the date the direct physical loss or damage occurs, rounded to the nearest dollar.

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Newly Acquired Location

Newly acquired location means a fixed premises the **Named Insured** owns, leases, rents or controls. The **premises** becomes a **newly acquired location** on the later of:

A. the date the **Named Insured** obtains possession or control of the premises; or

B. the date the **real property**, **personal property**, **fine arts**, **records of accounts receivable** or **media** for which the **Named Insured** has an insurable interest is placed at the premises.

Newly acquired location does not include:

1. a **location**;

2. an **unspecified location**;

3. a **reported unspecified location**;

4. an **installation location**; or

5. a fair, trade show or exhibition.

Occurrence

Occurrence means one event or a series of related events that contribute concurrently to or contribute in any sequence to physical loss of or damage to property. However, with respect to:

A. the **equipment breakdown peril**, **occurrence** means all equipment breakdowns that manifest themselves at the same time and are the result of the same cause, regardless of the number of **locations** or **reported unspecified locations** or other premises involved.

B. a **named storm**, **occurrence** means each **named storm**. If a **named storm** is downgraded to a tropical depression, such tropical depression shall be considered a separate **occurrence**.

C. **theft**, **occurrence** means all loss sustained by the **Named Insured** caused by:

1. any single act or series of related acts;

2. any act or acts involving one person, or a group of persons acting together; or

3. an act or event, or a series of related acts or events, not involving any identifiable person.

D. **volcanic eruption**, **occurrence** means all volcanic eruptions, explosions or effusions that occur within any 168 hour period.

E. **Employee Theft Coverage** or **Employee Theft of Client Property Coverage**, **occurrence** means:

1. any single act;

2. the combined total of all separate acts whether or not related; or

3. a series of acts whether or not related,

committed by an **employee**, acting alone or in collusion with other persons, or any group of **employees** acting together, even if in collusion with other persons, during the **policy period**, before the **policy period** or both, subject to the **Loss Sustained During Prior Policy** Condition under the **BUSINESS CRIME COVERAGE CONDITIONS** in the **First Party Terms and Conditions**.

F. **Forgery or Alteration Coverage**, **occurrence** means:

1. any single act;

2. the combined total of all separate acts whether or not related; or

3. a series of acts whether or not related,

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committed by any one person acting alone or in collusion with others, or in which any such person is implicated, involving one or more instruments, during this **policy period**, before this **policy period** or both, subject to the **Loss Sustained During Prior Policy** condition under the **BUSINESS CRIME COVERAGE CONDITIONS** in the **First Party Terms and Conditions**.

G. **Money and Securities Coverage** or any other coverage provided under the **Business Crime Coverage Part**, **occurrence** means:

1. any single act, or series of related acts;
2. the combined total of all separate acts whether or not related; or
3. a series of acts whether or not related,

committed by any one person acting alone or in collusion with others, or not committed by any identifiable person, during the **policy period**, before the **policy period** or both, subject to the **Loss Sustained During Prior Policy** Condition under the **BUSINESS CRIME COVERAGE CONDITIONS** in the **First Party Terms and Conditions**.

H. **Utility Supply Failure Coverage**, **occurrence** means one event or a series of related events that contribute concurrently to or contribute in any sequence to physical loss of or damage to property, regardless of the number of **locations** or **reported unspecified locations** or the number of utility service providers or utility service properties involved in the same event.

Operations

Operations means the **Named Insured's** business activities occurring at the covered premises prior to the time and date of the loss or damage, including the **Named Insured's** activities as a lessor.

Operations does not include business activities as part of research and development projects.

Original Document

Original document means:

A. the first rendering or archetype and does not include photocopies or electronic transmissions even if received and printed; or

B. for the purposes of Forgery or Alteration Coverage only, a "substitute check", as defined in the Check Clearing for 21st Century Act.

Other Property

Other property means any tangible property other than **money** and **securities** that has intrinsic value.

Other property does not include any property listed in the **Business Crime Coverage Part** as specifically not covered.

Outdoor Trees, Shrubs, Plants or Lawns

Outdoor trees, shrubs, plants or lawns mean trees, shrubs, plants or lawns the **Named Insured** owns that are located outside.

Outdoor trees, shrubs, plants or lawns does not include growing crops, standing timber, **stock** or trees, shrubs, plants, grass or lawns that are part of a vegetated roof.

Period of Restoration

A. **Period of restoration** means the period of time that begins with:

1. the time and date that the physical loss or damage that causes **suspension** of **operations** occurs; or

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2. the date **operations** would have begun if such loss or damage delays the start of **operations** and such loss or damage is to any of the following:
   a. **buildings** whether complete or under construction;
   b. alterations or additions to existing **buildings**;
   c. machinery, equipment, supplies or materials that are:
      (1) used in such construction, alterations or additions;
      (2) incidental to the occupancy of the area intended for construction, alteration or addition; or
      (3) incidental to the alteration of the occupancy of an existing **building**.

B. If the **Named Insured** resumes **operations**, with reasonable speed, the **period of restoration** ends on the earlier of:
   1. the date when the premises where the loss or damage occurred could have been physically capable of resuming the level of **operations** which existed prior to the loss or damage; or
   2. the date when a new permanent premises is physically capable of resuming the level of **operations** which existed prior to the loss or damage, if business is resumed at a new permanent premises.

C. If the **Named Insured** does not resume **operations**, or does not resume **operations** with reasonable speed, whether at a **location**, **reported unspecified location** or elsewhere, the **period of restoration** will end on the date when the premises where the loss or damage occurred could have been restored to the physical size, construction, configuration and material specifications which existed at the time of loss or damage, with no consideration for any increased period of time:
   1. which would have been required to make changes in order to repair or reconstruct the property or tear down undamaged parts of the property, to meet the minimum requirements of an ordinance or law; or
   2. which would have been necessary to make the premises physically capable of resuming the level of **operation** which existed prior to the loss or damage after the completion of repairs or replacement.

D. With respect to **Dependent Property Time Element Coverage** under the **OFF-SITE COVERAGE** section in the **Business Property Coverage Part**, **period of restoration** means the period of time that:
   1. begins on the date the physical loss of or damage to property at a **dependent property** occurs; and
   2. ends on the date when the property at that **dependent property** should be repaired or replaced with reasonable speed and similar quality.

E. With respect to **research and development business income**, the **period of restoration** means the period of time that begins with the time and date of the physical loss of or damage to **research and development project property** that causes **suspension** of the **Named Insured's** research and development project and ends on the earlier of:
   1. the date such **research and development project property** could be recreated or restored with reasonable speed and similar quality to the condition that existed at the time of loss or damage; or
   2. 365 days immediately following the date the physical loss of or damage to such **research and development project property** occurred.

F. No **period of restoration** will be cut short by the expiration of the Policy.

Personal Property

Personal property means:

A. all property, other than **real property**, owned by the **Named Insured** and used in the **Named Insured's** business, including furniture, fixtures, machinery, **electronic data processing equipment** and **stock**;

B. glass in **buildings** which, as a tenant, the **Named Insured** has a contractual responsibility to insure;

C. the **Named Insured's** outdoor signs, antennas and towers and fences;

D. **personal property of others**;

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E. **personal property of executive officers or employees**;

F. property, other than **real property**, the **Named Insured** leases for use in its business and for which the **Named Insured** has a contractual responsibility to insure, unless otherwise provided for under **personal property of others**;

G. the value of labor, materials or services furnished or arranged by the **Named Insured** on **personal property of others**;

H. the **Named Insured's** interest in **tenant's improvements and betterments**;

I. power or communication generation or transmission equipment, including transmission and distribution lines of any type, owned, operated, controlled by or leased by the **Named Insured**; or

J. vehicles or self-propelled machines (including autos, aircraft or watercraft) that:

1. the **Named Insured** manufactures, processes or warehouses or holds for sale that are licensed for use on public roads while at a **location** or **reported unspecified location**;
2. the **Named Insured** manufactures, processes or warehouses or holds for sale that are not licensed for use on public roads while at a **location** or **reported unspecified location**;
3. are unpowered watercraft owned by the **Named Insured** while out of the water at a **location** or **reported unspecified location**; or
4. are trailers owned by the **Named Insured** that are not licensed for use on public roads while at a **location** or **reported unspecified location**.

Personal property does not include **property not covered**.

Personal Property of Executive Officers or Employees

Personal property of executive officers or employees means personal property that is owned by **executive officers** or the **Named Insured's** employees (including leased or temporary employees) and that is usual to the occupancy of the **building**.

Personal Property of Others

Personal property of others means personal property that is not owned by the **Named Insured** but is in the **Named Insured's** care, custody or control.

Personal property of others does not include **personal property of executive officers or employees**.

Policy Period

Policy period means the period of time shown on the Policy Declarations, beginning on the effective date and time and ending on the expiration date and time, or the Policy's earlier cancellation date.

Policy Premium

Policy premium means the original premium and the fully annualized amount of any additional premiums, charged by the Insurer for coverage provided during the **policy period**.

Prearranged Transfer

Prearranged transfer means an electronic transfer of **money** or **securities** which is part of a regular or scheduled series of electronic transfers, authorized by **written** agreement, to a designated **financial institution** specifying:

A. the amount of **money** or **securities** to be transferred; and

B. account number to be credited.

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Premises

Premises means:

A. the interior of that portion of any building the **Named Insured** occupies in conducting the **Named Insured's** business;

B. with respect only to damage to **other property**, the exterior of that portion of any building the **Named Insured** occupies in conducting the **Named Insured's** business; or

C. with respect only to the **Employee Theft of Client Property While on Client Premises Coverage** under the **Business Crime Coverage Part**, the interior of that portion of any building a **client** occupies in conducting the **client's** business or the interior of a **client's** owned, leased or rented residence.

Prepaid Rent

Prepaid rent means that unamortized portion of any amount of advance rent the **Named Insured** paid based on the percentage of the unexpired portion of the lease that remains at the time of physical loss or damage.

Prepaid rent does not include the customary rent for a rental period or any amount refunded to the **Named Insured**.

Property Not Covered

Property not covered means:

A. animals unless:

1. owned by others and boarded by the **Named Insured**, or

2. owned by the **Named Insured** as **stock**, other than **research animals**, while inside of a **building** at a **location** or **reported unspecified location**;

B. bulkheads, pilings, piers, wharves or docks;

C. contraband, or property in the course of illegal transportation or trade;

D. **fine arts**, **money**, **securities**, **records of accounts receivable**, **media** or **research and development project property**;

E. vehicles or self-propelled machines (including autos, aircraft or watercraft) that are:

1. licensed for use on public roads; or

2. operated principally away from the **location** or **reported unspecified location**,

except to the extent included in Paragraph **J.** of the **personal property** definition;

F. land, naturally occurring water, air, growing crops and standing timber;

G. **outdoor trees, shrubs, plants or lawns**;

H. dams, dikes or retaining walls;

I. underground mines, mine shafts, caverns, open pits or quarries; or

J. any property which the **Named Insured** has covered under any other Policy in which such property is more specifically described, except for the excess of the amount due under such other coverage, whether collectible or not.

Qualifying Period

Qualifying period means the continuous period of time which must pass before the applicable coverage begins.

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Raw Stock

Raw stock means material in the state in which the **Named Insured** acquired it for conversion into **finished stock**.

Real Property

Real property means:

A. **buildings** and temporary or appurtenant structures of such **buildings**;

B. **fixtures**;

C. **personal property** that is used to maintain or service the **buildings**, **locations** or **reported unspecified locations**;

D. the **Named Insured's** indoor and outdoor signs;

E. materials, equipment, supplies and temporary **buildings** used for making additions, alterations or repairs to any such **building**;

F. paved or concrete surfaces owned by the **Named Insured**;

G. **building** foundations; or

F. underground pipes, flues and drains owned by the **Named Insured**.

Real property does not include **property not covered**.

Records of Accounts Receivable

Records of accounts receivable means accounting records used by the **Named Insured** to document the billing and collection of **money** due from the **Named Insured's** customers, regardless of what medium those records are inscribed, printed, written or recorded upon.

Records of accounts receivable includes:

A. **money** due the **Named Insured** from its customers that the **Named Insured** is unable to collect after exerting all reasonable effort to do so;

B. interest charges on any loan required to offset amounts the **Named Insured** is unable to collect pending the Insurer's payment of these amounts; and

C. collection expenses in excess of the **Named Insured's** normal collection expenses that are made necessary by such loss or damage,

resulting from the direct physical loss of or damage to **records of accounts receivable**.

Rental Value

Rental value means that portion of **net income** that would have been earned or incurred as rental income from tenant occupancy of a **location** or **reported unspecified location** as furnished and equipped by the **Named Insured**, including fair rental value of any portion of the **location** or **reported unspecified location** which is occupied by the **Named Insured**.

Replacement Cost

Replacement cost means the cost to repair or replace **covered property** at the time of direct physical loss or damage with property of comparable material and quality on the same or another site, and used for the same purpose, without deduction for depreciation, deterioration, and obsolescence which amount is computed as of the time and at the place of such loss or damage. If property of the same kind and quality is no longer available, the Insurer will pay to replace it with other property of similar quality and function, including property of greater processing capacity.

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Replacement cost valuation for **insured property** includes the cost the **Named Insured** paid for non-refundable or non-transferable extended warranties, maintenance contracts or service contracts which are still in force at the time of loss or damage and are no longer valid as a result of loss of or damage to such **insured property**.

Reported Unspecified Location

Reported unspecified location means fixed premises that has been identified on a schedule submitted by the **Named Insured** and on file with the Insurer, including:

A. the address of the premises and includes that area extending 1000 feet beyond that address;

B. an identification of the **insured property**, **business income** or **extra expense**; and

C. the value of such identified **insured property**, **business income** or **extra expense**.

If the **Named Insured** is a tenant, for purposes of **time element coverage**, **reported unspecified locations** includes that portion of the premises not rented, or intended to be rented, to others.

Reported unspecified location does not include:

1. a **location**;
2. an **unspecified location**;
3. a fair, trade show or exhibition;
4. an **installation location**; or
5. a **dependent property** with respect to loss or damage covered by any **time element coverage**.

Research Animals

Research animals means laboratory animals used in the **Named Insured's** research and development project or bred for sale to other medical technology or life science entities.

Research and Development Business Income

Research and development business income means:

A. **net income** that would have been earned or incurred had no loss or damage resulting in an interruption in the **Named Insured's** research and development project occurred, including **net income** resulting from:

1. lost or delayed pre-sale orders from new or current customers for a new product or an improved current product, whose entry into the marketplace is delayed because these products were the subject of lost or damaged **research and development project property**; or
2. grants, endowments and any other contract revenues, licensing fees, consulting fees, funding grants and progress payments, including milestone contracts; plus

B. **research and development project continuing expenses**.

However, **research and development business income** does not include any amount that is otherwise payable under this **Business Property Coverage Part** or that does not necessarily continue during the interruption in the research and development project.

Research and Development Project Continuing Expenses

Research and development project continuing expenses means the **Named Insured's** normal **continuing operating expenses** that are directly attributable to research and development projects, including any reasonable and necessary payroll expenses, rental payments as a tenant and factory overhead.

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Research and Development Project Property

Research and development project property means the **Named Insured's**:

A. written, printed, electronic or inscribed documents, plans, records, formulas or other information, including any material upon which it is inscribed, printed, written or recorded;

B. original or experimental property;

C. existing prototypes used as the model for the final version of a new product or design; or

D. undamaged property that needs to be recreated, restored or replaced due to covered loss of or damage to property in Paragraphs **A.**, **B.** or **C.**,

developed or used in conjunction with any ongoing and active research and development project.

Research and development project property does not include **research animals**, **media**, plants or crops or **fine arts**.

Robbery

Robbery means the unlawful taking of specified property from the care and custody of any person by one who has:

A. caused or threatened to cause that person bodily harm; or

B. committed an unlawful act witnessed by that person.

Safe Burglary

Safe burglary means the unlawful taking of:

A. property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or

B. a safe or vault from inside the **premises**.

Securities

Securities means negotiable and non-negotiable instruments or contracts representing either **money** or representing other tangible property that has intrinsic value, including:

A. tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; or

B. evidences of debt issued in connection with credit, debit or charge cards, which cards are not issued by the **Named Insured**.

Securities does not include **money**.

Sinkhole Collapse

Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite provided such cavities were not man made or did not result from **flood**.

Specified Peril

Specified peril means:

A. aircraft or vehicles;

B. explosion, fire or leakage from fire extinguishing equipment;

C. lightning, smoke, **volcanic eruption**, **water damage**, weight of snow, ice or sleet;

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D. windstorm or hail;

E. riot, civil commotion or vandalism or **theft**;

F. falling objects, excluding loss or damage to:

1. **personal property** in the open; or
2. the interior of a **building**, or property inside a **building**, unless the roof or an outside wall of the **building** is first damaged by a falling object;

G. **sinkhole collapse**;

H. solely with respect to **personal property** in the course of transit, **specified peril** also includes:

1. vehicle collision upset or overturn; or
2. sinking or stranding of a vessel, or collapse of a bridge, culvert, dock or wharf; or

I. **equipment breakdown peril**, excluding loss of or damage to **insured property** caused by the discharge, dispersal, release or escape of refrigerants, including ammonia.

Stock

Stock means **raw stock**, **goods in process**, **finished stock** or **merchandise**, including packing or shipping materials and including software incorporated into such **finished stock** or **merchandise**.

Sublease Profit

Sublease profit means the net profit the **Named Insured** earns through subleasing the **building** or portion of the **building** that the **Named Insured** rents for the unexpired term of the cancelled lease or sublease, whichever would expire first. This amount is discounted based on the Prime Rate on the date the direct physical loss or damage occurs, rounded to the nearest whole number.

Suspended Equipment

Suspended equipment means **covered equipment,** provided the Insurer has complied with the requirements described in the **SUSPENDED EQUIPMENT** Condition in the **First Party Terms and Conditions**.

Suspension

Suspension means:

A. the slowdown or cessation of the **Named Insured's** business activities; or

B. that a part or all of the covered premises is rendered untenantable.

System Penetration

System penetration means the intentional and malicious use of a computer to obtain unauthorized access to information and resources stored on **electronic data processing equipment**.

Tenant's Improvements and Betterments

Tenant's improvements and betterments means **fixtures**, glass, signs, alterations, installations or additions:

A. made a part of a **building** the **Named Insured** occupies as a tenant but does not own;

B. made or acquired at the **Named Insured's** expense exclusive of rent paid by the **Named Insured** or for which the **Named Insured** is legally required by written contract to insure; and

C. that the **Named Insured** cannot legally remove.

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Tenant's Lease Interest

Tenant's lease interest means the difference between:

A. the actual rent due for the unexpired portion of the cancelled lease at the time of covered loss or damage; and

B. the rent due under the new lease for the same time period.

Theft

Theft means the unlawful taking of property.

Time Element Coverage

Time element coverage means **business income**, **research and development business income** or **extra expense** to the extent these apply under this **Business Property Coverage Part**.

Transfer Agreement

Transfer agreement means a **written** agreement with any **financial institution** authorized to transfer **money** and **securities** at the **Named Insured's** request.

Unspecified Location

Unspecified location means:

A. a premises not listed in the **Business Property Schedule of Locations**; or

B. a fair, trade show or exhibition.

An **unspecified location** does not include:

1. a **location**;

2. a **newly acquired location**;

3. a **reported unspecified location**;

4. an **installation location**; or

5. a **dependent property** with respect to loss or damage covered by any **time element coverage**.

Volcanic Eruption

Volcanic eruption means the eruption, explosion or effusion of a volcano that gives rise to physical loss or damage when such loss or damage is caused by:

A. airborne volcanic blast or airborne shock waves;

B. ash, dust or particulate matter; or

C. lava flow.

Water Damage

Water damage means:

A. the discharge or leakage of domestic or process water or steam from:

1. water pipes and any other apparatus meant to carry or distribute water including, but not limited to, hoses and tubes and fire protection sprinkler system piping;

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2. appliances; or
3. mechanical systems; or

B. the overflow, discharge or leakage of water from bathroom, kitchen and laundry fixtures and faucets, within a **building**.

Written

Written means expressed through letters or marks placed upon paper and visible to the naked eye.

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These **First Party Terms and Conditions** apply to the **Business Property Coverage Part**, the **Business Crime Coverage Part**, as applicable, and their associated forms and endorsements.

I. ABANDONMENT

There can be no abandonment of any **covered property** to the Insurer unless the Insurer specifically agrees to such abandonment in writing.

II. APPRAISAL

If the **Named Insured** and the Insurer fail to agree on the amount of loss for physical damage or **business income** or **extra expense**, either may make a written demand for appraisal in which case within 30 days of that written demand each shall select an appraiser and shall notify the other of its chosen appraiser. This **APPRAISAL** Condition is not available to the **Named Insured** or the Insurer if there is a dispute as to whether the loss or damage was caused in whole or in part by a **covered peril**. This **APPRAISAL** Condition is not available if there is a dispute as to whether or not the loss is covered in whole or in part under this **coverage part**.

An individual may be chosen as an appraiser for a claim only if such individual is a competent, independent and disinterested person and who has no direct or indirect financial interest in the loss or the adjustment of the claim. That appraiser cannot be:

A. the **Named Insured** or any of the **Named Insured's** employees or agents (including any public adjuster or public adjusting company hired by the **Named Insured**);

B. employed by the Insurer; or

C. an independent adjuster hired by the Insurer for such claim.

The appraisers will first select a competent, independent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days then, only on the joint request of the **Named Insured** and the Insurer to a court of competent jurisdiction where the loss occurred, the **Named Insured** and the Insurer may request that the court select or appoint a competent, independent and disinterested umpire.

If the **Named Insured** and the Insurer fail to agree to submit a joint request to a court of competent authority, either may file the necessary documents in a court of competent jurisdiction where the loss occurred to compel the other to comply with the terms of this **APPRAISAL** provision.

The appraisers will then appraise, within a reasonable amount of time, the amount of loss, stating separately, as applicable:

1. the **actual cash value** or **replacement cost** as of the date of loss and the amount of loss, for each item of physical loss or damage; and

2. the amount of loss for each **time element coverage**.

If the appraisers fail to agree, they will submit their differences to the umpire. An award agreed to in writing by any two will determine the amount of loss and that award will be binding on both parties but such appraisal award will not determine whether the loss is covered. Any appraisal award addressing whether or not a loss is or is not covered is void and is not binding on either party to the appraisal.

The **Named Insured** and the Insurer will each:

a. pay its chosen appraiser; and

b. bear equally the other expenses of the appraisal and umpire.

A demand for appraisal shall not relieve the **Named Insured** of its continuing obligation to comply with all of the terms and conditions of this Policy.

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The Insurer will not be held to have waived any of its rights by any act relating to an appraisal. If there is an appraisal, the Insurer will still retain its right to deny the claim or challenge whether the damages from any loss are covered or otherwise excluded.

The **Named Insured** may only make a written demand for appraisal if the **Named Insured** has fully complied with all provisions of this Policy.

III. COMPLIANCE

No one may make a claim under the **Business Property Coverage Part** unless:

A. there has been full compliance with all of the provisions of the **Business Property Coverage Part**; and

B. the claim for coverage is brought within 2 years and 1 day after the date on which the direct physical loss or damage occurred.

IV. CONCEALMENT, MISREPRESENTATION AND FRAUD

This entire Policy shall be void if, whether before or after a loss, the **Named Insured** or designated representative:

A. has concealed or misrepresented any material fact or circumstance concerning:

1. this insurance or the subject thereof;
2. the interest of the **Named Insured** therein; or
3. any claim; or

B. has falsely sworn to any such material fact or circumstance.

V. CONTROL OF PROPERTY

Any act or neglect by any person, other than a **Named Insured** designated representative, of any provision of these conditions or the **Business Property Coverage Part**, will not affect coverage. Breach of any condition of coverage at one or more **locations** or **reported unspecified locations** will not affect coverage at any other **building** where, at the time of loss or damage, the breach of condition did not exist.

VI. DUTIES AFTER LOSS OR DAMAGE

In the event of loss or damage, the **Named Insured** shall do the following:

A. Take all necessary steps to protect the property from further loss or damage.

B. Set aside the damaged **insured property** for examination by the Insurer as often as may be required and keep a record of its expenses necessary to protect **insured property**.

C. As soon as practical, give written notice to the Insurer, or its designated representative, of the event giving rise to the loss or damage, including the date and time of such event, what occurred and the names and addresses of witnesses.

D. Within 60 days after being requested by the Insurer, render to the Insurer a detailed, sworn proof of loss on a form provided by the Insurer;

E. As often as may be reasonably required, exhibit to any person designated by the Insurer all that remains of any damaged or undamaged property and permit the Insurer to take samples of such property for inspection and analysis.

F. Submit individually to examinations under oath at the Insurer's request and, if requested and identified by the Insurer, make its designated representatives, including, but not limited to, public adjusters, claims consultants,

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forensic accountants or other third parties providing claims related services, submit to examinations under oath, and give the Insurer a signed statement of each individual's answers.

G. As may be reasonably required, produce for examination at the request of the Insurer all books of account, business records, bills, invoices and other vouchers, or certified copies thereof if originals have been lost, at such reasonable time and place as may be designated by the Insurer or its authorized representative, and permit extracts and copies thereof to be made.

H. Cooperate with the Insurer in the investigation of any claim.

I. Notify law enforcement authorities, if the **Named Insured** has reason to believe that any loss or damage involves a violation of law.

VII. LOSS PAYMENT

A. Unless otherwise specified in this Policy, in the event of covered loss or damage to **covered property**, at the Insurer's option, the Insurer will either:

1. pay the amount of loss or damage;
2. pay the cost of repairing or replacing such **covered property**;
3. take all or any part of the **covered property** at an agreed or appraised value; or
4. repair or replace the **covered property** with other property of like kind and quality.

B. If the Insurer elects to exercise option **A.3.** above with respect to any branded or labeled **merchandise** or **finished stock**, the **Named Insured** may:

1. Stamp salvage on their **merchandise** or **finished stock**, or its containers, if the stamp will not physically damage the **merchandise** or **finished stock**; or
2. Remove the brands or labels, if doing so will not physically damage the **merchandise** or **finished stock**. The **Named Insured** must re-label the **merchandise** or **finished stock** or its containers, to comply with the law.

C. The Insurer will determine the value of such **covered property**, or the cost of its repair or replacement, in accordance with the **VALUATION** Condition.

D. The Insurer will not pay more than the **Named Insured's** financial interest in the **covered property**.

E. The Insurer, at the Insurer's expense, may elect to defend the **Named Insured** against suits arising from claims of owners of **covered property**.

F. If the **Named Insured** has complied with all of the terms and conditions of this Policy, the Insurer will pay amounts due hereunder within 60 days after it receives an acceptable sworn proof of loss provided that the Insurer and **Named Insured** have reached agreement on the amount of loss or damage or an appraisal award has been made. Such payments will be made to the **First Named Insured**, subject to the **LOSS PAYEES AND MORTGAGEES** Condition below. However, the payment for loss or damage to **personal property of others** may be to the account of the owner of the property.

Covered **Debris Removal Costs and Expenses** and **Debris Removal – Additional Costs and Expenses** in the **Fees, Costs and Expenses Coverages** provision under the **LOCATION COVERAGES** section of the **Business Property Coverage Part** will be paid by the Insurer provided all such costs are reported to the Insurer in writing within 180 days of the **occurrence**.

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VIII. LOSS PAYEES AND MORTGAGEES

A. Loss Payees

If there is loss of or damage to **insured property**, in which the **Named insured** and any Loss Payee, whether or not named in the **Schedule of Loss Payees or Mortgagees**, have an insurable interest:

1. the Insurer will adjust losses with the **Named Insured**, and
2. make payments jointly to the **Named Insured** and such Loss Payee, in their order of precedence, in accordance with the Loss Payee's financial interest in the applicable property.

If the Insurer pays such Loss Payee, such payments will satisfy the **Named Insured's** claims against the Insurer for that Loss Payee's property. The Insurer will not pay such owners more than their financial interest in the **insured property**.

B. Lender Loss Payees and Mortgagees

1. As used in this Section:
   - **a.** a Lender Loss Payee is any creditor who is shown on the **Schedule of Loss Payees or Mortgagees** as a Lender Loss Payee and whose interest in **insured property** is established by a written instrument including warehouse receipts, bills of lading, financing statements or security agreements;
   - **b.** a Mortgagee is any mortgagee or trustee who is shown on the **Schedule of Loss Payees or Mortgagees** as a Mortgagee with respect to the **real property** for which the mortgagee or trustee is named.
2. The Insurer will pay for covered loss or damage to each specified Lender Loss Payee or Mortgagee, in order of precedence, in accordance with the Lender Loss Payee's or Mortgagee's financial interest in the applicable property.
3. Each Lender Loss Payee and Mortgagee has the right to receive loss payment, even though:
   - **a.** the Insurer denied the **Named Insured's** claim because the **Named Insured** failed to comply with the terms of this Policy; or
   - **b.** such Lender Loss Payee or Mortgagee has started foreclosure or similar action on the **insured property**,

   provided such loss payee:
   - **i.** pays any premium due under this **Business Property Coverage Part** at the Insurer's request if the **Named Insured** has failed to do so;
   - **ii.** submits a signed, sworn proof of loss in accordance with the requirements of this Policy; and
   - **iii.** has notified us of any change in ownership, or substantial change in risk known to such Lender Loss Payee or Mortgagee.

   If these requirements are met, all of the terms of this **Business Property Coverage Part** will then apply directly to such Lender Loss Payee or Mortgagee.
4. With respect to any Lender Loss Payees or Mortgagees:
   - **a.** The Insurer may cancel this Policy, including the interest of any Lender Loss Payee or Mortgagee, by giving such Lender Loss Payee or Mortgagee, or its agent, written notice:
     - **i.** 10 days prior to the effective date of cancellation, if cancellation is for nonpayment of premium; or
     - **ii.** 60 days prior to effective date of cancellation, if cancellation is for any other reason.

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b. If a loss hereunder is made payable, in whole or in part, to a designated Lender Loss Payee or Mortgagee not named in this Policy, that interest may be cancelled by giving to such loss payee 10 days written notice of cancellation.

c. If the Insurer pays the Lender Loss Payee or Mortgagee for loss under this **Business Property Coverage Part**, and denies payment to the **Named Insured**, the Insurer will, to the extent of the payment made to such Lender Loss Payee or Mortgagee, be subrogated to all the rights of the Lender Loss Payee or Mortgagee. However, any subrogation by the Insurer will not impair the right of such Lender Loss Payee or Mortgagee to recover the full amount of its claim. At the Insurer's option, the Insurer may pay the whole principal of the **Named Insured's** debt plus accrued interests. In this event, the **Named Insured** will pay its remaining debt to the Insurer.

d. If the **Named Insured** fails to provide proof of loss, the Lender Loss Payee or Mortgagee, upon notice, will render proof of loss within 60 days of notice and will be subject to the provisions contained in this **First Party Terms and Conditions** and **Common Terms and Conditions** relating to **APPRAISAL**, **LOSS PAYMENT** and **NO SUIT AGAINST INSURER**.

C. Mortgagee Loss Payee

With respect to any Mortgagee as defined above, the interest of the Mortgagee in **real property** will not be invalidated by:

1. any act or neglect of the mortgagor or owner of the **real property**;
2. foreclosures, notice of sale, or similar proceeding with respect to the **real property**;
3. change in the title or ownership of the **real property**; or
4. change to an occupancy more hazardous than was represented by the **Named Insured**.

D. Contract of Sale Loss Payee

A Contract of Sale Loss Payee is a person or entity who is shown on the **Schedule of Loss Payees or Mortgagees** and with whom the **Named Insured** has entered a contract for the sale of **insured property**; provided that for such **insured property** in which both the **Named Insured** and such Contract of Sale Loss Payee have an insurable interest, the Insurer will:

1. adjust losses with the **Named Insured**; and
2. pay any claim for loss or damage jointly to the **Named Insured** and such Contract of Sale Loss Payee, as interests may appear.

E. Building Owner Loss Payee

1. A Building Owner Loss Payee is the person or entity who is shown on the **Schedule of Loss Payees or Mortgagees** and is the owner of the described **building** in which the **Named Insured** is a tenant.
2. Loss or damage to such **building** will be adjusted with such Building Owner Loss Payee. Any loss payment made to such Building Owner Loss Payee will satisfy the **Named Insured's** claims against the Insurer for such Building Owner Loss Payee property.
3. Loss or damage to **tenant's improvements and betterments** will be adjusted with the **Named Insured** unless the written lease agreement provides otherwise.

IX. NO BENEFIT TO BAILEE

This insurance shall in no way inure directly or indirectly to the benefit of any transportation carrier or bailee.

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X. OTHER INSURANCE

A. If the **Named Insured** has other insurance covering the same loss or damage, the Insurer will pay on the least of the following amounts:

1. any Limit of Insurance applicable to the **covered property** that has sustained such loss or damage;
2. the amount of covered loss or damage in excess of the amount due from that other insurance, whether the **Named Insured** can collect on it or not, without application of deductible amounts contained elsewhere in this **coverage part**; or
3. the amount the Insurer would have paid had such other insurance not existed.

B. Paragraph **A.** above does not apply to other insurance that is purchased as insurance in excess of the Limit of Insurance under this **coverage part**.

XI. POLICY PERIOD/COVERAGE TERRITORY

The Insurer will cover loss or damage commencing during the **policy period** of this Policy and within the **coverage territory** unless otherwise specified.

XII. RECOVERED PROPERTY

If either the **Named Insured** or Insurer recover any property after loss settlement, that party must give the other prompt notice. At the **Named Insured's** option, the property (other than **money** or **securities**) will be returned to the **Named Insured**. The **Named Insured** must then return to the Insurer the amount it paid to the **Named Insured** for the **covered property**. The Insurer will pay recovery expenses and the expenses to repair the recovered **covered property**, subject to the Limit of Insurance.

With respect to **money** or **securities**, any recoveries, less the cost of obtaining them, made after settlement of loss or damage covered by this **coverage part** will be distributed:

A. first to the **Named Insured**, until the **Named Insured** is fully reimbursed for any loss or damage that the **Named Insured** sustains that exceeds the Limit of Insurance and the Deductible amount, if any;

B. then to the Insurer, until the Insurer is reimbursed for the settlement made; and

C. then to the **Named Insured**, until the **Named Insured** is reimbursed for that part of the loss or damage equal to the Deductible amount, if any.

Recoveries do not include any recovery:

1. from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit; or
2. of original **securities** after duplicates of them have been issued.

XIII. RESUMPTION OF OPERATIONS

The Insurer will reduce the amount of **business income** and **research and development business income** loss payments to the extent that the **Named Insured** could resume **operations** or research and development projects in whole or in part:

A. by using damaged or undamaged property, including **stock**; or

B. by using any other premises.

Solely with respect to **suspension** of **operations** caused by direct physical loss of or damage to a **dependent property**, the Insurer will reduce the amount of **business income** loss payment to the extent the **Named Insured** could resume the **Named Insured's operation**, in whole or in part, by using any other available sources of materials or outlets for the **Named Insured's** products or services available to the **Named Insured**.

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XIV. SALVAGE AND RECOVERIES

All salvages, recoveries, and payments, excluding proceeds from subrogation and other insurance, recovered or received prior to a loss settlement under this Policy, shall reduce the loss accordingly. If recovered or received subsequent to a loss settlement under this Policy, such net amounts received shall be divided between the interests concerned in the proportion of such respective interests.

XV. SUSPENDED EQUIPMENT

The Insurer, or any of the Insurer's representatives, has the right to suspend the insurance provided for **covered equipment** from an **equipment breakdown peril** when the equipment is found to be in, or exposed to, a dangerous condition, provided that the Insurer, or any representative, has:

A. told the **Named Insured** of the dangerous condition immediately upon discovering it and informed the **Named Insured** of the suspension of coverage; and

B. mailed or delivered a notice of the suspension to the **First Named Insured's** last known address or the address where the **covered equipment** is located.

The **Named Insured** will get a pro-rata refund of premium for the suspended insurance. However, the suspension will be effective even if the Insurer has not yet made or offered a refund. Reinstatement can only be effected by a written endorsement issued by the Insurer.

XVI. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO THE INSURER

If the Insurer pays a claim under this Policy, it will be subrogated, to the extent of such payment, to all the **Named Insured's** rights of recovery from other persons, organizations and entities. The **Named Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Named Insured** shall do nothing to prejudice such rights.

The Insurer will have no rights of subrogation against:

A. any person or entity who or which is a **Named Insured**;

B. any subsidiary or any entity associated with the **Named Insured** through ownership or management;

C. any other person or entity that the **Named Insured** waived its rights of subrogation against in writing before the time of loss.

XVII. VACANCY

If a **building** where loss or damage occurs has not been used by the **Named Insured** to conduct its normal business for more than 60 consecutive days before such loss or damage occurs, the Insurer will not pay for any loss or damage caused by any of the following even if they are **covered perils**:

A. vandalism;

B. sprinkler leakage, unless the **Named Insured** has protected the system against freezing;

C. **building** glass breakage;

D. **water damage**;

E. **theft** or attempted **theft**.

With respect to all other **covered perils**, the Insurer will reduce the amount that would otherwise be paid for the loss or damage by 15%.

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If the **Named Insured's** normal **operation** is leasing property to others, a vacant **building** will be subject to this condition if the **Named Insured** has ceased actively leasing the **building** or has cut-off power, heat and water utility services to the **building**.

Buildings under active construction or active renovation are not considered vacant.

XVIII. VALUATION

A. Except as provided in Paragraph **B.** below, and subject to all applicable Limits of Insurance, the Insurer will not pay more than the lesser of the following:

1. the **replacement cost**; or
2. the actual cost to repair or replace **covered property**.

If the **Named Insured** does not repair or replace the **covered property**, or the repair or replacement exceeds 24 months from the date of loss or damage unless a longer time frame is agreed to by the Insurer, the Insurer will pay the **actual cash value** of such property.

If the **Named Insured** commences repair or replacement of such **covered property** and completes it within 24 months from the date of loss or damage, or such agreed to longer period, the Insurer will pay the difference between the **actual cash value** previously paid and the lesser of Paragraphs **1.** or **2.** above.

B. With respect to the following **covered property**, the Insurer will not pay more than the following amounts:

1. **Accounts receivable**: for **records of account receivable** for which duplicates do not exist, the full cost to research and reproduce such records plus the cost of the blank materials on which they resides. For **records of accounts receivable** for which duplicates do exist, the cost of the labor to transcribe or copy such records, plus the cost of the blank materials on which they reside.

   If the **Named Insured** cannot accurately establish the amount of accounts receivable outstanding at the time of loss of or damage to the **records of accounts receivable**, the following method will be used:

   a. determine the average monthly amount of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

   b. adjust that average monthly amount for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the monthly average.

   The following will be deducted from the total amount of accounts receivable, however that amount is established:

   i. the amount of the accounts receivable for which there is no loss or damage;

   ii. the amount of the accounts receivable that the **Named Insured** is able to re-establish or collect;

   iii. an amount to allow for probable bad debts that the **Named Insured** is normally unable to collect; and

   iv. all unearned interest and service charges.

2. **Personal property** that is leased or rented from others, **personal property of others** and nonowned trailers: the lesser of the following:

   a. the amount for which the **Named Insured** is liable under the written contract for such property;

   b. the actual cost to repair such property; or

   c. the **replacement cost**.

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3. **Fine arts**: the appraised **market value** as of the time, and at the place, of loss or damage. In case of loss to any part of a pair or set, the Insurer may:

   a. repair or replace any part to restore the pair or set to its value before the loss; or

   b. pay the difference between the value of the pair or set before and after the loss.

4. Glass: **replacement cost**, including the costs and expenses incurred to put up temporary plates or board up openings and to remove or replace obstructions when repairing or replacing glass that is part of a **building**, but not including the removal or replacement of window displays.

5. **Goods in process**: the value of **raw stock**, the **Named Insured's** labor expended and other materials incorporated and the cost to repurchase proprietary property licenses, plus the proper proportion of overhead charges.

6. **Media**: for **media** for which duplicates do not exist, the full cost incurred to research and reproduce a master copy of such **media** plus the cost of the blank materials on which it resides. For **media** for which duplicates do exist, the cost incurred for the labor to transcribe or copy such **media**, plus the cost of the blank materials on which it resides.

   If the **media** is not reproduced or replaced, the loss will be valued at the cost to replace the blank material on which the **media** resides with substantially identical type of such blank materials.

7. **Merchandise** which has been sold and not delivered and **finished stock**: the regular cash selling price, less all costs to complete the sale and discounts and charges to which such **finished stock** or **merchandise** would have been subject had no loss or damage occurred.

8. **Money** or **securities**:

   Money: only up to and including its face value.

   Securities: only up to and including their value at the close of business on the day the loss was **discovered**.

9. **Outdoor trees, shrubs, plants or lawns**: the reasonable and necessary costs of a qualified contractor to remove the damaged tree, shrub, plant or lawn from the **location** or **reported unspecified location** and the replacement of such property with similar type, size and quality as the damaged property including reasonable repairing and replanting costs. No payment will be made for the replacement, repairing or replanting of such property until the repairing, replacement and replanting is completed. Damaged **outdoor trees, shrubs, plants or lawns** not replaced within 12 months from the date of the loss have no value.

10. Property for sale, other than **stock** or **merchandise**, the lesser of the:

    a. **replacement cost**;

    b. the selling price; or

    c. **actual cash value**.

11. Property in transit:

    a. Property under invoice, at the actual invoice cost, including prepaid freight, together with such cost and charges since shipment as may have accrued and become legally due thereon.

    b. Property not under invoice, in accordance with the valuation provisions of this Policy, less any charges saved which would have become due and payable upon delivery at destination.

12. **Research and development project property**: the actual cost necessary to:

    a. research, recreate, repair or replace the **research and development project property**, including the cost of materials and supplies; and

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b. research, recreate or reproduce information, on any format, documenting that lost or damaged **research and development project property** as of the date of such loss or damage.

However, the Insurer will only pay for these costs if the **Named Insured** repairs, replaces or recreates the **research and development project property**. Any **research and development project property** not repaired, replaced or recreated has no value. When production of a new product begins by anyone, the **research and development project property** for that product and all associated research and recreation costs have no value.

13. Tenant's improvements and betterments:

a. **Replacement cost** if the **Named Insured** repairs or replaces with reasonable speed.

b. A proportion of the **Named Insured's** original cost if the **Named Insured** does not repair or replace with reasonable speed. The Insurer will determine the proportionate value as follows:

i. multiply the original cost by the number of days from the date of the loss or damage to the expiration date of the lease; and

ii. divide that amount determined in Paragraph **i.** above by the number of days from the installation of the **tenant's improvements and betterments** to the expiration of the lease.

If the lease contains a renewal option, the expiration date of the renewal option period will be used as the expiration date of the lease.

c. If others pay for the repairs or replacement, then the Insurer will only pay for that portion which has not been paid for by others.

14. Vehicles or self-propelled machines (other than nonowned trailers), railroad rolling stock and contractor's equipment: at the lesser of the following for that lost or damaged property:

a. applicable scheduled Limit of Insurance;

b. **actual cash value**;

c. cost to reasonably restore that property to its condition immediately before loss or damage; or

d. cost of replacing that property with used, but substantially identical property.

XIX. BUSINESS CRIME COVERAGE CONDITIONS

Solely with respect to crime coverage provided under the **Business Crime Coverage Part** and the **Employee Theft, Forgery or Alteration** and **Money and Securities Additional Coverages** under the **Business Property Coverage Part**, the following conditions apply:

A. Joint Named Insured

1. If the **Named Insured** or partner, proprietor, **member** or officer of that **Named Insured** has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every **Named Insured**.

2. An **employee** of any **Named Insured** is considered to be an **employee** of every **Named Insured**.

3. If any crime coverage is cancelled or terminated as to any **Named Insured**, a loss with respect to that **Named Insured** is covered only if the loss was **discovered** during the period of time in the **When Loss Must be Sustained and Discovered Condition** below. However, this extended period to **discover** loss terminates as to that **Named Insured** immediately upon the effective date of any other insurance obtained by that **Named Insured** replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss or damage sustained prior to its effective date.

4. In the event loss or damage is sustained by more than one **Named Insured**, the Insurer will not pay more than if the loss or damage was sustained by one **Named Insured**.

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B. Named Insured Sponsored Employee Benefit Plans

Any **employee benefit plan** shown under the **Business Property Coverage Part** Declarations or the **Business Crime Coverage Part** Declarations as included as an additional **Named Insured** are so included only with respect to **Employee Theft Coverage**.

In compliance with certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA):

1. If the **First Named Insured** is an entity other than an **employee benefit plan**, any payment made by the Insurer will be made jointly to the **First Named Insured** and to the **employee benefit plan** that sustained loss.

2. If two or more **employee benefit plans** are insured under this **coverage part**, any payment the Insurer makes for covered loss:

   a. sustained by two or more **employee benefit plans;** or

   b. of commingled funds or other property of two or more **employee benefit plans**,

   is to be shared by each **employee benefit plan** sustaining loss in the proportion that the amount of insurance required for each such **employee benefit plan** under the Employee Retirement Income Security Act of 1974 (ERISA) bears to the total of such payments.

3. The **First Named Insured** must purchase a Limit of Insurance applicable to **Employee Theft Coverage** that is at least equal to the minimum amount required by ERISA for any **employee benefit plans**. If **employee benefit plans** are insured jointly with any other entity under this **coverage part** the limit must be at least equal to the minimum amount required by ERISA as if each **employee benefit plan** were insured independently. If, during this **policy period**, it is determined that the applicable Limit of Insurance as shown in the **Business Property Schedule of Coverages and Limits** or **Business Crime Schedule of Coverages, Limits and Deductibles** was less than the amounts required by ERISA on the effective date of this Policy, then, at the request of the **First Named Insured** during this **policy period**, and subject to the payment of any additional premium, the applicable Limit of Insurance may be amended to equal the minimum amount required by ERISA.

4. The deductible otherwise applicable to **Employee Theft Coverage** does not apply to loss sustained by any **employee benefit plan**.

C. New Employees/New Employee Benefit Plans

1. **New Employees or Premises**

   If, during this **policy period** the **Named Insured** establishes any additional **premises** or hires additional **employees**, any insurance afforded for **employees** and **premises** shall also apply to those additional **employees** and **premises**.

2. **New Employee Benefit Plans**

   If any **employee benefit plan** is acquired by the **Named Insured** during the **policy period** that is:

   a. sponsored and approved by the **Named Insured**; and

   b. required to be bonded under the provisions of ERISA,

   that **employee benefit plan** shall be included as a **Named Insured** under this **coverage part**.

D. Loss Covered Under This Insurance and Prior Insurance Issued by the Insurer or Any Affiliate of the Insurer

If the **Named Insured discovers** covered loss during the **policy period** resulting directly from an act or series of acts that took place partly during the **policy period** and partly during a **policy period** of any prior cancelled or

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terminated Policy that the Insurer or any affiliate issued to the **Named Insured** or any predecessor in interest, the most the Insurer will pay is the larger of the amount recoverable under this Policy or the prior Policy.

E. Loss Sustained During Prior Policy

1. If the **Named Insured**, or a predecessor in interest, sustained a loss that could have been recovered under a prior policy except that the time within which to **discover** the loss under such prior policy had expired, then the Insurer will pay for it under this Policy, provided:

   a. this Policy became effective at the time of cancellation or termination of such prior Policy; and

   b. the loss would have been covered by this Policy had it been in effect at the time of such loss.

2. The Limit of Insurance available under this Loss Sustained During Prior Policy Condition is part of, and not in addition to, the applicable Crime Coverage Limits of Insurance and is limited to the following:

   a. when the prior policy was issued by the Insurer or any affiliate of the Insurer, the highest single Limit of Insurance of the amount recoverable under:

      i. this Policy as of its effective date; or

      ii. the prior policy had it remained in effect.

   b. when the prior policy was not issued by the Insurer or any of its affiliates, the lesser of the single Limit of Insurance of the amount recoverable under:

      i. this Policy as of its effective date; or

      ii. the prior policy had it remained in effect.

F. Non-Cumulation of Limit of Insurance

Regardless of the number of years this Policy or similar insurance (whether issued on a "Loss Sustained" or "Loss Discovered" basis) issued by the Insurer remains in force or the number of premiums paid, the Limit of Insurance does not cumulate from one **policy period** to another **policy period**.

G. Ownership of Property; Interests Covered

The **money**, **securities** and **other property** covered under this **coverage part** is limited to such property:

1. that the **Named Insured** owns or leases;

2. that the **Named Insured** holds for others; or

3. owned and held by someone other than the **Named Insured** under circumstances which make the **Named Insured** responsible for the property prior to the time of loss.

Solely with respect to an **employee benefit plan**, the **money**, **securities** and **other property** covered under any crime coverage is limited to all funds or property that the **employee benefit plan** uses or may use as a source for the payment of benefits to plan participants or beneficiaries, as described by the Employee Retirement Income Security Act of 1974 (ERISA), any amendments thereto and any regulations promulgated thereunder.

However, this insurance is for the **Named Insured's** benefit only. It provides no rights or benefits to any **clients** or to any other person or organization.

H. Termination of Coverage as Respects Acts of Any Employee

Coverage is terminated with respect to any **employee**:

1. immediately upon discovery of a dishonest act:

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a. committed by that **employee** while employed by the **Named Insured**, or

b. committed by that **employee** prior to becoming employed by the **Named Insured**, provided dishonest acts committed prior to becoming employed by the **Named Insured** resulted in a loss equal to or exceeding $10,000,

provided that such discovery was made by the **Named Insured** or any of the **Named Insured's employees**, partners, proprietors, **members**, **managers**, officers, directors or trustees, not in collusion with the **employee** who committed such act, whether before or after becoming employed by the **Named Insured**.

2. on the date specified in the notice mailed to the **Named Insured**. That date will be at least 60 days after the date of mailing.

The Insurer will mail or deliver the notice to the **First Named Insured's** last mailing address known to the Insurer. If notice is mailed, proof of mailing will be sufficient proof of notice.

I. When Loss Must be Sustained and Discovered

Except as provided in the Loss Sustained During Prior Policy Condition, loss is covered only if sustained during the **policy period** and **discovered** no later than one year from the date of cancellation or expiration of the Policy. However, with respect to any **Named Insured** who obtains any other insurance replacing in whole or in part the insurance afforded by such crime coverages, regardless of whether such insurance is obtained during or after the **policy period**, this extended period to **discover** loss terminates immediately upon the effective date of such other insurance, whether or not such other insurance provides coverage for such crime loss sustained prior to its effective date.

J. Worldwide Coverage and Other Territory Changes

With respect to **Employee Theft Coverage**, coverage applies anywhere in the world for **employees** while temporarily outside the **coverage territory** for a period of 90 days or less.

With respect to **Forgery or Alteration Coverage** and **Computer Fraud Coverage**, coverage applies anywhere in the world.

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Business Property Coverage

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CNA PARAMOUNT HealthCare
Business Property Coverage Part Declarations

Policy Number: 4017244481

1. Named Insured and mailing address	Name: STERI-PHARMA LLC Address: 120 N RTE 17 NORTH PARAMUS, NJ 07652-2819
2. Limits of Insurance, Deductibles Waiting periods	See **Business Property Schedule of Coverages and Limits** and **Business Property Schedule of Locations**
3. Premium, Surcharges Taxes and Fees at Issuance	Total Premium for this **Coverage Part** $173,207.00 New York Fire Fee $1,133.40 Total Premium, Surcharges Taxes and Fees for this **Coverage Part** $174,340.40
	Terrorism Risk Insurance Extension Act Premium $747.00
	Your Premium includes the following amount to cover a fire loss that follows from a certified act of terrorism, even if certified acts of terrorism are otherwise excluded under this policy (statutorily required for locations in the Standard Fire Policy states of CA,GA,HI,IA,IL,MA,ME,MO,NC,NJ,NY,OR,RI,WI and WV): $1,121.00

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Business Property Schedule of Coverages and Limits

Policy Number: 4017244481

COVERAGES AND LIMITS

Coverages under the **Business Property Coverage Part** apply as shown below.

Limits of Insurance shown as Each Location apply separately for any one **occurrence** at each **location** identified in the **Business Property Schedule of Locations**, and at each **reported unspecified location**, if applicable. Limits of Insurance shown as Each Occurrence represent the total the Insurer will pay for any one **occurrence** for that coverage. However, if a particular coverage is shown as "Not Covered", then such coverage is not provided under this **Business Property Coverage Part**. If a different Limit of Insurance is shown for a particular coverage at a specific **location**, that Limit replaces, and is not in addition to, the Limit of Insurance shown for that coverage in the **Business Property Schedule of Coverages and Limits**, for that **location**.

SPECIFIED LOCATION COVERAGE AGREEMENT	
LOCATION BASE COVERAGE:	
Real Property Coverage	**SEE THE SCHEDULE OF LOCATIONS**
Personal Property Coverage	
TIME ELEMENT COVERAGE:	
Business Income Coverage	**SEE THE SCHEDULE OF LOCATIONS**
Extra Expense Coverage	

FEES COSTS AND EXPENSES COVERAGES		
Architects & Engineers and Other Professional Fees	Included within the applicable Real Property or Personal Property Limit	
Brands & Labels Costs and Expenses	Included within the applicable Personal Property Limit	
Debris Removal Costs and Expenses	Included within the applicable Real Property or Personal Property Limit	
Debris Removal:		
Additional Costs and Expenses	$300,000	Each Location
Uncovered Property	$5,000	Each Location
Expediting Costs and Expenses	$50,000	Each Location
Green Insured Property:		
Costs and Expenses	Included within the applicable Real Property or Personal Property Limit	
Time Element	Included within the applicable Time Element Coverage Limit	

OFF-SITE COVERAGES		
Deferred Payments Coverage	$25,000	Each Occurrence
Dependent Property Time Element Coverage	$250,000	Each Occurrence
Installation Coverage	$50,000	Each Occurrence
Mobile Computing Devices - Worldwide Coverage	$25,000	Each Occurrence
Property at Unspecified Locations Coverage – Property Damage and Time Element Combined	$100,000 Unspecified Locations Combined Not Applicable	Each Unspecified Location
Property in Transit Coverage – Property Damage and Time Element Combined	$100,000	Each Occurrence
Worldwide Media and Accounts Receivable Coverage	$100,000	Each Occurrence

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Business Property Schedule of Coverages and Limits

Policy Number: 4017244481

ADDITIONAL COVERAGES		
Contaminants or Pollutants Clean Up and Removal Coverage – Property Damage and Time Element Combined	$50,000 Each Location	
Contamination by a Refrigerant Coverage	$1,000,000 Each Location	
Contractual Penalties Coverage	$50,000 Each Occurrence	
Denial of Access Coverage:		
Civil Authority	Included within the applicable Time Element Coverage Limit	Number of Days: 30
Ingress/Egress	$50,000 Each Location	
Electronic Vandalism Coverage – Property Damage and Time Element Combined	$50,000 Aggregate	
Employee Theft Coverage	Not Covered	
Equipment Breakdown – Spoilage Coverage	$250,000 Each Location	
Expense to Reduce Loss – Business Income	Included in applicable Business Income Limit	
Extended Indemnity Period – Business Income Coverage	Included within the applicable Business Income Limit	Number of Days: 730
Forgery or Alteration Coverage	Not Covered	
Fungi, Wet Rot, Dry Rot and Microbe Coverage – Property Damage and Time Element Combined	$50,000 Aggregate	
Loss Adjustment Expense Coverage	$25,000 Each Occurrence	
Money and Securities Coverage	Not Covered	
Newly Acquired Locations and Property Coverage:		
Newly Acquired or Constructed Real Property	$2,000,000 Each Occurrence Number of Days: 180	
Newly Acquired – Other Property	$1,000,000 Each Occurrence Number of Days: 180	
Newly Acquired Location – Time Element	$250,000 Each Occurrence Number of Days: 180	
Ordinance or Law Coverage:		
Undamaged Insured Property	Included within the applicable Real Property or Personal Property Limit	
Demolition and Repair Cost	$500,000 Each Location	
Increased Period of Restoration	Included within the applicable Business Income Limit	
Pair or Set Coverage	Included within the applicable Personal Property Limit	
Protection of Property Coverage:		
Removal of Insured Property	Included within the applicable Real Property or Personal Property Limit	Number of Days: 365
Preservation of Insured Property	$2,500 Each Occurrence	

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Business Property Schedule of Coverages and Limits

Policy Number: 4017244481

ADDITIONAL COVERAGES		
Reported Unspecified Locations **Real Property** **Personal Property** **Business Income** **Extra Expense**	Not Covered	
Research and Development Coverage:		
Research and Development Project Property	$250,000	Each Location
Research and Development Business Income	Included within the applicable Business Income Limit	
Theft Damage to Non Owned Building Coverage	Included within the applicable Personal Property Limit	
Trees, Shrubs, Plants and Lawns Coverage	$5,000 $250,000	Each Item Each Location
Unintentional Errors or Omissions Coverage	$250,000	Each Occurrence
Utility Supply Failure Coverage:		
Property Damage	$1,000,000	Each Occurrence
Time Element	$1,000,000	Each Occurrence

ADDITIONAL COVERAGE BASKET

All coverages shown in the **SCHEDULE** below are part of the **Additional Coverage Basket** and subject to a combined single Each Location Limit of Insurance shown in the **SCHEDULE** below. Such Limit of Insurance applies separately for any one **occurrence** at each **location** identified in the **Business Property Schedule of Locations**, and at each **reported unspecified location**, if applicable, unless the **Additional Coverage Basket** is shown as "Not Covered" for any specific **location**. If a different Limit of Insurance is shown for **Additional Coverage Basket** at a specific **location**, that Limit replaces, and is not in addition to, the Limit of Insurance shown for **Additional Coverage Basket** below, for that **location**.

SCHEDULE		
Accounts Receivable Coverage	$1,000,000	Each Location
Fine Arts Coverage (subject to Per Item Limit of $100,000)		
Fire Department Service Charge Coverage		
Lessee Leasehold Interest Coverage		
Lost Key Replacement Coverage		
Non Owned Detached Trailers Coverage		
Recharge of Fire Protection Equipment Coverage		
Restoration of Media Coverage		
Reward Payments Coverage		

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Business Property Schedule of Locations

Policy Number: 4017244481

Blanket Limits of Insurance

The Limit of Insurance shown below for that **Blanket Coverage Type** represents the sum total the insurer will pay for any one **occurrence** for such blanket coverage. That Blanket Limit applies only at **locations** for which the Limit of Insurance is shown as Included in Blanket for that blanket coverage type under the **Location and Coverage Schedule.** If a particular coverage type does not apply at a specific **location**, the Limit of Insurance will be shown as Not Covered for that **location.** If a specific dollar amount Limit of Insurance is shown for that coverage type at a **location**, that Limit replaces, and is not in addition to, the Blanket Limit of Insurance for that coverage type, for that **location.**

Blanket Real Property and Personal Property	$62,000,000

Deductibles/Periods of Indemnity/ Percentages

The Property Deductible shown below applies to all loss, damage, cost or expense covered by the **Business Property Coverage Part,** unless a more specific deductible is shown in the **SCHEDULE** below or at a **location** shown in the **Location and Coverage Schedule.** If a Qualifying Period is shown below, then the **qualifying period** will apply to all **Business Income** and **Research and Development Business Income** Coverages.

Monetary Deductibles		Deductible Amount or Percentage
Property Deductible		$25,000

Location and Coverage Schedule

Real Property, Personal Property, Business Income or **Extra Expense** Coverage apply only to the extent shown for the **locations** described below.

Additional Coverages and **Fees, Costs and Expenses Coverage** that show an Each Location Limit of Insurance in the **Business Property Schedule of Coverages and Limits**, and the **Additional Coverage Basket**, apply at each **location** described below. If a different Limit of Insurance is shown for a particular coverage at a specific **location**, that Limit replaces, and is not in addition to, the Limit of Insurance shown for that coverage in the **Business Property Schedule of Coverages and Limits**, for that **location**. If a particular coverage does not apply at a specific **location**, that coverage will be shown as "Not Covered" at that **location**.

Location Number	Location Address:
1	429 S. WEST STREET SYRACUSE NY 13204

Location Base Coverages

Real Property	Included in Blanket Real Property and Personal Property
Personal Property	Included in Blanket Real Property and Personal Property
Business Income and Extra Expense	$20,000,000

Location Specific Catastrophe Coverages

Earthquake Endorsement, CNA 62705	
Earthquake Limit of Insurance (Group A)	$5,000,000
Earthquake Deductible	$50,000
Flood Coverage Endorsement, CNA 62716	
Limit of Insurance (Group 1)	$5,000,000
Deductible	$50,000

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Schedule of Loss Payees or Mortgagees Endorsement

It is understood and agreed that the following are added as Loss Payees (Clause A), Lender Loss Payees (Clause B), Mortgagees (including Trustees) (Clause B/C), Contract Sale Loss Payees (Clause D) Building Owner Loss Payees (Clause E) as described under the Section **LOSS PAYEES OR MORTGAGEES** of the **First Party Terms and Conditions**.

Location Number	Name and Address of Loss Payee, Lender Loss Payee, Mortgagee, Building Owner Loss Payee, or Contract Sale Loss Payee
	Not applicable

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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The following coverages apply to the extent shown in the **Business Property Schedule of Coverages and Limits** or the **Business Property Schedule of Locations**.

I. LOCATION COVERAGES

A. Location Base Coverage

1. Real Property Coverage

The Insurer will pay for direct physical loss of or damage to **real property** at a **location** directly caused by a **covered peril**.

The most the Insurer will pay for any one **occurrence** for such loss or damage is the applicable **Real Property Coverage** Limit of Insurance shown in the **Business Property Schedule of Locations** at that **location**.

2. Personal Property Coverage

The Insurer will pay for direct physical loss of or damage to **personal property** at a **location** directly caused by a **covered peril**.

The most the Insurer will pay for any one **occurrence** for such loss or damage is the applicable **Personal Property Coverage** Limit of Insurance shown in the **Business Property Schedule of Locations** at that **location**.

3. Time Element Coverage

a. Business Income Coverage

The Insurer will pay for the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations** caused by direct physical loss of or damage to property at a **location** directly caused by a **covered peril**.

The most the Insurer will pay for any one **occurrence** for such loss of **business income** is the applicable **Business Income Coverage** Limit of Insurance shown in the **Business Property Schedule of Locations** at that **location**.

b. Extra Expense Coverage

The Insurer will pay **extra expense** caused by direct physical loss of or damage to property at a **location** directly caused by a **covered peril**.

The most the Insurer will for pay for any one **occurrence** for such **extra expense** is the applicable **Extra Expense Coverage** Limit of Insurance shown in the **Business Property Schedule of Locations** at that **location**.

c. Business Income and Extra Expense Coverage

If a **Business Income and Extra Expense Coverage** Limit of Insurance is shown in the **Business Property Schedule of Locations** at a **location**, the Insurer will pay for the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**, and **extra expense**, caused by direct physical loss of or damage to property at that **location** directly caused by a **covered peril**.

The most the Insurer will pay for any one **occurrence** for all such loss of **business income** and **extra expense** is the applicable **Business Income and Extra Expense Coverage** Limit of Insurance.

B. Fees, Costs and Expenses Coverages

If the Insurer pays for loss or damage to any **insured property** pursuant to any **Location Base Coverage** shown in Paragraph **A.** above, or at **reported unspecified locations**, the Insurer will also pay for the following reasonable and necessary fees, costs and expenses incurred by the **Named Insured** in connection with such

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covered loss or damage. The most the Insurer will pay for any of the following **Fees, Costs and Expenses Coverages** are the Limits of Insurance shown in the **Business Property Schedule of Coverages and Limits**. Limits for these coverages apply in addition to any other applicable Limits of Insurance, unless otherwise stated. Limits of Insurance applicable at a **location** that differ for a specific **location** will be shown in the **Business Property Schedule of Locations** for that **location**. Those Limits replace, and are not in addition to, the Limits of Insurance shown in the **Business Property Schedule of Coverages and Limits** for those specific coverages and **locations**. If any of these coverages do not apply at any specific **location**, the Limit of Insurance will show as Not Covered for those **locations**.

1. **Architects & Engineers and Other Professional Fees**

   The Insurer will pay the fees incurred for the services of architects, engineers or construction consultants approved by the Insurer and resulting directly from the repair or replacement of such **insured property**.

   The amount the Insurer will pay for such fees is included within the applicable **Real Property Coverage** or **Personal Property Coverage** Limits of Insurance.

2. **Brands & Labels Costs and Expenses**

   In accordance with the **LOSS PAYMENT** Condition in the **First Party Terms and Conditions**, the Insurer will pay the costs and expenses incurred to remove the brands and labels from **merchandise** or **finished stock** and to stamp "salvage" on such **merchandise** or **finished stock** or its containers.

   The amount the Insurer will pay for all such costs and expenses is included within the applicable **Personal Property Coverage** Limit of Insurance.

3. **Debris Removal Costs and Expenses**

   The Insurer will pay the costs and expenses incurred to remove debris of **covered property** remaining after such loss or damage.

   Debris Removal Costs and Expenses does not include the costs or expenses of removing, extracting or disposing of **contaminants or pollutants** from land or water.

   The amount the Insurer will pay for all such costs and expenses is included within the remaining Limit of Insurance for the applicable **covered property** after payment of the covered physical loss or damage.

4. **Debris Removal**

   a. **Additional Costs and Expenses**

      If the amount incurred for the covered loss or damage to **covered property**, including **Debris Removal Costs and Expenses**, exceeds the applicable Limit of Insurance for such **covered property**, the Insurer will pay the remaining debris removal costs and expenses incurred.

      The most the Insurer will pay for such remaining debris removal costs and expenses at any one **location** or **reported unspecified location** for any one **occurrence** is the **Debris Removal – Additional Costs and Expenses** Limit of Insurance.

   b. **Uncovered Property**

      If wind causes direct physical loss of or damage to **covered property**, the Insurer will also pay for the expense the **Named Insured** incurs to remove debris of uncovered property that is blown onto a **location** or **reported unspecified location** by wind and to remove debris of **outdoor trees, shrubs, plants or lawns** damaged by wind.

      The most the Insurer will pay for uncovered property at any one **location** or **reported unspecified location** for any one **occurrence** is the **Debris Removal – Uncovered Property** Limit of Insurance.

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5. **Expediting Costs and Expenses**

The Insurer will pay the additional costs and expenses incurred for temporary repair of damage to **covered property** and the additional expenses incurred for expediting the permanent repair or replacement of such damaged **covered property**. However, the Insurer will not pay such costs and expenses if they are covered elsewhere in this **coverage part**.

The most the Insurer will pay for all such costs and expenses at any one **location** or **reported unspecified location** for any one **occurrence** is the **Expediting Costs and Expenses** Limit of Insurance.

6. **Green Insured Property**

a. **Costs and Expenses**

With respect to **green insured property**, the Insurer will pay the costs and expenses incurred:

i. to reuse or salvage **building** materials and products;

ii. to extract recyclable construction waste and transport it to recycling facilities instead of landfills but only to the extent they are not offset by any income derived from the recycling;

iii. for the services of accredited architects or engineers approved by the Insurer in planning and designing the applicable **green insured property** qualifying repairs or rebuild;

iv. to re-certify the repaired or replaced **insured property** through the applicable **green insured property** accreditation organization; and

v. to flush-out the air in the repaired or rebuilt **green insured property** and replace it with outside air ventilated through an air filtration system included as part of the repaired or replaced **green insured property**.

The amount the Insurer will pay for all such costs and expenses is included within the applicable **Real Property Coverage** or **Personal Property Coverage** Limits of Insurance.

b. **Time Element**

To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will pay, as provided, for loss of **business income** or **extra expense** arising out of extra time required to re-qualify, repair or rebuild the **green insured property**, including:

i. additional costs to obtain power from a public utility for **covered equipment** that uses solar, wind, geo-thermal or other renewable resources to generate power. These additional costs will be paid until such time as such **green insured property** is repaired and operating; and

ii. the monetary loss of rebates and credits the **Named Insured** receives from the public utility company for surplus power the **Named Insured's** renewable resources provide into the utility's power grid.

The amount the Insurer will pay for such all such loss and expense is included within the applicable **time element coverage** Limit of Insurance.

c. This **Green Insured Property Coverage** does not apply to:

i. **green insured property** for which the basis of valuation is other than **replacement cost**; or

ii. costs or expenses to upgrade the damaged **green insured property** to green standards beyond those that existed in the damaged **green insured property** at the time of loss or damage.

II. OFF-SITE COVERAGES

The following **OFF-SITE COVERAGES** apply as shown in the **Business Property Schedule of Coverages and Limits**, up to the applicable Limit of Insurance shown. If a specific **Location Base Coverage** is not provided elsewhere in this **Business Property Coverage Part**, there is no coverage under its corresponding **OFF-SITE**

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COVERAGE. For example, if the **Named Insured** does not have coverage for **business income** under the **Location Base Coverages**, then there is no such coverage related to **business income** under any of the **OFF-SITE COVERAGES.** Limits for these **OFF-SITE COVERAGES** apply in addition to any other applicable Limits of Insurance, unless otherwise stated.

A. Deferred Payments Coverage

1. The Insurer will pay the **Named Insured's** financial interest in **personal property** sold on an installment, conditional sale or other deferred payment basis. The Insurer will make such payments only if such **personal property** suffers direct physical loss or damage due to a **covered peril** after delivery to the purchaser, and only if the **Named Insured** is unable to collect after making all reasonable efforts to do so.

2. The most the Insurer will pay for such payments under this **OFF-SITE COVERAGE** for any one **occurrence** is the lesser of the **Named Insured's** financial interest in such **personal property** or the **Deferred Payments Coverage** Limit of Insurance.

   The Limit for this **OFF-SITE COVERAGE** is included in, and not in addition to, any other applicable Limits of Insurance.

B. Dependent Property Time Element Coverage

1. To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will pay, as provided, for:

   a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

   b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and

   c. **extra expense**,

   caused by direct physical loss of or damage to property at a **dependent property** located anywhere in the world. The loss or damage must be directly caused by a **covered peril**.

2. The most the Insurer will pay for all loss and expense under this **OFF-SITE COVERAGE** for any one **occurrence** is the **Dependent Property Time Element Coverage** Limit of Insurance.

3. The Insurer will not pay for loss of **business income** or **extra expense** caused by or resulting from earthquake or **flood** under this **OFF-SITE COVERAGE**, even if they are otherwise **covered perils**.

C. Installation Coverage

1. The Insurer will pay for direct physical loss of or damage to **installation property** directly caused by a **covered peril** while such **installation property** is at an **installation location** or a temporary warehousing premises:

   a. awaiting and during installation, fabrication, erection, certifying, servicing or testing; or

   b. awaiting acceptance by the purchaser.

2. The most the Insurer will pay for all loss or damage under this **OFF-SITE COVERAGE** for any one **occurrence** is the **Installation Coverage** Limit of Insurance.

3. This **Installation Coverage** does not apply to loss or damage at any premises, **location** or **reported unspecified location** owned by the **Named Insured**, or to property in the due course of transit.

4. This **Installation Coverage** will end on the date when any of the following first occurs:

   a. the Policy expires;

   b. the **Named Insured's** insurable interest in the property ceases;

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c. the installation, fabrication or erection project is accepted by the purchaser as complete; or

d. the **Named Insured** abandons the installation, fabrication or erection project with no intention to complete it.

D. Mobile Computing Devices – Worldwide Coverage

1. The Insurer will pay for direct physical loss of or damage to **mobile computing devices** while outside the **coverage territory**, except within any country upon which the United States government has imposed sanctions, embargoes or similar prohibitions. The loss or damage must be directly caused by a **covered peril**.

2. The most the Insurer will pay for loss or damage under this **OFF-SITE COVERAGE** for any one **occurrence** is the **Mobile Computing Devices – Worldwide Coverage** Limit of Insurance.

E. Property at Unspecified Locations Coverage – Property Damage and Time Element Combined

1. The Insurer will pay for direct physical loss of or damage to **insured property**, **research and development project property** and **fine arts** at an **unspecified location**, or while in the custody of a salesperson, directly caused by a **covered peril**.

   The coverage provided for **fine arts** under this **OFF-SITE COVERAGE** is subject to the provisions of the **Fine Arts Coverage** in the **ADDITIONAL COVERAGE BASKET** section, except the requirement that such property be at a **location** or **reported unspecified location**.

2. To the extent **time element coverage** is applicable under this **Business Property Coverage Part**, the Insurer will pay, as provided, for:

   a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

   b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and

   c. **extra expense**,

   caused by loss of or damage to **insured property**, **research and development project property** and **fine arts** at an **unspecified location** or while in the custody of a salesperson directly caused by a **covered peril**.

3. The most the Insurer will pay for all loss, damage or expense combined under this **OFF-SITE COVERAGE**:

   a. at any one **unspecified location** for any one **occurrence** is the **Property at Unspecified Locations Coverage – Property Damage and Time Element Unspecified Location** Limit of Insurance.

   b. for all **unspecified locations** for any one **occurrence**, regardless of the number of **unspecified locations** involved, is the **Property at Unspecified Locations Coverage – Property Damage and Time Element Unspecified Locations Combined** Limit of Insurance.

4. This **Property at Unspecified Locations Coverage** does not apply to:

   a. property in transit, other than while in the custody of salespersons as described in Paragraph **E.1.** above;

   b. property that is covered under the **Protection of Property Coverage** of the **ADDITIONAL COVERAGES** section.

5. The **Earth Movement** and **Flood** Excluded Perils under the **EXCLUSIONS** section do not apply only with respect to **unspecified locations** that the **Named Insured** does not own, operate or lease.

F. Property in Transit Coverage – Property Damage and Time Element Combined

1. The Insurer will pay for direct physical loss of or damage to **insured property**, **research and development project property**, **fine arts, media** and **records of accounts receivable** directly caused by a **covered peril**

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while in the course of transit from the time such property is being loaded at the initial point of shipment and continuously thereafter, until unloaded at the final destination, or if undeliverable, the time it is returned to the **location** or **reported unspecified location**, including:

a. general average or salvage charges that are assessed; and

b. reasonable and necessary expense the **Named Insured** incurs to inspect, repackage and reship such property.

The coverage provided for **fine arts, records of accounts receivable** and **media** under this **OFF-SITE COVERAGE** are subject to the provisions of the **Fine Arts Coverage**, **Accounts Receivable Coverage** and **Restoration of Media Coverage**, respectively, in the **ADDITIONAL COVERAGE BASKET** section, except the requirement that such property be at a **location** or **reported unspecified location**.

2. To the extent **time element coverage** is applicable under this **Business Property Coverage Part**, the Insurer will also pay, as provided, for:

   a. actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

   b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and

   c. **extra expense**,

   caused by loss of or damage to **insured property**, **research and development project property**, **fine arts** and **media** while in the course of transit directly caused by a **covered peril**.

3. The most the Insurer will pay for all loss, damage or expense combined under this **OFF-SITE COVERAGE** for any one **occurrence** is the **Property in Transit Coverage – Property Damage and Time Element** Limit of Insurance.

4. When neither the origin nor the destination is in any country upon which the United States government imposes sanction, embargoes or similar provisions, the following applies:

   a. If the property is transported by an aircraft, the **coverage territory** is extended to be anywhere in the world for that property while in transit; or

   b. If the property is transported by an oceangoing vessel, transit coverage ends when the property has been loaded on the oceangoing vessel and only commences when the property has been fully discharged from such vessel onto a point within the **coverage territory**.

5. This **Property in Transit Coverage** does not apply to:

   a. import shipments until marine insurance coverage ceases;

   b. **personal property of others** hauled on vehicles owned, leased or operated by the **Named Insured** when acting as a common or contract carrier, regardless of the **Named Insured's** liability for such property;

   c. property sold by the **Named Insured** under conditional sale, trust agreement or installment payment after delivery to customers;

   d. property shipped by common carrier or postal service unless such shipment is electronically tracked by such carrier or service; or

   e. property while in the custody of salespersons.

6. In the event of any loss of or damage to **personal property** in transit, the **Named Insured** must immediately make a claim in writing against the carrier, bailee or others involved.

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7. The **Earth Movement** and **Flood** Excluded Perils under the **EXCLUSIONS** section do not apply with respect to this **OFF-SITE COVERAGE**.

G. Worldwide Media and Accounts Receivable Coverage

1. The Insurer will pay for direct physical loss of or damage to **media** and **records of accounts receivable** directly caused by a **covered peril** while such property is at a premises other than a **location** or **reported unspecified location**.
2. With respect to coverage provided under this **OFF-SITE COVERAGE**, the **coverage territory** is extended to be anywhere in the world, except within any country upon which the United States government has imposed sanctions, embargoes or similar prohibitions.
3. The most the Insurer will pay for all loss or damage under this **OFF-SITE COVERAGE** for any one **occurrence** is the **Worldwide Media and Accounts Receivable Coverage** Limit of Insurance.
4. The **Earth Movement** and **Flood** Excluded Perils under the **EXCLUSIONS** section do not apply under this **OFF-SITE COVERAGE**, but only when such property is at premises that the **Named Insured** does not own, operate or lease.

III. ADDITIONAL COVERAGES

The following **ADDITIONAL COVERAGES** apply up to the applicable Limit of Insurance shown under the **Business Property Schedule of Coverages and Limits**. If a particular coverage is shown as Not Covered then such coverage is not provided under this **Business Property Coverage Part**.

Limits of Insurance for an **ADDITIONAL COVERAGE** that differ at any specific **location** will be shown under the **Business Property Schedule of Locations** for that **location**. Those Limits of Insurance replace, and are not in addition to, the Limit of Insurance shown for that **ADDITIONAL COVERAGE** in the **Business Property Schedule of Coverages and Limits**. If any **ADDITIONAL COVERAGE** does not apply at a specific **location**, that **ADDITIONAL COVERAGE** will be shown as Not Covered at that **location**.

If a specific **Location Base Coverage** is not provided at a **location** or at **reported unspecified locations** in this **Business Property Coverage Part**, there is no coverage under its corresponding **ADDITIONAL COVERAGE**. For example, if the **Named Insured** does not have a **Location Base Coverage** for **business income** for one or more **locations** or **reported unspecified location**, then there is no coverage related to **business income** under any of the **ADDITIONAL COVERAGES** for **business income**.

Limits for these **ADDITIONAL COVERAGES** apply in addition to any other applicable Limits of Insurance, unless otherwise stated.

A. Contaminants or Pollutants Clean Up and Removal Coverage – Property Damage and Time Element Combined

1. The Insurer will pay for the reasonable costs and expenses to extract or remove **contaminants or pollutants** from land or water at a **location** or **reported unspecified location**, provided such **contaminants or pollutants** are in the land or water as a direct result of a **covered peril**. These costs and expenses include the costs and expenses to test for, monitor or assess the existence, concentration or effects of **contaminants or pollutants**.

   The Insurer will pay these costs and expenses only if reported to the Insurer within 180 consecutive days of the date on which the **covered peril** occurs.

2. To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will also pay, as provided, for:

   a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

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b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and

c. **extra expense**,

as a result of compliance with an ordinance or law that requires the clean up or removal of **contaminants or pollutants** from land or water at a **location** or **reported unspecified location** as a direct result of a **covered peril**.

3. The most the Insurer will pay for all loss, cost or expense combined under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Contaminants or Pollutant Clean Up and Removal Coverage – Property Damage and Time Element Combined** Limit of Insurance.

B. Contamination by a Refrigerant Coverage

1. The Insurer will pay for direct physical loss of or damage to **personal property** caused by the release or escape of refrigerants from any refrigeration equipment at a **location** or **reported unspecified location** provided the release or escape was not caused by or resulting from earthquake or **flood,** even if those are otherwise **covered perils**.

2. The most the Insurer will pay for loss or damage under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Contamination by a Refrigerant Coverage** Limit of Insurance.

   The Limit for this **ADDITIONAL COVERAGE** is included in, and not in addition to, any other applicable **Personal Property Coverage** Limit of Insurance.

3. The **Contaminants or Pollutants** Excluded Peril under the **EXCLUSIONS** section does not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

C. Contractual Penalties Coverage

1. The Insurer will pay for contractual penalties specified in a written contract that the **Named Insured** incurs for material breach of the terms of such contract where such breach is the result of direct physical loss of or damage to **covered property** directly caused by a **covered peril**.

2. The most the Insurer will pay for such contractual penalties under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Contractual Penalties Coverage** Limit of Insurance.

D. Denial of Access Coverage

To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the following coverages apply at the **location** or **reported unspecified location** where the **suspension** or delay of **operations** occurs:

1. **Civil Authority**

   a. For up to the number of days shown on the **Business Property Schedule of Coverages and Limits**, the Insurer will pay, as provided, for:

      i. The actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

      ii. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of the research and development projects; and

      iii. **extra expense**,

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caused by action of civil authority that prohibits access to the **location** or **reported unspecified location**. Such action must result from a civil authority's response to direct physical loss of or damage to property located away from a **location** or **reported unspecified location**. That lost or damaged property must be within five miles of that **location** or **reported unspecified location** which sustains a **business income** or **research and development business income** loss or where **extra expense** is incurred. The loss or damage must be directly caused by a **covered peril**.

b. The amount the Insurer will pay for all loss or expense under this **Civil Authority Coverage** is included within the applicable **time element coverage** Limit of Insurance.

c. However, to the extent the covered **Civil Authority Coverage** loss or expense is caused by or resulting from:

i. **flood**, the amount payable under this **Civil Authority Coverage** is included within, and not in addition to, the applicable Flood Limit of Insurance.

ii. earthquake, the amount payable under this **Civil Authority Coverage** is included within, and not in addition to, the applicable Earthquake Limit of Insurance.

2. Ingress/Egress

a. The Insurer will pay, as provided, for:

i. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

ii. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of the research and development projects; and

iii. **extra expense**,

when ingress or egress by the **Named Insured's** suppliers, customers or employees to or from the **location** or **reported unspecified location** is physically obstructed due to direct physical loss or damage. The actual loss of **business income** or **research and development business income** sustained, or **extra expense** incurred, by the **Named Insured** must be caused by direct physical loss of or damage to property not owned, occupied, leased or rented by the **Named Insured** or insured under this **Business Property Coverage Part**. That property must be located within five miles of such **location** or **reported unspecified location**. The obstruction cannot be the result of an action of civil authority that prohibits access to that **location** or **reported unspecified location**. The loss or damage must be directly caused by a **covered peril**.

b. The most the Insurer will pay for all loss or expense under this **Ingress/Egress Coverage** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Ingress/ Egress Coverage** Limit of Insurance.

c. However, to the extent the covered **Ingress/Egress Coverage** loss or expense is caused by or resulting from:

i. **flood**, the amount payable under this **Ingress/Egress Coverage** is included within, and not in addition to, the applicable Flood Limit of Insurance.

ii. earthquake, the amount payable under this **Ingress/Egress Coverage** is included within, and not in addition to, the applicable Earthquake Limit of Insurance.

E. Electronic Vandalism Coverage.– Property Damage and Time Element Combined

1. The Insurer will pay for loss of or damage to **media**, **electronic data processing equipment, research and development project property** and **records of accounts receivable** caused by or resulting from **electronic vandalism** originating anywhere in the world.

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2. To the extent **time element coverage** is applicable, the Insurer will also pay, as provided, for:

   a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay in **operations**;

   b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and

   c. **extra expense**,

   directly caused by **electronic vandalism**.

3. The Insurer will not pay for **electronic vandalism** loss caused by or resulting from any deliberate, dishonest, fraudulent or criminal acts committed by or on behalf of, or at the direction of, any **executive officer**.

4. The most the Insurer will pay for all loss, damage or expense combined under this **ADDITONAL COVERAGE** in the **policy period** is the **Electronic Vandalism Coverage – Property Damage and Time Element Combined** Aggregate Limit of Insurance.

5. The **Electronic Vandalism** and **Dishonest Acts** Excluded Perils under the **EXCLUSIONS** section do not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

F. Employee Theft Coverage

1. The Insurer will pay for loss of or damage to **personal property**, **money**, **securities** and **fine arts** as a direct result of **employee theft**.

2. The Insurer will not pay for such loss:

   a. caused by any **employee** of the **Named Insured**, or predecessor in interest of the **Named Insured**, for whom similar prior insurance was cancelled and not reinstated since the last such cancellation.

   b. if the proof of existence or amount is dependent upon an inventory computation or a profit and loss computation. However, where the **Named Insured** establishes wholly apart from such computations that it has sustained such loss or damage, then it may offer its inventory records and actual physical count of inventory in support of the amount claimed.

   c. resulting directly or indirectly from trading, whether in the **Named Insured's** name or in a genuine or fictitious account.

   d. resulting from fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or bill of lading or any papers connected with either.

3. The most the Insurer will pay for all loss or damage under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Employee Theft Coverage** Limit of Insurance.

4. The **Dishonest Acts** Excluded Peril under the **EXCLUSIONS** section does not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

G. Equipment Breakdown - Spoilage Coverage

1. The Insurer will pay for direct physical loss of or damage to **personal property** directly caused by the loss of or changes in any artificially maintained or generated temperature, humidity or internal atmosphere resulting from an **equipment breakdown peril** to **covered equipment** at the **location** or **reported unspecified location**.

2. The most the Insurer will pay for loss or damage under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Equipment Breakdown – Spoilage Coverage** Limit of Insurance.

   The Limit for this **ADDITIONAL COVERAGE** is included in, and not in addition to, any other applicable Limits of Insurance.

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3. The **Adulteration or Contamination** and the **Temperature or Humidity Conditions** Excluded Perils under the **EXCLUSIONS** section do not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

H. Expense to Reduce Loss – Business Income Coverage

The Insurer will pay reasonable and necessary expenses incurred by the **Named Insured**, except the cost of extinguishing a fire, to reduce the amount of **business income** or **research and development business income loss**. The Insurer will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under the **Business Income Coverage**.

The amount the Insurer will pay for such expenses under this **ADDITIONAL COVERAGE** is included within the applicable **Business Income Coverage** Limit of Insurance.

I. Extended Indemnity Period – Business Income Coverage

1. If loss of **business income** is payable under this **Business Property Coverage Part**, the Insurer will also pay for the actual loss of **business income** the **Named Insured** sustains during the extended indemnity period.

   This extended indemnity period begins on the date the **period of restoration** ends and it terminates on the earlier of:

   a. the date the **Named Insured's** gross sales, including rental income, are restored to the amount that would have existed if no direct physical loss or damage occurred; or

   b. the date on which the specified number of days shown in the **Business Property Schedule of Coverages and Limits** have elapsed after the end of the **period of restoration**.

2. The amount the Insurer will pay for loss of **business income** under this **ADDITIONAL COVERAGE** is included within the applicable **Business Income Coverage** or **Business Income and Extra Expense Coverage** Limit of Insurance.

3. This **Extended Indemnity Period - Business Income Coverage** does not apply to loss of **business income** resulting from unfavorable business conditions as a result of the impact of a **covered peril** in the area of the affected **location** or **reported unspecified location**.

4. This **Extended Indemnity Period - Business Income Coverage** does not apply to any other **ADDITIONAL COVERAGE** or the **ADDITIONAL COVERAGE BASKET**.

J. Forgery or Alteration Coverage

1. The Insurer will pay for loss sustained by the **Named Insured** resulting from **forgery** or **alteration** of or on **covered instruments** that are made or drawn by, or drawn upon:

   a. the **Named Insured**; or

   b. one acting as the **Named Insured's** agent,

   or that are purported to have been so made or so drawn, by any person, acting alone or together with others. Mechanically reproduced facsimile signatures are the same as handwritten signatures.

2. The most the Insurer will pay for all loss under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Forgery or Alteration Coverage** Limit of Insurance.

K. Fungi, Wet Rot, Dry Rot and Microbe Coverage – Property Damage and Time Element Combined

1. The Insurer will pay the following provided **fungi**, wet rot, dry rot or **microbes** are the direct result of a **covered peril**, other than fire or lightning:

   a. direct physical loss of or damage to **covered property** caused by **fungi**, wet rot, dry rot or **microbes**, including the cost of removing the **fungi**, wet rot, dry rot or **microbes**;

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b. the reasonable cost to tear out and replace any part of the covered **building** or other property as needed to gain access to the **fungi**, wet rot, dry rot or **microbes**; and

c. the cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is reason to believe that **fungi**, wet rot, dry rot or **microbes** are still present.

2. To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will also pay, as provided, for:

a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay in **operations**;

b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and

c. **extra expense**,

due to the:

i. direct physical loss of or damage to **covered property** caused by **fungi**, wet rot, dry rot or **microbes** that are the result of a **covered peril**, other than fire or lightning; or

ii. prolonged **period of restoration** due to the remediation of **fungi**, wet rot, dry rot or **microbes** from a covered loss.

3. The most the Insurer will pay under this **ADDITIONAL COVERAGE** for all loss, damage, cost or expense combined in the **policy period** is the **Fungi, Wet Rot, Dry Rot and Microbe Coverage – Property Damage and Time Element Combined** Aggregate Limit of Insurance. This Limit is the most the Insurer will pay, even if the **fungi**, wet rot, dry rot or **microbes** continue to be present or active or recur in a later **policy period**.

4. The **Fungi, Wet Rot, Dry Rot and Microbes** Excluded Peril under the **EXCLUSIONS** section does not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

L. Loss Adjustment Expense Coverage

1. The Insurer will pay for reasonable and necessary expenses incurred by the **Named Insured** in preparing claim data when required by the Insurer, including the cost of taking inventories, obtaining appraisals and preparing other documentation, to determine the extent of covered loss or damage.

2. The Insurer will not pay for any fees, costs or expenses incurred, directed or billed by, or payable to attorneys, public adjusters, loss adjusters, loss consultants, insurance brokers or agents or their associates or subsidiaries, or any costs as described in the **APPRAISAL** Condition of the **First Party Terms and Conditions**.

3. The most the Insurer will pay for all expenses incurred under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Loss Adjustment Expense Coverage** Limit of Insurance.

M. Money and Securities Coverage

1. The Insurer will pay for loss sustained by the **Named Insured** as a direct result of the actual destruction, disappearance or **theft** of **money** and **securities**:

a. at a **location**, **reported unspecified location** or the premises of a bank or savings institution; or

b. away from:

i. a **location**;

ii. a **reported unspecified location**; or

iii. the premises of a bank or savings institution,

while in the care and custody of a **messenger** or an armored motor vehicle company.

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2. The most the Insurer will pay for all loss under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Money and Securities Coverage** Limit of Insurance.

3. The Insurer will not pay any loss or damage sustained by the **Named Insured** caused by or resulting from:

   a. accounting or arithmetical errors or omissions;

   b. dishonest or criminal acts by the **Named Insured**, **executive officers**, **employees**, authorized representatives or anyone else to whom **money** or **securities** have been entrusted, other than an armored motor vehicle company:

      i. acting alone or in collusion with others; or

      ii. whether or not occurring during the hours of employment;

   c. giving or surrendering of the property in any exchange or purchase;

   d. voluntary parting with **money** or **securities** by the **Named Insured** or anyone else to whom it has entrusted such property if induced to do so by any fraudulent scheme, trick, device or false pretense;

   e. transfer or surrender of **money** or **securities** on the basis of unauthorized instructions, to a person or place outside:

      i. a **location**;

      ii. a **reported unspecified location**; or

      iii. the premises of a banking or savings institution; or

   f. transactions involving any automated teller machine unless recorded by a continuous recording instrument in such machine.

4. The only Excluded Perils under the **EXCLUSIONS** section that apply to this **ADDITIONAL COVERAGE** are **Biological or Chemical Material**, **Governmental Action**, **Nuclear Hazard** and **War and Military Action**.

N. Newly Acquired Locations and Property Coverage

1. **Newly Acquired or Constructed Real Property**

   a. The Insurer will pay for direct physical loss of or damage to **real property**, including new **buildings** while being built:

      i. at a **newly acquired location**; or

      ii. at a **location** or **reported unspecified location**, if coverage is not currently shown for **real property** at that **location** on the **Business Property Schedule of Locations** or for **reported unspecified locations**,

      directly caused by a **covered peril**.

   b. The most the Insurer will pay for all loss or damage under this **Newly Acquired or Constructed Real Property** coverage for any one **occurrence** is the **Newly Acquired or Constructed Real Property** Limit of Insurance.

2. **Newly Acquired – Other Property**

   a. The Insurer will pay for direct physical loss of or damage:

      i. to **personal property**, **fine arts**, **media** and **records of accounts receivable** at a **newly acquired location**; and

      ii. to **personal property** if coverage is not currently shown for **personal property** at that **location** on the **Business Property Schedule of Locations** or for **reported unspecified locations**,

      directly caused by a **covered peril**.

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b. The most the Insurer will pay for all loss or damage under this **Newly Acquired Property – Other Property** coverage for any one **occurrence** is the **Newly Acquired – Other Property** Limit of Insurance.

c. The coverage provided under this **ADDITIONAL COVERAGE** for **fine arts**, **records of accounts receivable** and **media** is subject to the provisions of the **Fine Arts Coverage**, **Accounts Receivable Coverage** and **Restoration of Media Coverage**, respectively, under the **ADDITIONAL BASKET COVERAGE** section except the requirement that such property be at a **location** or **reported unspecified location**.

3. **Newly Acquired Location – Time Element**

a. To the extent **time element coverage** is applicable on the **Business Property Coverage Part**, the Insurer will pay, as provided, for:

i. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay in **operations**;

ii. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and

iii. **extra expense**,

caused by loss or damage to property at a **newly acquired location** directly caused by a **covered peril**.

b. The most the Insurer will pay for all loss or expense under **Newly Acquired Location – Time Element** coverage for any one **occurrence** is the **Newly Acquired Location – Time Element** Limit of Insurance.

4. This **Newly Acquired Locations and Property Coverage** expires on the date when any of the following first occurs:

a. the Policy expires or is cancelled;

b. the number of consecutive days shown on the **Business Property Schedule of Coverages and Limits** has passed from the date:

i. the premises becomes a **newly acquired location**;

ii. the **Named Insured** acquires such property at a **location** or **reported unspecified location**; or

iii. construction begins on new **buildings**; or

c. the **Named Insured** reports values to the Insurer.

5. The Insurer will charge the **Named Insured** additional premium for values reported from the date the premises becomes a **newly acquired location**, the **Named Insured** acquires such property or the construction begins on new **buildings**.

O. **Ordinance or Law Coverage**

If at the time of direct physical loss of or damage to **insured property** directly caused by a **covered peril** there is an ordinance or law in effect regulating the construction, zoning, repair or land use of such **insured property** and, as a result of such covered loss or damage, such ordinance or law requires code compliance in the repair or replacement of such **insured property**, the following coverages apply:

1. **Undamaged Insured Property**

The Insurer will pay for the amount equal to the value of the undamaged portion of such **insured property** that must be demolished in accordance with such ordinance or law.

The amount the Insurer will pay for all loss or damage under this **Undamaged Insured Property** coverage is included within the applicable **Real Property Coverage** or **Personal Property Coverage** Limit of Insurance.

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2. **Demolition and Repair Cost**

   The Insurer will pay for:

   a. the cost of demolishing and removing the undamaged portion of the damaged **insured property** required to be demolished because of such ordinance or law, including the cost of clearing the site; and

   b. the increased cost of repair or reconstruction of such **insured property** on the same site or another site because of such ordinance or law. If the **Named Insured** elects to do such repair or reconstruction at another site, such costs are limited to the costs that would have been incurred in order to comply with the minimum requirements of such ordinance or law regulating the repair or reconstruction of such **insured property** on the same site.

   The amount the Insurer will pay for all loss or damage under this **Demolition and Repair Cost** coverage is included within the applicable **Real Property Coverage** or **Personal Property Coverage** Limit of Insurance unless a separate **Demolition and Repair Cost** Limit of Insurance is shown.

   If a separate Limit is shown, then the most the Insurer will pay under this **Demolition and Repair Cost** coverage at any one **location** or **reported unspecified location** for any one **occurrence** is the **Demolition and Repair Cost** Limit of Insurance.

3. **Increased Period of Restoration**

   To the extent **Business Income Coverage** or **Business Income and Extra Expense Coverage** is applicable at that **location** or **reported unspecified location**, the **period of restoration** includes any increased period of time that results from the enforcement of an ordinance or law that requires the **Named Insured** to repair or reconstruct the property or tear down undamaged portions of the property to meet the minimum requirements of the ordinance or law in force at the time of loss or damage.

   The amount the Insurer will pay under this **Increased Period of Restoration** coverage is included in the applicable **Business Income Coverage** or **Business Income and Extra Expense Coverage** Limit of Insurance.

4. The Insurer will not pay for any:

   a. additional costs incurred if the damaged **insured property** is not repaired or reconstructed as soon as reasonably possible;

   b. increased **period of restoration** if the **Named Insured** does not resume **operations** with reasonable speed;

   c. costs attributable to any ordinance or law that the **Named Insured** was required to comply with before the loss or damage; or

   d. increase in costs or increased **period of restoration** required due to the enforcement of any ordinance or law that requires the **Named Insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, demolish, repair, replace or in any way respond to or assess the effects of **contaminants or pollutants** or the presence, growth, proliferation, spread or any activity of **fungi**, wet rot, dry rot or **microbes**, except to the extent the **Contaminants or Pollutant Clean Up and Removal Coverage** or the **Fungi, Wet Rot, Dry Rot and Microbe Coverage – Property Damage and Time Element Combined** of the **ADDITIONAL COVERAGES** section applies.

5. The **Governmental Action** Excluded Peril under the **EXCLUSIONS** section does not apply, but only to the extent of the coverage provided under this **Ordinance or Law Coverage**.

P. Pair or Set Coverage

1. The Insurer will pay an amount equal to the reduction in value of undamaged **personal property** that is part of a pair or set that becomes unmarketable as a pair or set because of direct physical loss of or damage to the other part of such **personal property** directly caused by a **covered peril**.

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2. The amount the Insurer will pay for such reduction in value under this **ADDITIONAL COVERAGE** is included within the applicable **Personal Property Coverage** Limit of Insurance.

Q. Protection of Property Coverage

1. **Removal of Insured Property**

   a. If it is necessary to move **insured property** from the **location** or **reported unspecified location** to protect it from actual or imminent direct physical loss or damage caused by a **covered peril**, the Insurer will pay for:

      i. any loss of or damage to that **insured property** while it is being moved from, or returned to, the **location** or **reported unspecified location**, or while temporarily stored at another premises for up to the Number of Days shown in the **Business Property Schedule of Coverages and Limits**; and

      ii. the reasonable cost to remove the **insured property** from the **location** or **reported unspecified location** and the cost to move the **insured property** back.

   b. The amount the Insurer will pay for all loss, damage or cost under this **Removal of Insured Property** coverage is included within, and not in addition to, the applicable **Real Property Coverage** or **Personal Property Coverage** Limit of Insurance.

2. **Preservation of Insured Property**

   a. If it is necessary to protect **insured property** at the **location** or **reported unspecified location** from imminent direct physical loss or damage by a **covered peril**, the Insurer will pay reasonable and necessary costs the **Named Insured** incurs to protect such **insured property** from such imminent loss or damage while at such **location** or **reported unspecified location**.

   b. The most the Insurer will pay for all costs under this **Preservation of Insured Property** coverage for any one **occurrence** is the **Protection of Property Coverage Preservation of Insured Property** Limit of Insurance, subject to a $1,000 each **occurrence** deductible. No other deductible applies to this **Preservation of Insured Property Coverage**.

R. Reported Unspecified Locations

1. **Real Property Coverage and Personal Property Coverage**

   The Insurer will pay for direct physical loss of or damage to **insured property** at a **reported unspecified location** directly caused by a **covered peril**.

   The most the Insurer will pay for such loss or damage to **real property** at any one **reported unspecified location** for any one **occurrence** is the applicable **Reported Unspecified Locations Real Property** Limit of Insurance.

   The most the Insurer will pay for such loss or damage to **personal property** at any one **reported unspecified location** for any one **occurrence** is the applicable **Reported Unspecified Location Personal Property** Limit of Insurance.

2. **Business Income Coverage**

   The Insurer will pay for the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations** caused by direct physical loss of or damage to property at a **reported unspecified location** directly caused by a **covered peril**.

   The most the Insurer will pay for such loss of **business income** at any one **reported unspecified location** for any one **occurrence** is the **Reported Unspecified Locations Business Income** Limit of Insurance.

3. **Extra Expense Coverage**

   The Insurer will pay **extra expense** caused by direct physical loss of or damage to property at a **reported unspecified location** directly caused by a **covered peril**.

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The most the Insurer will pay for such **extra expense** at any one **reported unspecified location** for any one **occurrence** is the **Reported Unspecified Locations Extra Expense** Limit of Insurance.

S. Research and Development Coverage

1. Research and Development Project Property

The Insurer will pay for:

a. direct physical loss of or damage to **research and development project property** while at a **location** or **reported unspecified location** directly caused by a **covered peril**; and

b. reasonable and necessary additional expenses the **Named Insured** incurs to minimize direct physical loss of or damage to **research and development project property**, but only to the extent the loss of or damage to **research and development project property** is reduced by such additional expenses.

The most the Insurer will pay for **research and development project property** under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Research and Development Coverage Research and Development Project Property** Limit of Insurance.

2. Research and Development Business Income

To the extent that **Business Income Coverage** or **Business Income and Extra Expense Coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will also pay, as provided, for the loss of **research and development business income** that the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of the **Named Insured's** research and development projects in process caused by direct physical loss of or damage to property at a **location** or **reported unspecified location**. The loss or damage must be directly caused by a **covered peril**.

The amount the Insurer will pay for **research and development business income** under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is included within, and not in addition to, the applicable **Business Income Coverage** or **Business Income and Extra Expense Coverage** Limit of Insurance unless a separate **Research and Development Business Income** Limit of Insurance is shown.

If a separate Limit is shown, then the most the Insurer will pay under this **Research and Development Business Income** coverage at any one **location** or **reported unspecified location** for any one **occurrence** is the **Research and Development Business Income** Limit of Insurance.

T. Theft Damage to Non Owned Building Coverage

1. The Insurer will pay for direct physical loss of or damage to **buildings** at a **location** or **reported unspecified location** in which the **Named Insured** is a tenant and does not own the building, caused directly by **theft,** robbery or burglary, provided the **Named Insured** is obligated by the written lease in effect at the time of loss or damage to pay for such loss or damage.

2. The amount the Insurer will pay for all loss or damage under this **ADDITIONAL COVERAGE** is included within the applicable **Personal Property Coverage** Limit of Insurance.

3. This **ADDITIONAL COVERAGE** does not apply to **theft** that occurs after fire or explosion.

U. Trees, Shrubs, Plants or Lawns Coverage

1. The Insurer will pay for direct physical loss of or damage to **outdoor trees, shrubs, plants or lawns**, including the expense to remove debris of **outdoor trees, shrubs, plants or lawns**, at a **location** or **reported unspecified location** directly caused by:

a. fire;

b. lightning;

c. explosion;

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d. riot or civil commotion;

e. vehicles; or

f. aircraft.

2. The most the Insurer will pay for all loss or damage under this **ADDITIONAL COVERAGE** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Trees, Shrubs, Plants or Lawns Coverage Each Location** Limit. Subject to this Each Location Limit, the most the Insurer will pay for any one tree, shrub, plant or lawn is the **Trees, Shrubs, Plants or Lawns Coverage Each Item** Limit of Insurance.

V. Unintentional Errors or Omissions Coverage

1. The Insurer will pay for direct physical loss of or damage to **covered property** from a **covered peril** that is not otherwise payable under this **Business Property Coverage Part** solely as a result of:

   a. an unintentional error or omission by the **Named Insured**:

   i. in the description or address of any **insured property**; or

   ii. the inadvertent deletion of a **location** or **reported unspecified location** under the Policy; or

   b. any unintentional failure by the **Named Insured** to include any premises owned or occupied by the **Named Insured** at the inception date of the Policy.

2. To the extent **time element coverage** is applicable, the Insurer will also pay, as provided, for:

   a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay in **operations**;

   b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; and

   c. **extra expense**,

   caused by loss of or damage to property from a **covered peril** that is not otherwise payable under this **Business Property Coverage Part** solely as a result of:

   i. an unintentional error or omission by the **Named Insured**:

   (1) in the description or address of any **insured property**; or

   (2) the inadvertent deletion of a **location** or **reported unspecified location** under the Policy; or

   ii. any unintentional failure by the **Named Insured** to include any premises owned or occupied by the **Named Insured** at the inception date of the Policy.

2. The most the Insurer will pay for all loss, damage, cost or expense combined under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Unintentional Errors or Omissions Coverage** Limit of Insurance.

3. There is no coverage for any unintentional error or unintentional omission in the reporting of values or the coverage requested. It is a condition of this coverage that such unintentional error or omission be reported and corrected when discovered. The **Named Insured's** premium will be adjusted accordingly to reflect the date the premises should have been added had no error or omission occurred.

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W. Utility Supply Failure Coverage

1. Property Damage

The Insurer will pay for direct physical loss of or damage to **covered property** at a **location** or **reported unspecified location** where such loss or damage is caused by the necessary suspension, interruption or reduction of:

a. communication services, including internet access; or

b. power supply, fuel services or water services,

at that **location** or **reported unspecified location**.

Such suspension, interruption or reduction must be the result of a **covered peril** that causes or results in direct physical loss of or damage to such utility service provider's property, including overhead transmission or distribution lines, used to provide the **location** or **reported unspecified location** with such services, provided such property is not at a **location** or **reported unspecified location**.

The most the Insurer will pay for all such loss or damage to **covered property** under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Utility Supply Failure Coverage – Property Damage** Limit of Insurance.

2. Time Element

To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will pay, as provided, for:

a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of the research and development projects; and

c. **extra expense**,

caused by loss of or damage to a utility service provider's property that is located away from a **location** or **reported unspecified location** and that property is used to provide internet, communication, power supply, fuel services or water services to such **location** or **reported unspecified location**. The loss or damage must be directly caused by a **covered peril.**

The most the Insurer will pay for all such loss or expense under this **ADDITIONAL COVERAGE** for any one **occurrence** is the **Utility Supply Failure Coverage – Time Element** Limit of Insurance.

If a **Deductible or Qualifying Period** is shown on the **Business Property Schedule of Locations** for **Utility Supply Failure Coverage – Time Element Coverage**, then the following replaces the **Deductible and Qualifying Periods** provision of the **LIMITS OF INSURANCE/INDEMNITY PERIOD/DEDUCTIBLE/QUALIFYING PERIOD** section for the **Utility Supply Failure Coverage – Time Element Coverage**:

The Insurer will not pay for any loss of **business income** or **research and development business income** or **extra expense** incurred for any one **occurrence** until the amount of loss or expense incurred exceeds the applicable Deductible or until the length of the **suspension** or delay of **operations** exceeds the applicable **Qualifying Period** shown in the **Business Property Schedule of Locations**.

If a Deductible applies, then the Insurer will pay the amount of actual **business income** or **research and development business income** loss or **extra expense** incurred in excess of the applicable Deductible, up to the applicable Limits of Insurance.

If a **qualifying period** applies and the **qualifying period** is exceeded, then the Insurer will pay for covered loss and expense, calculated as of the time of such **suspension** or delay in **operations**, in excess of the

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applicable Property Deductible shown in the **Business Property Schedule of Locations**, unless a more specific **time element coverage** deductible is shown.

3. However, to the extent the covered Utility Supply Failure loss, damage or expense is caused by or resulting from covered:

   i. **flood**, the total amount payable for all loss, damage or expense under this **ADDITIONAL COVERAGE** is included within, and not in addition to, the applicable Flood Limit of Insurance.

   ii. earthquake, the total amount payable for all loss, damage or expense under this **ADDITIONAL COVERAGE** is included within, and not in addition to, the applicable Earthquake Limit of Insurance.

4. This **ADDITIONAL COVERAGE** does not apply to loss, damage or expense caused by physical loss of or damage to satellites or any other orbiting equipment.

5. The **Utility Services** Excluded Peril under the **EXCLUSIONS** section does not apply, but only to the extent of the coverage provided under this **ADDITIONAL COVERAGE**.

IV. ADDITIONAL COVERAGE BASKET

The following coverages are part of the **ADDITIONAL COVERAGE BASKET**. At the time of loss or damage, the **Named Insured** may elect to apportion the Limit of Insurance to one or any combination of the coverages included in this **ADDITIONAL COVERAGE BASKET**. However, the most the Insurer will pay at any one **location** or **reported unscheduled location** for any one **occurrence** for the total of all loss or damage from the coverages included in this **ADDITIONAL COVERAGE BASKET** is the Limit of Insurance as shown in the **Business Property Schedule of Coverages and Limits**. If a different **ADDITIONAL COVERAGE BASKET** Limit of Insurance is shown at a **location** in the **Business Property Schedule of Locations**, that Limit replaces, and is not in addition to, the **ADDITIONAL COVERAGE BASKET** Limit of Insurance shown in the **Business Property Schedule of Coverages and Limits** for that **location**. If the **ADDITIONAL COVERAGE BASKET** does not apply at a specific **location**, the **ADDITIONAL COVERAGE BASKET** will show as Not Covered for that **location**.

A. Accounts Receivable Coverage

1. The Insurer will pay for direct physical loss of or damage to **records of accounts receivable** at a **location** or **reported unspecified location** directly caused by a **covered peril**.

2. This **Accounts Receivable Coverage** does not apply with respect to any claim for loss, damage, cost or expense that requires any audit of any records or inventory computation to prove its factual existence.

3. The **Contaminants or Pollutants**, **Temperature or Humidity Conditions** and **Utility Services** Excluded Perils under the **EXCLUSIONS** section do not apply with respect to **Accounts Receivable Coverage**.

B. Fine Arts Coverage

1. The Insurer will pay for direct physical loss of or damage to **fine arts** at a **location** or **reported unspecified location** directly caused by a **covered peril**.

2. Subject to the **ADDITIONAL COVERAGE BASKET** Limit of Insurance, the most the Insurer will pay for any one item for any one **occurrence** under this **Fine Arts Coverage** is $100,000.

3. The **Contaminants or Pollutants** and the **Utility Services** Excluded Perils under the **EXCLUSIONS** section do not apply with respect to **Fine Arts Coverage**.

C. Fire Department Service Charge Coverage

The Insurer will pay for the **Named Insured's** liability for the following fire department service charges if incurred to save or protect **covered property** at a **location** or **reported unspecified location** from a **covered peril**:

1. charges assumed by written contract or written agreement prior to loss; or

2. charges required by local ordinance.

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No deductible applies to this **Fire Department Service Charge Coverage**.

D. Lessee Leasehold Interest Coverage

When the **Named Insured's** written lease is cancelled by the lessor in accordance with a valid condition of that lease and such cancellation is due to direct physical loss of or damage to property at a **location** or **reported unspecified location** directly caused by a **covered peril**, the Insurer will pay for the loss of:

1. the value of the **Named Insured's** leasehold interest in the unamortized portion of payments made by the **Named Insured** for the undamaged portion of the **tenant's improvements and betterments**;
2. **monthly leasehold interest** of the **bonus payment** or **prepaid rent**;
3. **sublease profit**;
4. **equipment data processing equipment leasehold values**; and
5. **net leasehold interest** of **tenant's lease interest**.

E. Lost Key Replacement Coverage

The Insurer will pay for the reasonable and necessary cost of:

1. replacing the master key and individual lock keys, including the cost to program the new locks if keys to that **location** or **reported unspecified location** are stolen; or
2. entry lock repair or replacement, including the cost to rekey or reprogram locks, made necessary by theft or attempted theft at that **location** or **reported unspecified location**.

F. Non Owned Detached Trailers Coverage

The Insurer will pay for direct physical loss of or damage to trailers that the **Named Insured** does not own at a **location** or **reported unspecified location** directly caused by a **covered peril**, provided that:

1. the trailer is used in the **Named Insured's** business;
2. the trailer is in the **Named Insured's** care, custody or control; and
3. the **Named Insured** is obligated by a written contract in effect at the time of loss or damage to pay for such loss or damage to that trailer.

The Insurer will not pay for any loss or damage that occurs:

a. while the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
b. during hitching or unhitching operations; or
c. when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

G. Recharge of Fire Protection Equipment Coverage

The Insurer will pay expenses the **Named Insured** incurs to recharge automatic fire protection equipment due to the leakage or discharge of the fire suppressant within the automatic fire protection equipment. The insurance provided under this coverage applies regardless of how the discharge or leakage is caused. However, if the leakage or discharge is caused by or results from covered loss or damage, no deductible applies.

H. Restoration of Media Coverage

1. The Insurer will pay for the direct physical loss of or damage to **media** at a **location** or **reported unspecified location** directly caused by a **covered peril**.
2. The **Contaminants or Pollutants**, **Temperature or Humidity Conditions** and **Utility Services** Excluded Perils under the **EXCLUSIONS** section do not apply with respect to this **Restoration of Media Coverage**.

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I. Reward Payments Coverage

In the event of direct physical loss of or damage to **insured property** caused by arson, **theft** or vandalism, the Insurer will reimburse the **Named Insured** for amounts it pays for information leading to the conviction of any persons responsible for such arson, **theft** or vandalism. The reward payments must be documented.

However, there is no coverage for a reward payment made to the **Named Insured** or **executive officers**.

No deductible applies to this **Reward Payments Coverage**.

V. EXCLUSIONS

The Excluded Perils shown in Paragraphs **A. B. C.** and **D.** below apply to all **LOCATION COVERAGES**, **OFF-SITE COVERAGES**, **ADDITIONAL COVERAGES** and **ADDITIONAL COVERAGE BASKET** coverages under the **coverage part** unless otherwise stated.

A. Excluded Perils Subject to Concurrent Causation Provisions

With respect to the excluded perils below, the Insurer will not pay for loss of or damage to property directly or indirectly caused by or resulting from the following causes of loss or events: **Biological or Chemical Materials**; **Earth Movement**; **Electronic Vandalism**; **Flood**; **Fungi, Wet Rot, Dry Rot and Microbes**; **Governmental Action**; **Nuclear Hazard**; **Utility Services**; and **War and Military Action**, regardless of: the causes of such excluded causes or events; other causes of such loss; any other cause or event, whether or not insured under the **coverage part**, which may have contributed concurrently, or in any sequence, to produce such loss even if such other cause or event would otherwise be covered; and whether the event occurred suddenly or gradually, involved isolated or widespread damage, arose from natural or external sources or acts or omissions, or occurred as a result of any combination of any such causes or events.

1. Biological or Chemical Materials

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from the actual or threatened discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials.

2. Earth Movement

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from **earth movement**. However, if **earth movement** results in fire, explosion or **theft**, the Insurer will pay for that portion of the loss which was solely caused by such fire, explosion or **theft**.

3. Electronic Vandalism

The Insurer will not pay for loss or damage caused by or resulting from **electronic vandalism**.

4. Flood

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from **flood**. However, if **flood** results in fire, explosion, sprinkler leakage or **theft**, the Insurer will pay for that portion of the loss which was solely caused by such fire, explosion, sprinkler leakage or **theft**.

5. Fungi, Wet Rot, Dry Rot and Microbes

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from the presence, growth, proliferation, spread or any activity of **fungi**, wet or dry rot, or **microbes**. However, this exclusion does not apply when **fungi**, wet or dry rot, or **microbes** results from fire or lightning.

6. Governmental Action

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from seizure, destruction, demolition, expropriation, condemnation, confiscation or nationalization of property by, on behalf of or at the direction of any governmental authority.

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However, this exclusion does not apply to seizure or acts of destruction ordered by governmental or military authority and taken at the time of a fire to prevent its spread.

7. **Nuclear Hazard**

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from nuclear reaction or radiation, or radioactive contamination, however caused. However, if nuclear reaction or radiation, or radioactive contamination results in fire, the Insurer will pay for that portion of the loss which was solely caused by such fire.

8. **Utility Services**

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from the failure (including lack of sufficient capacity and reduction in supply) of power, fuel, sewage treatment, internet or other communication service, or any other utility service supplied to a covered premises, if the failure occurs away from the premises.

However, if such failure results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

This exclusion does not apply to **electronic data processing equipment**.

9. **War and Military Action**

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from:

a. war (whether declared or undeclared); civil war or warlike action by a military force; or

b. insurrection, rebellion, revolution, military or usurped power by governmental or military personnel.

B. **Other Excluded Perils**

1. **Adulteration or Contamination**

The Insurer will not pay for loss or damage caused by or resulting from adulteration or contamination to **stock** which causes the **stock** to become diminished in value or use, including but not limited to diminished value or use due to change in color, finish, flavor, size or texture. This exclusion applies unless the adulteration or contamination is itself caused by a **specified peril**, other than the **equipment breakdown peril**.

However, if the adulteration or contamination to **stock** results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

2. **Alteration, Falsification, Concealment or Destruction**

The Insurer will not pay for loss or damage caused by or resulting from alteration, falsification, concealment or destruction of **records of accounts receivable** or **media** done to conceal the wrongful giving, taking or withholding of **money**, **securities** or other property.

3. **Bookkeeping, Accounting or Billing Errors or Omissions**

The Insurer will not pay for loss of or damage to **media** or **records of accounts receivable** caused by or resulting from bookkeeping, accounting or billing errors or omissions.

4. **Collective Activities**

The Insurer will not pay for loss of **business income** or **research and development business income** caused by or resulting from delay in rebuilding, repairing or replacing property or resuming **operations** due to strikes, boycotts, picketing, lockouts or other such collective activities.

5. **Contaminants or Pollutants**

The Insurer will not pay for loss or damage caused by or resulting from discharge, dispersal, seepage, migration, release or escape of **contaminants or pollutants**. This exclusion applies unless the discharge,

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dispersal, seepage, migration, release or escape of **contaminants or pollutants** is itself caused by a **specified peril**.

However, if the discharge, dispersal, seepage, migration, release or escape of **contaminants or pollutants** results in a **specified peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **specified peril**.

This exclusion does not apply:

a. to damage to glass caused by chemicals applied to the glass; or

b. to **electronic data processing equipment**.

6. Delay, Loss of Use or Loss of Market

The Insurer will not pay for loss or damage caused by or resulting from delay, loss of use or loss of market.

7. Dishonest or Criminal Acts

The Insurer will not pay for loss or damage caused by or resulting from any dishonest, fraudulent or criminal acts committed alone or in collusion with others by the **Named Insured**, **executive officers**, the **Named Insured's** employees (including leased or temporary employees) or authorized representatives or anyone to whom the **Named Insured** entrusts the property for any purpose, regardless of whether or not such activity takes place during hours of operation.

This exclusion does not apply to:

a. acts of destruction by an employee (including leased or temporary employee) of the **Named Insured**; or

b. acts committed by a carrier or other bailee for hire.

8. Errors, Defects or Failures

The Insurer will not pay for any:

a. loss or damage, including the costs of correcting or making good, caused by or resulting from:

i) an **act or decision** or error or omission in or faulty or defective:

(1) design, specification, workmanship, repair, construction, renovation, remodeling, grading or compaction of;

(2) processing of, manufacturing of or materials used in;

(3) planning, zoning, development surveying or siting; or

(4) materials used in repair, construction, renovation or remodeling of; or

ii) insufficient maintenance or servicing, or the failure to maintain or service,

any part, or all, of the property on or off a premises.

b. loss or damage caused by or resulting from the misalignment, miscalibration, operation of any safety device or going off-line or any condition which can be corrected by resetting, tightening, adjusting, cleaning or performing maintenance on property.

However, if any of these Excluded Perils results in a **covered peril**, the Insurer will pay for that loss or damage solely caused by such **covered peril**.

9. Finished Stock or Merchandise

The Insurer will not pay for loss of **business income** or **research and development business income** caused by or resulting from:

a. loss or damage to **finished stock** or to **merchandise** which has been sold but not delivered; or

b. the time required to reproduce **finished stock** or replace **merchandise**.

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10. Inherent Vice/Latent Defect

The Insurer will not pay for loss or damage caused by or resulting from:

a. wear and tear;

b. rust or other corrosion or decay;

c. gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

d. nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

f. smog;

g. marring or scratching; or

h. inherent vice.

This exclusion applies unless one of these Excluded Perils is itself caused by a **specified peril**.

However, if any of these Excluded Perils results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

11. Mysterious Disappearance

The Insurer will not pay for loss or damage caused by or resulting from disappearance of property or shortage of property disclosed on taking inventory, where there is no physical evidence to show what happened to the property.

However, if such disappearance or shortage results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

This exclusion does not apply to property in the custody of carriers or other bailees for hire.

12. Precipitation

The Insurer will not pay for loss or damage caused by or resulting from hail, ice, rain, sleet or snow to **personal property** in the open, other than property in the custody of carriers for hire.

13. Pressure or Electrical Testing

The Insurer will not pay for loss of or damage to machinery or equipment while undergoing electrical or pressure testing.

However, if such testing results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

14. Programming Errors or Defects

The Insurer will not pay for loss of or damage to **electronic data processing equipment**, **media** or **records of accounts receivable** caused by or resulting from:

a. programming errors or faulty instructions to a machine; or

b. other errors or omissions in processing or copying.

However, if such errors, omissions or faulty instructions result in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

15. Repair, Restoration or Retouching

The Insurer will not pay for loss of or damage to **fine arts** caused by or resulting from any repairing, restoration or retouching process.

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16. Settling and Cracking

The Insurer will not pay for loss or damage caused by or resulting from naturally occurring or man-made bulging, cracking, expansion, shrinkage or settling of land, paved or concrete surfaces, foundations, pools or **buildings,** including soil or fill adjacent to such property. This exclusion applies unless the bulging, cracking, expansion, shrinkage or settling is itself caused by a **specified peril**.

However, if such bulging, cracking, expansion, shrinkage or settling results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

17. Suspended Equipment

The Insurer will not pay for loss or damage caused by or resulting from an **equipment breakdown peril** to **suspended equipment**.

However, if such Excluded Peril results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

18. Suspension, Lapse or Cancellation

The Insurer will not pay for any:

a. loss of **business income** or **extra expense** caused by or resulting from suspension, lapse or cancellation of any license, lease or contract unless:

i. such suspension, lapse or cancellation is directly caused by the actual **suspension** or delay in **operations**;

ii. the loss of **business income** is sustained during the **period of restoration** or extended indemnity period; and

iii. the **extra expense** is incurred during the **period of restoration**.

b. loss of **research and development business income** caused by or resulting from suspension, lapse or cancellation of any license, lease or contract unless:

i. such suspension, lapse or cancellation is directly caused by the actual **suspension** or delay of the **Named Insured's** research and development projects in process; and

ii. the loss of **research and development business income** is sustained during the **period of restoration**.

19. Temperature or Humidity Conditions

The Insurer will not pay for loss of or damage to **personal property** caused by or resulting from the loss of or change in temperature, humidity or atmosphere, whether inside or outside of a building and whether or not artificially maintained or generated. This exclusion applies unless such change in temperature, humidity or atmosphere is itself caused by a **specified peril,** other than an **equipment breakdown peril**.

However, if such loss of or change in temperature, humidity or atmosphere results in a **covered peril**, the Insurer will pay for that portion of the loss or damage solely caused by such **covered peril**.

This exclusion does not apply to **electronic data processing hardware**.

C. Limitations

1. Trees, Shrubs, Plants or Lawns

The Insurer will not pay for loss of **business income** or **research and development business income** caused by or resulting from loss of or damage to **outdoor trees, shrubs, plants or lawns** unless such loss or damage is directly caused by fire, lightning, explosion, riot or civil commotion, vehicles or aircraft.

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2. **Vegetated Roofs**

The Insurer will not pay for loss of or damage to trees, shrubs, plants, grass, lawns or other landscaping materials which are part of a vegetated roof caused by or resulting from:

a. dampness or dryness of atmosphere or soil supporting the vegetation;

b. changes in or extremes of temperature;

c. disease; or

d. frost, hail, rain, snow, ice or sleet.

D. **Excluded Fees, Costs and Expenses**

1. **Excavation, Grading or Filling Costs**

The Insurer will not pay fees, costs or expenses for:

a. excavations, grading, backfilling or filling, unless such cost is necessarily incurred to investigate, repair or replace **insured property** below the surface of the ground; or

b. filling sinkholes.

2. **Volcanic Eruption**

The Insurer will not pay fees, costs or expenses to remove ash, dust or particulate matter, following a **volcanic eruption** that does not cause loss of or damage to **covered property**.

VI. LIMITS OF INSURANCE / INDEMNITY PERIOD / DEDUCTIBLE / QUALIFYING PERIOD

A. **Limits of Insurance**

The Limits of Insurance applicable to each coverage agreement are shown in the **Business Property Schedule of Coverages and Limits** or the **Business Property Schedule of Locations**.

B. **Special Limits**

The Limit of Insurance applicable for any one **occurrence** for loss or damage due to **theft** is $10,000 for:

1. furs, fur garments and garments trimmed with fur;

2. jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones; and

3. bullion, gold, silver, platinum and other precious alloys or metals.

This Limit is included within, and not in addition to, the applicable **Personal Property Coverage** Limit of Insurance.

C. **Maximum Period of Indemnity**

If the **Business Property Schedule of Locations** displays a **Maximum Period of Indemnity**, the most the Insurer will pay for loss of **business income** is the lesser of:

1. the amount of covered **business income** during the 120 consecutive days immediately following the beginning of the **period of restoration**; or

2. the applicable **Business Income Coverage** Limit of Insurance shown in the **Business Property Schedule of Locations**.

D. **Monthly Limit of Indemnity**

If the **Business Property Schedule of Locations** displays a Monthly Limit of Indemnity fraction, the most the Insurer will pay for loss of **business income** in any one period of 30 consecutive days after the beginning of the **period of restoration** is:

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1. the Limit of Insurance, multiplied by
2. the Monthly Limit of Indemnity fraction shown in the **Business Property Schedule of Locations** for **Monthly Limit of Indemnity**.

E. Inflation Guard

If the **Business Property Schedule of Locations** displays an inflation guard percentage, the Limit of Insurance for **insured property** will automatically increase as follows:

1. the applicable Limit of Insurance; multiplied by
2. the Inflation Guard percentage shown on the **Business Property Schedule of Locations**; multiplied by
3. the number of consecutive days since the beginning of the annual **policy period**, or the effective date of the most recent Policy change amending the Limit of Insurance, divided by 365.

F. Deductibles and Qualifying Periods

1. The Insurer will not pay any amounts due under the terms and conditions of the **coverage part** until the amount of covered loss, damage, cost or expense for any one **occurrence** exceeds the Property Deductible shown in the **Business Property Schedule of Locations**, unless specific coverage deductibles are shown in the **Business Property Schedule of Locations** or an endorsement. The Insurer will then pay the amount of loss, damage, cost or expense in excess of the Deductible, up to the applicable Limits of Insurance.
2. If a **Qualifying Period** is shown in the **Business Property Schedule of Locations**, then the **qualifying period** will apply to all **business income** and **research and development business income** coverages. The Insurer will not pay for any loss of **business income** or **research and development business income** for any one **occurrence** until the **suspension** or delay of **operations** exceeds the **qualifying period**. If the **qualifying period** is exceeded, then the Insurer will pay the amount of covered **business income** or **research and development business income** loss, calculated as of the time and date of such loss, in excess of the applicable Property Deductible shown in the **Business Property Schedule of Locations**, unless a more specific **time element coverage** deductible is shown. If **Business Income and Extra Expense Coverage** applies, then **extra expense** is subject to the deductible or **qualifying period** applicable to **business income**.
3. A covered loss occurring at **unspecified locations**, **reported unspecified locations** or other premises not shown on the **Business Property Schedule of Locations** will be subject to the **Deductibles and Qualifying Periods** applicable for the first **location** shown in the **Business Property Schedule of Locations**, unless specific coverage deductibles are shown in the **Business Property Schedule of Locations** or an endorsement.
4. Unless otherwise stated in the **coverage part** or endorsement, if more than one monetary deductible applies, the Insurer will apply each deductible separately, but the total of all deductibles applied for any one **occurrence** will not exceed the highest applicable monetary deductible for loss or damage to **covered property** plus the highest applicable monetary deductible for loss under **time element coverage**.
5. Loss or damage caused by earthquake, earthquake sprinkler leakage, **flood**, **named storm** and windstorm or hail may be subject to separate deductible amounts. The **Business Property Schedule of Locations,** or applicable endorsement, will identify the **locations** or **reported unspecified locations** subject to such deductibles and the applicable deductible amount. That Deductible will apply to all coverages that respond to that covered loss, including covered **time element coverage** loss. **Qualifying periods** do not apply to covered loss or expense from earthquake, earthquake sprinkler leakage, **flood**, **named storm** or windstorm or hail when there is a separate monetary deductible amount applicable.

   For purposes of calculating the deductible for those perils, the Insurer will use the applicable Limit of Insurance shown in the **Business Property Schedule of Coverages and Limits**, the **Business Property Schedule of Location** or any endorsement attached to this Policy for that specific coverage, or the actual

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amount of loss, damage, cost or expense for that coverage, whichever is less, towards satisfying that Deductible.

With respect to earthquake, earthquake sprinkler leakage, **flood**, **named storm** and windstorm or hail deductibles, if there are two or more deductibles that are applicable from other **covered perils** in the same **occurrence**, the Insurer will apply each deductible separately. When those Deductibles are shown in the **Business Property Schedule of Coverages and Limits**, the **Business Property Schedule of Locations** or any endorsement:

a. at that specific **location** or **reported unspecified location**, the total of all monetary deductible amounts applied for any one **occurrence** will not exceed the single highest applicable Deductible shown for that **location** or **reported unspecified location**. If more than one **location** or **reported unspecified location** is involved in the same **occurrence**, the Insurer will apply those Deductibles for each **location** and **reported unspecified location** separately, subject to the single highest applicable Deductible for each **location** and each **reported unspecified location**.

b. on a per **occurrence** basis for multiple **locations** or **reported unspecified locations**, the total of all monetary deductible amounts applied for any one **occurrence** will not exceed the single highest applicable Deductible.

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CNA	CNA PARAMOUNT Life Sciences Property Extension Endorsement

It is understood and agreed as follows:

SCHEDULE		
Coverage	**Limit of Insurance**	
Bio-Contamination Coverage	$25,000 Each Location	
Contaminated or Reduced Quality Stock Coverage		
Governmental Authority	Included within the applicable Limit of Insurance	
Quality Standards	$25,000 Each Location	
Decontamination Expense Coverage	$25,000 Each Location	
Lessor's Leasehold Interest Coverage	$25,000 Each Location	
Period of Restoration – Research and Development Business Income	365 Days	
Radioactive Contamination Coverage	$25,000 Each Location	
Technology Service Provider Coverage	$25,000 Each Occurrence	$5,000 Deductible
Tenant Move Back Costs and Expenses Coverage	$25,000 Each Occurrence	
Tenant Replacement Expense Coverage	$25,000 Each Occurrence	

I. The following new coverage is added to the **OFF-SITE COVERAGES** section of the **Business Property Coverage Part**:

- **Technology Service Provider Coverage**

1. To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will pay, as provided, for:

   a. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

   b. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; or

   c. **extra expense**,

   caused by the loss of or damage to property at an **external service provider** located anywhere in the world. The loss or damage must be directly caused by a **covered peril**.

2. The most the Insurer will pay under this off-site coverage for any one **occurrence** is the **Technology Service Provider Coverage** limit of insurance shown in the above **SCHEDULE**.

3. The following replaces the **Deductible and Qualifying Periods** provision of the **LIMITS OF INSURANCE/INDEMNITY PERIOD/DEDUCTIBLE/QUALIFYING PERIOD** section of the **Business Property Coverage Part** for this off-site coverage:

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The Insurer will not pay for any loss of **business income**, loss of **research and development business income** or **extra expense** incurred for any one **occurrence** until the amount of loss or expense exceeds the Property Deductible shown in the **Business Property Schedule of Locations**, or the **Technology Service Provider Coverage** Deductible shown in the above **SCHEDULE**, whichever is greater. The Insurer will pay for covered loss and expense in excess of the applicable Deductible amount, up to the **Technology Service Provider Coverage** limit of insurance shown in the above **SCHEDULE**.

4. The **Utility Services** Excluded Peril under the **EXCLUSIONS** section of the **Business Property Coverage Part** does not apply, but only to the extent of the coverage provided under this off-site coverage.

5. This off-site coverage does not apply to loss or expense for which coverage is provided under the **Utility Supply Failure Coverage** under the **ADDITIONAL COVERAGES** section of the **Business Property Coverage Part**.

6. The Insurer will not pay for any loss or expense under this additional coverage caused by or resulting from Earthquake or **flood**, even if they are otherwise **covered perils**.

II. The following coverages are added to the **ADDITIONAL COVERAGES** section of the **Business Property Coverage Part**:

- **Bio-Contamination Coverage**

  1. The Insurer will pay for direct physical loss of or damage to **covered property** while at a **location** or **reported unspecified location** directly caused by **bio-contamination**.

  2. The most the Insurer will pay for such loss or damage under this additional coverage at any one **location** or **reported unspecified location** for each **occurrence** is the **Bio-Contamination Coverage** limit of insurance shown in the above **SCHEDULE**.

  3. The **Contaminants or Pollutants** Excluded Peril under the **EXCLUSIONS** section of the **Business Property Coverage Part** does not apply, but only to the extent of the coverage provided under this additional coverage.

  4. This additional coverage does not apply to loss or damage for which coverage is provided under the **Contaminants or Pollutants Clean Up and Removal Coverage – Property Damage and Time Element Combined** under the **ADDITIONAL COVERAGES** section of the **Business Property Coverage Part**.

- **Contaminated and Reduced Quality Stock Coverage**

  1. **Governmental Authority**

     a. If as a result of direct physical loss of or damage to **covered property** at a **location** or **reported unspecified location** caused by a **covered peril** undamaged **stock** is declared contaminated by, or on behalf of, an authorized governmental authority, the Insurer will consider such **stock** physically damaged from such **covered peril**.

     b. The amount the Insurer will pay for such undamaged **stock** under this **Contaminated and Reduced Quality Stock Coverage – Governmental Authority** at any one **location** or **reported unspecified location** for any one **occurrence** is included within the applicable **Personal Property Coverage** or **Personal Property Stock Only Coverage** limit of insurance shown in the **Business Property Schedule of Locations**.

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c. The **Governmental Action** Excluded Peril under the **EXCLUSIONS** section of the **Business Property Coverage Part** does not apply, but only to the extent of the coverage provided under this **Contaminated and Reduced Quality Stock Coverage – Governmental Authority**.

2. **Quality Standards**

a. If as a result of direct physical loss of or damage to **covered property** at a **location** or **reported unspecified location** caused by a **covered peril**:

i. undamaged **stock** of the **Named Insured** does not meet the manufacturer's written minimum quality standards in place at the time of loss or damage; or

ii. undamaged **stock** that is **personal property of others** is deemed contaminated by the property owner,

and such **stock** cannot be sold or has diminished value, the Insurer will consider such **stock** physically damaged from such **covered peril**.

b. The most the Insurer will pay for such undamaged **stock** under this **Contaminated and Reduced Quality Stock Coverage – Quality Standards** at any one **location** or **reported unspecified location** for any one **occurrence** is the **Contaminated and Reduced Quality Stock Coverage – Quality Standards** limit of insurance shown in the above **SCHEDULE**.

- **Decontamination Expense Coverage**

1. If loss or damage to **covered property** from **contaminant or pollutants** is the result of a **covered peril** and there is an ordinance or law in effect at the time the covered loss or damage occurs that requires the **Named Insured** to clean up, remove, decontaminate or restore **covered property**, the Insurer will pay the reasonable expenses incurred by the **Named Insured** to clean up, remove, decontaminate or restore **covered property** to comply with such ordinance or law.

2. This additional coverage does not apply to expenses to comply with any ordinance or law that the **Named Insured** was required to comply with before the loss or damage occurred.

3. The most the Insurer will pay under this additional coverage at any one **location** or **reported unspecified location** for any one **occurrence** is the **Decontamination Expense Coverage** limit of insurance shown in the above **SCHEDULE**.

4. The **Contaminants or Pollutants** Excluded Peril under the **EXCLUSIONS** section of the **Business Property Coverage Part** does not apply, but only to the extent of the coverage provided under this additional coverage.

5. This additional coverage does not apply to loss or damage for which coverage is provided under the **Contaminants or Pollutants Clean Up and Removal Coverage – Property Damage and Time Element Combined** under the **ADDITIONAL COVERAGES** section of the **Business Property Coverage Part**.

- **Lessor's Leasehold Interest Coverage**

1. If the applicable **Business Income Coverage** or **Business Income and Extra Expense Coverage** limit of insurance shown in the **Business Property Schedule of Locations** is exhausted during the time period shown in the **Business Property Schedule of Coverages and Limits** under the **Extended Indemnity Period - Business Income Coverage**, the Insurer will pay for the additional loss of **lessor's leasehold interest** sustained by the **Named Insured**

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during the extended indemnity period as a result of the tenant's cancellation of a written lease agreement due to direct physical loss of or damage to property at the **location** or **reported unspecified location** directly caused by a **covered peril**.

2. As used in this additional coverage, the extended indemnity period begins on the date the **period of restoration** ends and terminates on the earlier of:

   a. the normal expiration date of the cancelled lease; or

   b. the date on which the specified Number of Days shown for **Extended Indemnity Period – Business Income Coverage** in the **Business Property Schedule of Coverages and Limits** have elapsed after the end of the of the **period of restoration**.

3. The most the Insurer will pay under this additional coverage at any one **location** or **reported unspecified location** for any one **occurrence** is the **Lessor's Leasehold Interest Coverage** limit of insurance shown in the above **SCHEDULE**.

- **Radioactive Contamination Coverage**

1. The Insurer will pay for direct physical loss of or damage to **covered property** due to sudden and accidental radioactive contamination, including resultant radiation damage, provided:

   a. the radioactive contamination arises out of material, which is commonly known to be radioactive, at a **location** or **reported unspecified location**;

   b. the radioactive material is kept at the **location** or **reported unscheduled location** for purposes of the **Named Insured's** business activities; and

   c. the **location** or **reported unspecified location** does not contain:

      i. a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction; or

      ii. any nuclear fuel that is intended for or which has been used in that type of nuclear reactor.

2. The most the Insurer will pay under this additional coverage at any one **location** or **reported unspecified location** for any one **occurrence** is the **Radioactive Contamination Coverage** limit of insurance shown in the above **SCHEDULE**.

   The Limit for this additional coverage is included in, and not in addition to, any other applicable limits of insurance.

3. The **Nuclear Hazard** Excluded Peril under the **EXCLUSIONS** section of the **Business Property Coverage Part** does not apply, but only to the extent of the coverage provided under this additional coverage.

- **Tenant Move Back Costs and Expenses Coverage**

1. To the extent **time element coverage** is applicable at that **location** or **reported unspecified location**, the Insurer will pay for reasonable and necessary **tenant move back costs and expenses** incurred by the **Named Insured** provided that:

   a. the vacancy occurred while such portion of the **location** or **reported unspecified location** could not be occupied by the tenant due to direct physical loss of or damage to **covered property** directly caused by a **covered peril**; and

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b. such tenant moves back within 60 days after the portion of the **location** or **reported unspecified location** leased by that tenant has been repaired or rebuilt and is ready for occupancy.

2. The most the Insurer will pay under this additional coverage in each **occurrence** is the **Tenant Move Back Costs and Expenses Coverage** limit of insurance shown in the above **SCHEDULE**.

- **Tenant Replacement Expense Coverage**

1. In the event of covered loss of or damage to **real property** at a **location** or **reported unspecified location** which directly resulted in the cancellation of tenant leases of such **location** or **reported unspecified location**, the Insurer will pay for the reasonable and necessary fees and commissions of real estate brokers or real estate agents and advertising and promotional expenses paid by the **Named Insured** to obtain new tenant leases in the impacted portion of the **location** or **reported unspecified location**.

2. This additional coverage will end when the percentage of occupied square foot area at the **location** or **reported unspecified location** reaches the same level that existed at the time of loss or damage.

3. The most the Insurer will pay under this additional coverage in any one **occurrence** is the **Tenant Replacement Expense Coverage** limit of insurance shown in the above **SCHEDULE**.

III. The following is added to the **Limitations** section under **EXCLUSIONS** of the **Business Property Coverage Part**:

- **Loss or Damage to Research Animals**

The Insurer will not pay for loss of or damage to **research animals** caused directly or indirectly by or resulting from:

A. sickness or disease;

B. death or any medical condition due to natural causes;

C. testing, experimenting or other work performed on or in conjunction with the **research animals**;

D. inadequate care or the failure to properly care for the **research animals**; or

E. intentional destruction, unless the destruction is made necessary after that **research animal** has been injured or damaged by a **covered peril**.

IV. The **First Party Glossary of Defined Terms** is amended as follows:

A. The following definitions are added:

- **Bio-contamination**

Bio-contamination means the sudden and accidental discharge, dispersal, seepage, migration, release or escape of hazardous biological agents or materials used in or resulting from the **Named Insured's** research and development project involving living organisms.

- **External Service Provider**

External service provider means a premises that is operated by others on whom the **Named Insured** depends, pursuant to a written service contract, to provide:

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A. internet services; or

B. data management, network management, software management and cloud computing and storage services.

External service provider does not include:

1. **dependent property**;

2. any utility service provider's property; or

3. any premises within any country in which the United States government has imposed sanctions, embargoes or similar prohibitions.

- **Lessor's Leasehold Interest**

Lessor's leasehold interest means the difference between the:

A. rent the **Named Insured** was collecting at the **location** or **reported unspecified location** at the time of the covered loss; and

B. rental value of the **location** or **reported unspecified location** at the end of the **period of restoration**.

Lessor's leasehold interest does not include refunds or rebates of any:

1. prepaid rent;

2. security or other deposits made by the **Named Insured's** tenants; or

3. insurance, taxes or other payments made on the **Named Insured's** behalf by tenants.

- **Tenant Move Back Costs and Expenses**

Tenant move back costs and expenses means the following documented expenses to return any of the **Named Insured's** evacuated **tenants to the location or reported unspecified location**:

A. packing labor and materials;

B. transportation costs from the temporary location, including insurance premium for coverage of the tenant's personal property during the move;

C. re-establishing electric utility and communication services (less refunds from discontinued services);

D. assembling and setting up fixtures and equipment; and

E. unpacking and re-shelving stock and supplies.

B. The definition of **Period of Restoration** is amended as follows:

1. Paragraph **B.** is replaced by the following:

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B. If the **Named Insured** resumes **operations**, with reasonable speed, the **period of restoration** ends on the earlier of:

1. the date when the premises where the loss or damage occurred could have been physically capable of resuming the level of **operations** which existed prior to the loss or damage; or

2. the date when a new permanent premises is physically capable of resuming the level of **operations** which existed prior to the loss or damage, if business is resumed at a new permanent premises.

The **period of restoration** includes the period of time that begins when the **Named Insured** advises the United States Food and Drug Administration (FDA), or any state, local or foreign equivalent, as required, that the **Named Insured** is ready to resume such **operations** and ends when the FDA certifies the **location** or **reported unspecified location** to resume **operations** at the same level of certification that existed prior to the **suspension** of those **operations**.

The **period of restoration** does not include any time necessary to obtain certification that the **Named Insured**:

a. was not legally required to have prior to the **suspension** of **operations**;

b. was legally required to have, but was not in compliance with, prior to the **suspension** of **operations**; or

c. allowed to lapse even though they could have maintained or kept such certifications in force during the **period of restoration.**

2. Paragraph **E.** is replaced by the following:

E. With respect to **research and development business income**, the **period of restoration** means the period of time that begins with the time and date of the physical loss or damage to **research and development project property** that causes **suspension** of the **Named Insured's** research and development project and ends on the earlier of:

1. the date such **research and development project property** could be recreated or restored with reasonable speed and similar quality to the condition that existed at the time of loss or damage; or

2. the number of days shown for **Period of Restoration – Research and Development Business Income** in the above **SCHEDULE** immediately following the date the physical loss of or damage to such **research and development project property** occurred.

The **period of restoration** includes the period of time that begins when the **Named Insured** advises the United States Food and Drug Administration (FDA), or any state, local or foreign equivalent, as required, that the **Named Insured** is ready to resume the **Named Insured's** research and development projects and ends when the FDA certifies the **location** or **reported unspecified location** to resume the **Named Insured's** research and development projects at the same level of certification that existed prior to the **suspension** of the **Named Insured's** research and development projects.

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The **period of restoration** does not include any time necessary to obtain certification that the **Named Insured**:

a. was not legally required to have prior to the **suspension** of the **Named Insured's** research and development projects;

b. was legally required to have, but was not in compliance with, prior to the **suspension** of the **Named Insured's** research and development projects; or

c. allowed to lapse even though they could have maintained or kept such approvals or certificates in force during the **period of restoration**;

d. had submitted the request for certification to, but was not yet approved by, the FDA or other state, location or foreign equivalent, regardless of when such request was submitted; or

e. had not yet submitted the request for certification to the FDA, or other state, location or foreign equivalent.

C. The definition of **research and development business income** is replaced as follows:

Research and development business income means:

A. net profit that would have been earned or incurred had no loss or damage resulting in an interruption in the **Named Insured**'s research and development project occurred, including net profit resulting from:

1. lost or delayed pre-sale orders from new or current customers for a new product or an improved current product, whose entry into the marketplace is delayed because these products were the subject of lost or damaged **research and development project property**; or

2. grants, endowments and any other contract revenues, licensing fees, consulting fees, funding grants and progress payments, including milestone contracts; plus

B. **research and development project continuing expenses**; and

C. expenses that the **Named Insured** is obligated to pay from grants or other monies:

1. in its possession prior to such loss or damage; and

2. specifically assigned to, and set aside for, the performance and completion of any research and development project in process at the **location** or **reported unspecified location**.

If there is a net loss or no net profit, **research and development business income** means **research and development project continuing expenses**.

Research and development business income does not include any amount that is otherwise payable under this **Business Property Coverage Part** or that does not necessarily continue during the interruption in the research and development project.

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D. The definition of **Research and Development Project Property** is replaced by the following:

Research and development project property means the **Named Insured's**:

A. written, printed, electronic or inscribed documents, plans, records, formulas or other information, including any material upon which it is inscribed, printed, written or recorded;

B. original or experimental property;

C. existing prototypes used as the model for the final version of a new product or design;

D. **research animals**; or

E. undamaged property that needs to be recreated, restored or replaced due to covered loss of or damage to property in Paragraphs **A.**, **B. C.** or **D**,

developed or used in conjunction with any ongoing and active research and development project.

Research and development project property does not include **media**, plants or crops or **fine arts**.

V. The **research and development project property** provision under the **VALUATION** condition in the **First Party Terms and Conditions** is deleted and replaced by the following:

Research and development project property:

a. for **research and development project property** other than **research animals**, the actual cost necessary to:

i. research, recreate, repair or replace the **research and development project property**, including the cost of materials and supplies; and

ii. research, recreate or reproduce information, on any format, documenting that lost or damaged **research and development project property** as of the date of such loss or damage.

b. for **research animals**, the actual cost necessary to:

i. replace **research animals** at the time of loss or damage with other **research animals** of like kind and condition, prior to any testing, experimenting or other work performed on such **research animals** by the **Named Insured**, or by others on the **Named Insured's** behalf; and

ii. recreate or reproduce testing, experimenting or other work performed on such **research animals** by the **Named Insured**, or on the **Named Insured's** behalf, to the level that existed at the time of loss or damage.

However, the Insurer will only pay for these costs if the **Named Insured** repairs, replaces, reproduces or recreates the **research and development project property**. Any **research and development project property** not repaired, replaced reproduced or recreated has no value. When production of a new product begins by anyone, the **research and development project property** for that product and all associated research and recreation costs have no value.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA	CNA PARAMOUNT **Additional Covered Property Endorsement**

It is understood and agreed as follows:

SCHEDULE			
Location Number	**Description of Property**	**Real Property**	**Personal Property**
1	LEASED/RENTED/BORROWED MOBILE EQUIPMENT		

Reported Unspecified Locations		
Description of Property	**Real Property**	**Personal Property**

Notwithstanding the definition of **Property Not Covered** in the **First Party Glossary of Defined Terms** or the Fees, Costs or Expenses described under **Excluded Fees, Costs and Expenses** of the **EXCLUSIONS** section of the **Business Property Coverage Part**, the property described at locations, or for reported unspecified locations, shown in the above **SCHEDULE** is added to the following definitions in the **First Party Glossary of Defined Terms**:

A. **real property** when an "X" is shown in the above **SCHEDULE** for **Real Property**; or

B. **personal property** when an "X" is shown in the above **SCHEDULE** for **Personal Property**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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AMERICAN CASUALTY CO OF READING,PA
Insured Name: STERI-PHARMA LLC

Policy No: 4017244481
Endorsement No: 2
Effective Date: 09/22/2017

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CNA	CNA PARAMOUNT Earthquake Coverage Endorsement

It is understood and agreed as follows:

SCHEDULE*	
Earthquake Coverage	
Limits of Insurance	
Earthquake (Group A)	
Location:	Refer to Business Property Schedule of Locations
Occurrence:	$5,000,000
Aggregate:	$5,000,000
Earthquake (Group B)	
Location:	Not Applicable
Occurrence:	Not Applicable
Aggregate:	Not Applicable
Deductible	
Location:	Refer to Business Property Schedule of Locations
Occurrence:	Not Applicable
Earthquake Sprinkler Leakage Only Coverage	
Limits of Insurance	
Location:	Not Applicable
Occurrence:	Not Applicable
Aggregate:	Not Applicable
Deductible	
Location:	Not Applicable
Occurrence:	Not Applicable

*Information required to complete this **SCHEDULE**, if not shown on this endorsement, will be shown in the **Business Property Schedule of Locations**.

I. Solely with respect to **locations** for which **Earthquake Coverage** is shown in the above **SCHEDULE**, the following is added to the **ADDITIONAL COVERAGES** section of the **Business Property Coverage Part**:

- **Earthquake Coverage**

  1. **Coverage**

     a. the Insurer will pay for direct physical loss of or damage to **covered property**; and

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b. to the extent that **time element coverage** is applicable at that **location**, the Insurer will pay, as provided, for:

i. the actual loss of **business income** the **Named insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

ii. the actual loss of **research and development business income** the **Named insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; or

iii. **extra expense**,

resulting from earthquake. However, coverage does not apply to loss or damage caused from tidal waves or tsunami, even if caused or resulting directly or indirectly from earthquake.

The Insurer will not pay for loss or damage directly or indirectly caused by earthquake that begins before the **policy period**.

The **Earth Movement** Excluded Peril under the **EXCLUSIONS** section of the **Business Property Coverage Part** does not apply, but only to the extent of the coverage provided under this additional coverage.

This **Earthquake Coverage** does not apply to property covered by the **Earth Movement and Flood for Specified Property** endorsement if it is included in this **Business Property Coverage Part**.

2. Limits of Insurance

a. Location Limits

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by earthquake at any one **location** for any one **occurrence** is the applicable limit of insurance shown for that location for **Earthquake Coverage** in the above **SCHEDULE**.

b. Occurrence Limits

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by earthquake for any one **occurrence** for all **Group A Locations**, regardless of the number of **Group A Locations** impacted, is the **Earthquake Coverage (Group A) Occurrence** limit of insurance shown in the above **SCHEDULE**.

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by earthquake for any one **occurrence** for all **Group B Locations**, regardless of the number of **Group B Locations** impacted, is the **Earthquake Coverage (Group B) Occurrence** limit of insurance shown in the above **SCHEDULE**.

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c. **Aggregate Limits**

The most the Insurer will pay for all loss or damage directly or indirectly caused by earthquake in the **policy period** for all **Group A Locations**, regardless of the number of **occurrences** or **Group A Locations** impacted, is the **Earthquake Coverage (Group A) Aggregate** limit of insurance shown in the above **SCHEDULE**.

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by earthquake in the **policy period** for all **Group B Locations**, regardless of the number of **occurrences** or **Group B Locations** impacted, is the **Earthquake Coverage (Group B) Aggregate** limit of insurance shown in the above **SCHEDULE**.

These Limits are included in, and not in addition to, any other applicable limits of insurance and are the most the Insurer will pay for all loss or damage resulting from earthquake, regardless of any other coverages that might apply .

3. **Deductibles**

a. The **Earthquake Coverage Deductible** applies to all coverages that respond to covered earthquake. For purposes of calculating the Earthquake Deductible, the Insurer will use the applicable limit of insurance shown in the **Business Property Schedule of Coverages and Limits**, the **Business Property Schedule of Locations** or any endorsement attached to this Policy for that specific coverage, or the actual amount of loss, damage, cost or expense for that coverage, whichever is less, towards satisfying that Deductible.

b. With respect to **Earthquake Coverage** provided under this endorsement:

i) the following replaces Paragraphs **1.**, **2.**, **3.** and **4.** of the **Deductible and Qualifying Periods** provision of **LIMITS OF INSURANCE/INDEMNITY PERIOD/ DEDUCTIBLE/QUALIFYING PERIOD** section of the **Business Property Coverage Part**:

The Insurer will not pay for loss, damage, cost or expense at any one **location** for any one **occurrence** until the amount of covered loss, damage, cost or expense exceeds the **Earthquake Coverage Deductible** shown for that location in the above **SCHEDULE**. The Insurer will then pay the amount of covered loss, damage, cost or expense in excess of the Deductible, up to the applicable limit of insurance.

If more than one Earthquake Deductible applies for any one **occurrence**, the Insurer will apply the applicable Deductible for each **location** separately.

If an **Earthquake Coverage Deductible - Occurrence** is shown in the above **SCHEDULE**, the Insurer will not pay for loss, damage, cost or expense for any one **occurrence** for those **locations** at which that Deductible is applicable, regardless of the number of **locations** involved, until the amount of covered loss, damage, cost or expense exceeds the **Earthquake Coverage Deductible - Occurrence** shown in the above **SCHEDULE**.

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The Earthquake Deductibles apply to all covered loss, damage, cost or expense covered by **time element coverage** when the loss, damage, cost or expense is caused directly or indirectly by covered earthquake, even if no other deductible applies to **time element coverage**.

ii) notwithstanding anything to the contrary in the **Deductible and Qualifying Periods** provision of the **LIMITS OF INSURANCE/INDEMNITY PERIOD/DEDUCTIBLE/QUALIFYING PERIOD** section of the **Business Property Coverage Part**, if earthquake results in covered fire, explosion or **theft** and the earthquake and fire, explosion or **theft** cause physical loss or damage, then only the highest applicable Deductible will be used.

4. Limitation

The most the Insurer will pay for loss, damage, cost or expense as a direct result of fire, explosion or **theft** that ensues from an **occurrence** of earthquake is the applicable limit of insurance to such ensuing fire, explosion or **theft**. Such loss or damage will not be subject to the sum of the limits of insurance provided under this **Earthquake Coverage** and the ensuing loss limits.

II. Solely with respect to locations for which **Earthquake Sprinkler Leakage Only Coverage** is shown in the above **SCHEDULE**, the following is added to the **ADDITIONAL COVERAGES** section of the **Business Property Coverage Part**:

- **Earthquake Sprinkler Leakage Only Coverage**

1. Coverage

a. the Insurer will pay for direct physical loss of or damage to **covered property**; and

b. to the extent that **time element coverage** is applicable at that **location**, the Insurer will pay, as provided, for:

i. the actual loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

ii. the actual loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of research and development projects; or

iii. **extra expense**,

solely caused by sprinkler leakage that results from earthquake.

The Insurer will not pay for loss or damage directly or indirectly caused by sprinkler leakage that results from earthquake that begins before the **policy period**.

The **Earth Movement** Excluded Peril under the **EXCLUSIONS** section of the **Business Property Coverage Part** does not apply, but only to the extent of the coverage provided under this additional coverage.

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This **Earthquake Sprinkler Leakage Only Coverage** does not apply to property covered by the **Earth Movement and Flood for Specified Property** endorsement if it is included in this **Business Property Coverage Part**.

2. Limits of Insurance

a. Location Limits

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by sprinkler leakage that results from earthquake at any one **location** for any one **occurrence** is the applicable limit of insurance shown for that **location** for **Earthquake Sprinkler Leakage Only Coverage** in the above **SCHEDULE**.

b. Occurrence Limits

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by sprinkler leakage that results from earthquake for any one **occurrence** for all **locations**, regardless of the number of **locations** impacted, is the **Earthquake Sprinkler Leakage Only Coverage Occurrence** limit of insurance shown in the above **SCHEDULE**.

c. Aggregate Limits

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by sprinkler leakage that results from earthquake in the **policy period**, regardless of the number of **occurrences** or **locations** impacted, is the **Earthquake Sprinkler Leakage Only Coverage Aggregate** limit of insurance shown in the above **SCHEDULE**.

These Limits are included in, and not in addition to, any other applicable limits of insurance and are the most the Insurer will pay for any loss or damage resulting from sprinkler leakage that results from earthquake, regardless of any other coverages that might apply .

3. Deductibles

a. The **Earthquake Sprinkler Leakage Only Coverage Deductible** applies to all coverages that respond to a covered earthquake sprinkler leakage loss. For purposes of calculating the **Earthquake Sprinkler Leakage Only Coverage Deductible**, the Insurer will use the applicable limit of insurance shown in the **Business Property Schedule of Coverages and Limits**, the **Business Property Schedule of Locations** or any endorsement attached to this Policy for that specific coverage, or the actual amount of loss, damage, cost or expense for that coverage, whichever is less, towards satisfying that Deductible.

b. With respect to **Earthquake Sprinkler Leakage Only Coverage** provided under this endorsement:

i) the following replaces Paragraph **1.**, **2.**, **3.** and **4.** in the **Deductible and Qualifying Periods** provision of **LIMITS OF INSURANCE/INDEMNITY PERIOD/ DEDUCTIBLE/QUALIFYING PERIOD** section of the **Business Property Coverage Part**:

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The Insurer will not pay for loss, damage, cost or expense at any one **location** for any one **occurrence** until the amount of covered loss, damage, cost or expense exceeds the **Earthquake Sprinkler Leakage Only Coverage Deductible** shown for that location in the above **SCHEDULE**. The Insurer will then pay the amount of covered loss, damage, cost or expense in excess of the Deductible, up to the applicable limit of insurance.

If more than one **Earthquake Sprinkler Leakage Only Coverage Deductible** applies for any one **occurrence**, the Insurer will apply the applicable Deductible for each **location** separately.

If an **Earthquake Sprinkler Leakage Only Deductible - Occurrence** is shown in the above **SCHEDULE**, the Insurer will not pay for loss, damage, cost or expense for any one **occurrence** for those **locations** at which that Deductible is applicable, regardless of the number of **locations** involved, until the amount of covered loss, damage, cost or expense exceeds the **Earthquake Sprinkler Leakage Only Deductible - Occurrence** shown in the above **SCHEDULE**.

The **Earthquake Sprinkler Leakage Only Deductibles** apply to all covered loss, damage, cost or expense covered by **time element coverage** when the loss, damage, cost or expense is caused directly or indirectly by covered sprinkler leakage, even if no other deductible applies to **time element coverage**.

ii) notwithstanding anything to the contrary in the **Deductible and Qualifying Periods** provision of the **LIMITS OF INSURANCE/INDEMNITY PERIOD/DEDUCTIBLE/QUALIFYING PERIOD** section of the **Business Property Coverage Part**, if earthquake results in covered fire, explosion or **theft** and there is physical loss or damage from sprinkler leakage that results from earthquake and from fire, explosion or **theft**, then only the highest applicable Deductible will be used.

4. Limitation

The most the Insurer will pay for loss, damage, cost or expense as a direct result of fire, explosion or **theft** that ensues from an **occurrence** of earthquake sprinkler leakage is the applicable limit of insurance to such ensuing fire, explosion or **theft**. Such loss or damage will not be subject to the sum of the limits of insurance provided under this **Earthquake Sprinkler Leakage Only Coverage** and the ensuing loss limits.

III. Additional Definitions

A. The following definitions are added to the **First Party Glossary of Defined Terms**:

- **Group A Locations**

  Group A Locations means **locations** designated as "Group A" for **Earthquake Coverage** in the above **SCHEDULE**.

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- **Group B Locations**

  Group B Locations means **locations** designated as "Group B" for **Earthquake Coverage** in the above **SCHEDULE**.

B. The following is added to the **occurrence** definition in the **First Party Glossary of Defined Terms**:

earthquake, **occurrence** means all earthquake shocks that occur within any 168-hour period.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA	CNA PARAMOUNT Specified Property Deductibles Endorsement

It is understood and agreed as follows:

	SCHEDULE	
Location Number:	**Description of Property**	**Deductible**
1	DIAGNOSTIC AND IMAGING EQUIPMENT ONLY EB PERIL	10% OF LOSS, SUBJ
		A MINIMUM OF $25,

Solely with respect to the property described in the above **SCHEDULE,** the **Deductibles and Qualifying Periods** provision under the **LIMITS OF INSURANCE / INDEMNITY PERIOD / DEDUCTIBLE / QUALIFYING PERIODS** section of the **Business Property Coverage Part** is amended as follows:

I. Paragraph **1.** is replaced by the following:

1. The Insurer will not pay any amount due under the terms and condition of the **coverage part** until the amount of covered loss or damage for such property described in the above **SCHEDULE** exceeds the applicable Deductible shown in above **SCHEDULE**. The Insurer will then pay the amount of loss or damage in excess of the Deductible, up to applicable limit of insurance.

II. Paragraph **4.** is replaced by the following:

4. If more than one deductible applies, the Insurer will apply each deductible separately. Applicable deductibles for the property shown in the above **SCHEDULE** will not be used in satisfying deductibles applicable to all other property involved in the same loss.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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AMERICAN CASUALTY CO OF READING,PA
Insured Name: STERI-PHARMA LLC

Policy No: 4017244481
Endorsement No: 4
Effective Date: 09/22/2017

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CNA	CNA PARAMOUNT Flood Coverage Endorsement

It is understood and agreed as follows:

SCHEDULE*	
Flood Limits of Insurance	
Flood (Group 1)	
Location:	Refer to Business Property Schedule of Locations
Occurrence:	$5,000,000
Aggregate:	$5,000,000
Flood (Group 2)	
Location:	Not Applicable
Occurrence:	Not Applicable
Aggregate:	Not Applicable
Flood Deductible	
Location:	Refer to Business Property Schedule of Locations
Occurrence:	Not Applicable

*Information required to complete this **SCHEDULE**, if not shown on this endorsement, will be shown in the **Business Property Schedule of Locations**.

I. Solely with respect to **locations** for which **Flood Coverage** is shown in the above **SCHEDULE**, the following is added to the **ADDITIONAL COVERAGES** section of the **Business Property Coverage Part**:

- **Flood Coverage**

  1. **Coverage**

     a. the Insurer will pay for direct physical loss of or damage to **covered property**; and

     b. to the extent that **time element coverage** is applicable at that **location**, the Insurer will pay, as provided, for:

        i. the loss of **business income** the **Named Insured** sustains during the **period of restoration** due to the necessary **suspension** or delay of **operations**;

        ii. loss of **research and development business income** the **Named Insured** sustains during the **period of restoration** due to the actual **suspension** or delay of research and development projects; or

        iii. **extra expense**,

     resulting from **flood**.

     The Insurer will not pay for loss or damage directly or indirectly caused by **flood** that begins before the **policy period**.

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The **Flood** Excluded Peril under the **EXCLUSIONS** section of the **Business Property Coverage Part** does not apply, but only to the extent of the coverage provided under this additional coverage.

This **Flood** endorsement does not apply to property covered by the **Earth Movement and Flood for Specified Property** endorsement if it is included in this **Business Property Coverage Part**.

2. Limits of Insurance

a. Location Limits

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by **flood** at any one **location** for any one **occurrence** is the applicable **Flood Limit of Insurance** shown for that **location** in the above **SCHEDULE**.

b. Occurrence Limits

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by **flood** in each **occurrence** for all **Group 1 Locations**, regardless of the number of **Group 1 Locations** impacted, is the **Flood (Group 1) Occurrence** limit of insurance shown in the above **SCHEDULE**.

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by **flood** in each **occurrence** for all **Group 2 Locations**, regardless of the number of **Group 2 Locations** impacted, is the **Flood (Group 2) Occurrence** limit of insurance shown in the above **SCHEDULE**.

c. Aggregate Limits

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by **flood** in the **policy period** for all **Group 1 Locations**, regardless of the number of **occurrences** or **Group 1 Locations** impacted, is the **Flood (Group 1) Aggregate** limit of insurance shown in the above **SCHEDULE**.

The most the Insurer will pay for all loss, damage, cost or expense directly or indirectly caused by **flood** in the **policy period** for all **Group 2 Locations**, regardless of the number of **occurrences** or **Group 2 Locations** impacted, is the **Flood (Group 2) Aggregate** limit of insurance shown in the above **SCHEDULE**.

These Limits are included in, and not in addition to, any other applicable limits of insurance and are the most the Insurer will pay for all loss or damage resulting from **flood**, regardless of any other coverages that might apply.

3. Deductibles

a. The **Flood Deductible** applies to all coverages that respond to covered **flood**. For purposes of calculating the **Flood Deductible**, the Insurer will use the applicable limit of insurance shown in the **Business Property Schedule of Coverages and Limits**, the **Business Property Schedule of Location** or any endorsement attached to this Policy for that specific coverage, or the actual amount of loss, damage, cost or expense for that coverage, whichever is less, towards satisfying that Deductible.

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b. With respect to **Flood Coverage** provided under this endorsement:

i) the following replaces Paragraphs **1.**, **2.**, **3.** and **4.** in the **Deductible and Qualifying Periods** provision of **LIMITS OF INSURANCE/INDEMNITY PERIOD/ DEDUCTIBLE/QUALIFYING PERIOD** section of the **Business Property Coverage Part**:

The Insurer will not pay for loss, damage, cost or expense at any one **location** in each **occurrence** until the amount of covered loss, damage, cost or expense exceeds the **Flood Deductible** shown for that **location** in the above **SCHEDULE**. If more than one Flood Deductible applies for any one **occurrence**, the Insurer will apply the applicable Deductible for each **location** separately. The Insurer will then pay the amount of covered loss, damage, cost or expense in excess of the Deductible, up to the applicable limit of insurance.

If a **Flood Deductible - Occurrence** is shown in the above **SCHEDULE**, the Insurer will not pay for loss, damage, cost or expense for any one **occurrence** for those **locations** at which that Deductible is applicable, regardless of the number of **locations** involved, until the amount of covered loss, damage, cost or expense exceeds the **Flood Deductible - Occurrence** shown in the above **SCHEDULE**.

The Flood Deductibles apply to all covered loss, damage, cost or expense covered by **time element coverage** when the loss, damage, cost or expense is caused directly or indirectly by covered **flood**, even if no other deductible applies to **time element coverage**.

ii) notwithstanding anything to the contrary in the **Deductible and Qualifying Periods** provision of the **LIMITS OF INSURANCE/INDEMNITY PERIOD/DEDUCTIBLE/QUALIFYING PERIOD** section of the **Business Property Coverage Part**, if **flood** results in covered fire, explosion, sprinkler leakage or **theft** and the **flood** and fire, explosion, sprinkler leakage or **theft** cause physical loss or damage, then only the highest applicable Deductible will be used.

4. Limitation

The most the Insurer will pay for all loss, damage, cost or expense as a direct result of fire, explosion, sprinkler leakage or **theft** that ensues from an **occurrence** of **flood** is the applicable limit of insurance to such ensuing fire, explosion, sprinkler leakage or **theft**. Such loss or damage will not be subject to the sum of the limits of insurance provided under this **Flood Coverage** and the ensuing loss limits.

II. Solely with respect to the **locations** covered for **flood** as provided by this endorsement, the Insurer will pay the costs and expenses incurred to remove debris of **covered property** that has floated off or been displaced from the **location** by **flood**. The amount the Insurer will pay for debris removal of **covered property** is included in, not in addition to, the applicable **Flood** limit of insurance.

The Insurer will not pay to remove mud or earth that has been deposited at, or washed away from, a **location**.

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III. Additional Definitions

A. The following definitions are added to the **First Party Glossary of Defined Terms**:

- **Group 1 Locations**

  Group 1 Locations means **locations** designated as "Group 1" for Flood Coverage in the above **SCHEDULE**.

- **Group 2 Locations**

  Group 2 Locations means **locations** designated as "Group 2" for Flood Coverage in the above **SCHEDULE**.

B. The following is added to the **occurrence** definition in the **First Party Glossary of Defined Terms**:

- **flood**, **occurrence** means all flooding in a continuous or protracted event.

IV. Solely with respect to coverage provided by this endorsement, the following Excluded Peril is added to the **Excluded Perils Subject to Concurrent Causation Provisions** of the **EXCLUSIONS** section of the **Business Property Coverage Part**:

The Insurer will not pay for loss caused directly or indirectly by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA	**CNA PARAMOUNT** **Temperature or Humidity Change Coverage Endorsement**

It is understood and agreed that:

SCHEDULE*	
Coverage	**Limit of Insurance**
Temperature or Humidity Change Coverage	$416,000 Each Location

*Information required to complete this **SCHEDULE**, if not shown on this endorsement, will be shown in the **Business Property Schedule of Locations**.

The following new coverage is added to the **ADDITIONAL COVERAGES** section of the **Business Property Coverage Part**:

- **Temperature or Humidity Change Coverage**

  1. The Insurer will pay for direct physical loss of or damage to **personal property** caused by the loss of or change in temperature, humidity or atmosphere inside the **building** at a **location** or **reported unspecified location**.

  2. The most the Insurer will pay for loss or damage under this additional coverage at any one **location** or **reported unspecified location** for any one **occurrence** is the **Temperature or Humidity Change** Limit of Insurance shown in the above **SCHEDULE**.

     The Limit for this additional coverage is included in, and not in addition to, any other applicable **Personal Property Coverage** limit of insurance.

  3. The **Temperature or Humidity Conditions** Excluded Peril under the **EXCLUSIONS** section of the **Business Property Coverage Part** does not apply, but only to the extent of the coverage provided under this additional coverage.

  4. This **Temperature or Humidity Change Coverage** does not apply to loss or damage for which coverage is provided elsewhere under this **Business Property Coverage Part**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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ADDITIONAL INSURED ENDORSEMENT

It is hereby understood and agreed:

TEMPATURE OR HUMIDITY CHANGE LIMIT IS $2,000,000

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

The person or organization shown for the location(s) in the above Schedule is an additional insured, but only with respect to the coverage or covered property described above and provided under this Business Property Coverage Part. This endorsement does not extend to any other coverage or covered property provided at the above described location or on this policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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Crime Coverage

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CNA PARAMOUNT HealthCare
Business Crime Coverage Part Declarations

Policy Number: 4017244481

1. Named Insured and mailing address	Name: STERI-PHARMA LLC Address: 120 N RTE 17 NORTH PARAMUS, NJ 07652-2819
2. Limits of insurance, Deductibles	See **Business Crime Schedule of Coverages Limits and Deductibles**
3. Premium, Surcharges Taxes and Fees at Issuance	Total Premium for this **Coverage Part** $1,592.00 Total Premium, Surcharges Taxes and Fees for this **Coverage Part** $1,592.00

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CNA PARAMOUNT

Business Crime Schedule of Coverages, Limits and Deductibles

Policy Number: 4017244481

COVERAGES, LIMITS AND DEDUCTIBLES			
Coverage	**Per Loss Limit**	**Policy Period Aggregate Limit**	**Deductible**
Employee Theft (A)	$250,000		$1,000
Forgery or Alteration - Including Personal Accounts of the Proprietor, Partners and Officers of the Named Insured (B)	$250,000		$1,000
Theft, Disappearance and Destruction of Money and Securities (C)	$25,000		$1,000
Computer and Funds Transfer Fraud (F)	$250,000		$1,000

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I. COVERAGES

Coverage is provided under the following Coverages for which a limit of insurance is shown in the **Business Crime Schedule of Coverages, Limits and Deductibles**.

A. EMPLOYEE THEFT

The Insurer will pay for loss sustained by the **Named Insured** of **money**, **securities** and **other property** as a direct result of **employee theft**. As respects this Coverage only, **Named Insured** includes, at the inception of the **policy period**, any **employee benefit plan**.

A.1 EMPLOYEE THEFT OF CLIENT PROPERTY WHILE ON CLIENT PREMISES

The Insurer will pay the **Named Insured** for loss sustained by the **Named Insured** by reason of loss or damage to **money**, **securities** and **other property** owned or held by a **client** on such **client's premises** as a direct result of **employee theft** while such **employee** is performing assigned duties pursuant to a written contract between the **Named Insured** and the **client** and while such **employees** are under the direction and control of the **client**. Solely with respect to this Coverage, **employee theft** means the unlawful taking of **money**, **securities** and **other property** to the deprivation of the **client** by an identified **employee**.

B. FORGERY OR ALTERATION-INCLUDING PERSONAL ACCOUNTS OF THE PROPRIETOR, PARTNERS, MEMBERS AND OFFICERS OF THE NAMED INSURED

The Insurer will pay for loss sustained by the **Named Insured** resulting from **forgery** or **alteration** of, on, or in **covered instruments** that are:

1. made or drawn by, or drawn upon, the **Named Insured**; or

2. made or drawn by one acting as the **Named Insured's** agent,

or that are purported to have been so made or so drawn, by any person, acting alone or together with others. Mechanically reproduced facsimile signatures are the same as handwritten signatures.

The Insurer will also pay reasonable legal expenses that the **Named Insured** incurs if the **Named Insured** is sued for refusing to pay any of the **covered instruments** under Coverage **B.** on the basis that such instrument has been subject to **forgery** or **alteration**, and the **Named Insured** has the Insurer's written consent to defend against the suit. The Insurer will pay for any reasonable and necessary legal expenses that the **Named Insured** incurs in defense of the suit. The amount paid is additional to the applicable limit of insurance under Coverage **B.**

The Insurer will include the proprietor, partners, **members** and officers of the **Named Insured** as additional insureds under this Coverage, but only for loss involving **covered instruments** of those persons' personal accounts and subject to the limit of insurance and Deductible shown in the **Business Crime Schedule of Coverages, Limits and Deductibles**. Coverage provided for personal accounts is part of, and not in addition to, the limit of insurance under Coverage **B.**

C. THEFT, DISAPPEARANCE AND DESTRUCTION OF MONEY AND SECURITIES

The Insurer will pay for loss sustained by the **Named Insured** as the direct result of the actual destruction, disappearance or **theft** of **money** and **securities** within the **premises** or within any **banking premises**.

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This Coverage shall also include loss sustained by the **Named Insured** as the direct result of:

1. damage to the **premises** or its exterior from an actual or attempted **theft** of **money** and **securities**, if the **Named Insured** is the owner of the **premises** or is liable for damage to it; or

2. damage to a locked safe, vault, cash box, cash register or cash drawer within the **premises** from an actual or attempted **theft** of, or unlawful entry into those containers.

The Insurer will pay for loss sustained by the **Named Insured** as the direct result of the actual destruction, disappearance or **theft** of **money** and **securities** while outside the **premises** in the care and custody of a **messenger** or armored motor vehicle company.

D. ROBBERY & SAFE BURGLARY OF OTHER PROPERTY

The Insurer will pay for loss sustained by the **Named Insured** of **other property** as the direct result of:

1. an actual or attempted **robbery**, inside the **premises**, of **other property** from the care and custody of any person, or **safe burglary** inside the **premises**. The Insurer will also pay for loss sustained by the **Named Insured** due to damage to the **premises** as a direct result of such actual or attempted **robbery** or **safe burglary** if the **Named Insured** is the owner of the **premises** or is liable for damage to it. The Insurer will also pay for damage to a locked safe or vault located inside the **premises** resulting directly from such actual or attempted **safe burglary**; or

2. an actual or attempted **robbery** outside the **premises** of **other property** while such **other property** is in the care and custody of a **messenger** or an armored motor vehicle company and while such **other property** is in the active process of transportation.

But, the Insurer will pay only for the amount the **Named Insured** cannot recover:

a. under the **Named Insured's** contract with the armored motor vehicle company; and

b. from any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

E. COUNTERFEIT MONEY ORDERS AND CURRENCY

The Insurer will pay for loss sustained by the **Named Insured** as a direct result of the **Named Insured's** acceptance in good faith of:

1. **counterfeit** postal or express money orders issued or purported to have been issued by any post office, express company or bank that are not paid upon presentation; or

2. **counterfeit** paper currency of the United States of America, or any other country in the exchange for merchandise, **money** or services.

F. COMPUTER AND FUNDS TRANSFER FRAUD

The Insurer will pay for loss sustained by the **Named Insured** of:

1. **money**, **securities** and **other property** as a direct result of **computer fraud;** or

2. **money** and **securities** on deposit at a **financial institution**, subject to a **transfer agreement**, as a direct result of **funds transfer fraud** provided that such **transfer agreement**:

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a. contains a listing of the **Named Insured's employees** who are authorized to initiate wire transfers; and

b. requires the **financial institution** to make a telephone call to the **Named Insured's** authorized **employees** to verify any electronic or wire transfer instructions communicated by the **Named Insured**, other than:

   i. **prearranged transfers**; or

   ii. transfers made through an automated teller machine before transferring **money** or **securities**; and

c. requires the **financial institution** to confirm completed transfers in writing to the **Named Insured** within five working days; and

d. does not impair the **Named Insured's** right of action against the **financial institution** for any loss of **money** or **securities** resulting from failure to exercise reasonable care or to comply with the **transfer agreement**.

II. EXCLUSIONS

A. Exclusions Applicable to All Coverages

The Insurer does not cover any loss sustained by the **Named Insured**:

1. Indirect loss

as an indirect or consequential loss of any nature including, but not limited to:

a. the **Named Insured's** inability to realize income that the **Named Insured** would have realized had there been no loss of, or damage to property that is covered under this **coverage part**;

b. payment of damages of any type for which the **Named Insured** is legally liable. But, the Insurer will pay compensatory damages arising directly from a covered loss under this **coverage part**;

c. payment of costs, fees or other expenses the **Named Insured** incurs in establishing either the existence or the amount of loss under this **coverage part**, however, this exclusion does not apply to **Supplementary Payment - Proof of Loss Expenses** as shown in paragraph **E.** in the **LIMITS OF INSURANCE AND DEDUCTIBLE** section;

d. amounts due to expenses related to any legal action, except as may be covered under Coverage **B.**; or

e. salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

2. Inventory or Profit and Loss Computations

the proof of which as to its existence or amount is dependent upon:

a. an inventory computation; or

b. a profit and loss computation.

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However, where the **Named Insured** establishes wholly apart from such computations that the **Named Insured** has sustained loss covered under any Coverage, then the **Named Insured** may offer the **Named Insured's** inventory records and an actual physical count of inventory in support of other evidence as to the amount of loss claimed;

3. **Nuclear Reaction**

   as a result of nuclear reaction, nuclear radiation or radioactive contamination;

4. **Seizure or Destruction of Property**

   as a result of seizure or destruction of property by order of any governmental authority;

5. **Theft, Forgery, Alteration or Other Dishonest Act of the Named Insured**

   as a result of **theft**, **employee theft, forgery**, **alteration** or any other dishonest act committed by the **Named Insured** or any of the **Named Insured's** partners, proprietors, **employees**, **managers**, **members,** directors, trustees or authorized representatives whether acting alone or in collusion with others, and while performing services for the **Named Insured** or otherwise,

   except:

   a. as specifically provided under Coverages **A.**, **A.1.** or **B.**;

   b. with respect to Coverage **B.** only, when handling the personal accounts of the proprietor, any partner, any **member**, or any officer of the **Named Insured**;

6. **Trade Secrets**

   as a result of loss of trade secrets, confidential processing methods, confidential information or intangible property of any kind;

7. **Trading**

   as a result of trading in a genuine or fictitious account, whether or not on behalf of the **Named Insured**, provided, however, this exclusion does not apply to loss caused by **employee theft** which results in improper financial gain to such **employee**. As used herein, "improper financial gain" does not include any salary or other benefits paid to the **employee** in the course and scope of employment. However, this exclusion shall not apply to any **employee theft** with respect to an **employee benefit plan**.

8. **War**

   as a result of war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

B. Additional Exclusions Applicable to Coverage A. and Coverage A.1

Coverage **A.** and Coverage **A.1** do not apply to loss sustained by the **Named Insured**:

1. **Canceled Insurance of an Employee**

   as a result of any act of the **Named Insured's employee** or an **employee** of a predecessor in interest of the **Named Insured**, for whom similar prior insurance has been canceled and not reinstated;

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2. **Contractual Liability**

   as a result of contractual or extra-contractual liability sustained by the **Named Insured** in connection with the issuance of contracts, or purported contracts of insurance, indemnity or suretyship.

C. **Additional Exclusion Applicable to Coverage A.1 – Unidentified Employee**

Coverage **A.1** does not apply to loss sustained by the **Named Insured** as a result of any act of an unidentified **employee**.

D. **Additional Exclusion Applicable to Coverage B.**

Coverage **B.** does not apply to loss sustained by the **Named Insured** as a result of use of any credit, debit or charge card if the **Named Insured** has not fully complied with the provisions, conditions, or other terms upon which the card was issued.

E. **Additional Exclusions Applicable to Coverage C., Coverage D. and Coverage F.**

Coverage **C.**, Coverage **D.** and Coverage **F.** do not apply to loss sustained by the **Named Insured**:

1. **Accounting or Arithmetical Error**

   as a result of accounting or arithmetical errors or omissions;

2. **Fire**

   as a result of loss of, or damage to, the **premises** or **other property** as a direct result of fire, however caused; except for damage to a safe or vault otherwise covered under Coverage **C.**, **THEFT, DISAPPEARANCE AND DESTRUCTION OF MONEY AND SECURITIES**;

3. **Money in Automated Teller Machine**

   involving **money** in any automated teller machine unless the amount of **money** contained in it is recorded by a continuous recording instrument;

4. **Motor Vehicles, Trailers or Semi-Trailers**

   as a result of loss of, or damage to, motor vehicles, trailers or semi-trailers or equipment, and accessories to them;

5. **Precious Materials**

   as a result of loss of, or damage to, precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of, or containing such materials, that constitute the principal value of such articles, except as provided under Section **III. C.** and **D.**;

6. **Surrender of Property**

   as a result of the giving or surrendering of property in any exchange or purchase;

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7. **Transferred Money, Securities and Other Property**

   involving **money, securities** and **other property** after it has been transferred or surrendered to a person or place outside the **premises** or **banking premises** on the basis of unauthorized instructions, except for loss under Coverage **F.**, or as a result of a threat to do bodily harm to any person or damage to any property. However, this exclusion does not apply to **money**, **securities** or **other property** while outside the **premises** or **banking premises** in the care and custody of a **messenger** if the **Named Insured**:

   a. had no knowledge of any threat at the time the conveyance began; or

   b. had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat;

8. **Vandalism or Malicious Mischief**

   as a result of loss of, or damage to, the **premises** or to containers of **money**, **securities** or **other property** by vandalism or malicious mischief;

9. **Voluntarily Parting with Title or Possession**

   as a result of the **Named Insured**, or anyone acting on the **Named Insured's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

F. Additional Exclusions Applicable to Coverage A.

The Insurer does not cover any loss under Coverage **A.** sustained by the **Named Insured** for salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

III. LIMITS OF INSURANCE AND DEDUCTIBLE

Except as described in the **Named Insured Sponsored ERISA Plans** condition under **BUSINESS CRIME COVERAGE CONDITIONS** in **First Party Terms and Conditions**, the limits of insurance and deductibles are as follows:

A. Limit of Insurance

1. Per loss – The maximum limit of insurance the Insurer will pay for all loss in any one **occurrence** shall not exceed the applicable dollar amount shown as **Per Loss Limit** in the **Business Crime Schedule of Coverages, Limits and Deductibles**.

2. In the Aggregate - The maximum limit of insurance the Insurer will pay during the **policy period** for all loss shall not exceed the applicable dollar amount shown as the **Policy Period Aggregate Limit** in the **Business Crime Schedule of Coverages, Limits and Deductibles**.

B. Deductible Provision

The Insurer will not pay for loss sustained under any Coverage unless the amount of such loss exceeds the applicable deductible for that Coverage shown in the **Business Crime Schedule of Coverages, Limits and Deductibles**. The Insurer will then pay for the amount of covered loss in excess of the deductible subject to the limit of insurance paragraph of this Section. If any loss is covered partly by this **coverage part** and partly by any prior cancelled or terminated Policy, the deductible applicable to that loss covered by this **coverage part** shall be reduced by the applicable deductible of the preceding Policy.

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In the event that more than one deductible amount under this **coverage part** applies to the same loss, only the highest deductible amount will apply.

C. Specific Limit of Insurance Coverage D.

Under Coverage **D.**, the Insurer will only pay up to $7,500 for any one loss involving precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles. This limit is part of, and not in addition to, the limit of insurance shown on the **Business Crime Schedule of Coverages, Limits and Deductibles**.

D. Specific Limit of Insurance: Under Coverage D. and Coverage F.

The Insurer will only pay up to $7,500 for any one loss involving manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them. This limit applies independently to Coverage **D.** and Coverage **F.** This limit is part of, and not in addition to, the limit of insurance shown on the **Business Crime Schedule of Coverages, Limits and Deductibles**.

E. Supplementary Payments – Proof of Loss Expenses

1. Subject to the limits shown in paragraph **2** and **3** below, the Insurer will pay for reasonable expense the **Named Insured** incurs, with our consent, for assistance in establishing the nature, extent and amount of any loss covered under any Coverage ("Proof of loss Expenses"). This includes expense the **Named Insured** incurs as a result of any audits or investigations conducted by its directors, trustees or **employees**. The Insurer's consent will not be unreasonably withheld.

2. The maximum limit of insurance the Insurer will pay for all such proof of loss expenses in any one **occurrence** is the lesser of:

   a. the **Per Loss Limit** shown as applicable to Proof of loss Expenses in the **Business Crime Schedule of Coverages, Limits and Deductibles**; or

   b. 10% of the applicable limit of insurance shown in the **Business Crime Schedule of Coverages, Limits and Deductibles**.

3. In the Aggregate – The maximum limit of insurance the Insurer will pay for all Proof of loss Expenses incurred during the **policy period** shall not exceed the applicable dollar amount shown as the **Policy Period Aggregate Limit** in the **Business Crime Schedule of Coverages, Limits and Deductibles**.

4. The Insurer will not pay for any such Proof of loss Expenses in any one loss unless the amount of the loss exceeds:

   a. the Deductible amount shown in the **Business Crime Schedule of Coverages, Limits and Deductibles** as applicable to the Coverage involved in the loss; and

   b. the Deductible amount shown in the **Business Crime Schedule of Coverages, Limits and Deductibles** as applicable to Proof of loss Expenses.

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General Liability

Renewal Declaration

POLICY NUMBER	COVERAGE PROVIDED BY	FROM - POLICY PERIOD - TO
A 4017244481	AMERICAN CASUALTY CO OF READING,PA 333 S. WABASH CHICAGO, IL. 60604	09/22/2017 09/22/2018

INSURED NAME AND ADDRESS
STERI-PHARMA LLC
120 N RTE 17 NORTH
PARAMUS, NJ 07652-2819

REFER TO ADDITIONAL NAMED INSUREDS SCHEDULE

AGENCY NUMBER	AGENCY NAME AND ADDRESS
051744	SCIROCCO FINANCIAL GROUP, INC. 777 TERRACE AVE SUITE 309 HASBROUCK HEIGHTS, NJ 07604 Phone Number: (201)727-0070

BRANCH NUMBER	BRANCH NAME AND ADDRESS
978	HPRO-ADVANCED TECHNOLOGY 333 SO WABASH AVE. - 35 SOUTH CHICAGO, IL 60604 Phone Number: (212)440-3000

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This policy becomes effective and expires at 12:01 A.M. standard time at your mailing address on the dates shown above.

The Named Insured is a Limited Liability Corporation

Your policy is composed of this Declarations, with the attached Common Policy Conditions, Coverage Forms, and Endorsements, if any. The Policy Forms and Endorsement Schedule shows all forms applicable to this policy at the time of policy issuance.

The Estimated Policy Premium Is $6,558.00 **
**Minimum Premium

Your Premium includes the following amount for
Certified Acts of Terrorism Coverage $140.00

Audit Period is Annual

In return for the payment of the premium, and subject to all the terms and conditions contained here-in, we agree to provide the insurance as stated.

POLICY NUMBER
A 4017244481

INSURED NAME AND ADDRESS
STERI-PHARMA LLC
120 N RTE 17 NORTH
PARAMUS, NJ 07652-2819

LIMITS OF INSURANCE

DESCRIPTION	LIMIT
Each Occurrence	$1,000,000
Personal & Advertising Injury	$1,000,000
Medical Expense - Any One Person	$5,000
Damage To Premises Rented To You Limit	$1,000,000
Products/Completed Operations Aggregate	EXCLUDED
General Aggregate	$2,000,000
Employee Benefits Liability Coverage	
Each Employee	$1,000,000
Aggregate	$1,000,000

SCHEDULE OF LOCATIONS AND COVERAGES

COVERAGE/HAZARD DESCRIPTION	EXPOSURE	PREMIUM BASIS	RATE	ESTIMATED PREMIUM
POLICY LEVEL COVERAGES				
Employee Benefits Liability	32	Each Employee	INCL	$2
Deductible Each Employee	$1,000			
Fire Damage Legal Liability - Increased Limits	FLAT CHARGE			$160
NY-BROAD FORM CGL PLUS		(SL)	3%	$163
Location 1 429 S. WEST STREET SYRACUSE, NY 13204				
Class Code 52343 Drug Medicine or Pharmaceutical Preparations Manufacturing - not otherwise classified				
Premises & Operations	12,000,000	(S)	.452	$5,424
Additional Insured			5%	$271
	LOCATION SUB-TOTAL			$5,695
Premium Necessary to Meet	Employee Benefits Minimum			$398

POLICY NUMBER
A 4017244481

INSURED NAME AND ADDRESS
STERI-PHARMA LLC
120 N RTE 17 NORTH
PARAMUS, NJ 07652-2819

ADDITIONAL INSURED SCHEDULE

LOCATION: 1

Additional Insured Name and Address:
APP Pharmaceuticals LLC
1501 E. WOODFIELD ROAD
SCHAUMBURG, IL 60173

TYPE: Additional Insured

ADDITIONAL NAMED INSUREDS SCHEDULE

DROMIK, LLC

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Countersignature

Chairman of the Board

Secretary

ATTACHED TO POLICY NO.

EMPLOYEE BENEFITS LIABILITY COVERAGE – SUPPLEMENTAL SCHEDULE

As per the Policy Declarations this policy provides coverage, subject to the Limits of Insurance indicated below:

LIMITS OF INSURANCE

Each Employee	**REFER TO DECLARATIONS**
Aggregate	
Deductible	Each Employee

Employee Benefit Programs other than those specified in the Definitions Section of Employee Benefits Liability Coverage Endorsement:

PREMIUM COMPUTATION

Estimated Number Of Employees	Rate Per Employee	Estimated Premium	Minimum Premium
First 1000	**REFER TO**		
Next 1000	**DECLARATIONS**		INCLUDED
Over 2000			INCLUDED
	Total	**REFER TO DECLARATIONS**	

REFER TO THE POLICY DECLARATIONS PAGE FOR OTHER FORMS AND ENDORSEMENTS ATTACHED TO AND FORMING A PART OF THIS POLICY.

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

(1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C.**

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

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

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

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

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

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

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

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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

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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."

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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."

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(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;

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(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

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(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."

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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.

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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.

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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.

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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.**

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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.

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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;

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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.

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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.

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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.

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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.

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NEW YORK CHANGES - PREMIUM AUDIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph **b.** of the **Premium Audit** Condition **Section IV** is replaced by the following:

PREMIUM AUDIT

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. An audit to determine the final premium due or to be refunded will be completed within 180 days after the expiration date of the policy. But the audit may be waived if the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed $1500. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

B. Except as provided in Paragraph **A.** above, the **Examination Of Your Books And Records** Common Policy Condition continues to apply.

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NEW YORK CHANGES – COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Paragraph **1. Insuring Agreement** of Section **I – Coverage A Bodily Injury And Property Damage Liability** 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" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. 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 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 "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

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(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."

B. Paragraph **1.a.** of Section **I – Coverage B Personal And Advertising Injury Liability** 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 "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 even if the allegations of the "suit" are groundless, false or fraudulent. 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** and **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.**

C. The following is added as Paragraph **e.** to the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition (Paragraph **2.** of **Section IV – Commercial General Liability Conditions**):

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

e. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

D. Paragraph **3.** of **Section IV – Commercial General Liability** Conditions is replaced by the following:

3. Legal Action Against Us

a. Except as provided in Paragraph **b.,** no person or organization has a right under this Coverage Part:

(1) To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

(2) 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.

b. With respect to "bodily injury" claims, if we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an insured:

(1) Brings an action to declare the rights of the parties under the policy; and

(2) Names the injured person, someone acting for the injured person or other claimant as a party to the action.

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E. The following provision is added and supersedes any provision to the contrary:

Failure to give notice to us as required under this Coverage Part shall not invalidate any claim made by the insured, injured person or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

F. The definition of "loading or unloading" in the **Definitions** Section does not apply.

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EXCLUSION – PRODUCTS – COMPLETED OPERATIONS HAZARD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

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ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

2. The negligent:

a. Employment;

b. Investigation;

c. Supervision;

d. Reporting to the proper authorities, or failure to so report; or

e. Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph **1.** above.

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EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **(a), (b),** or **(c)** above is directed.

This exclusion applies:

(1) Whether the injury-causing event described in Paragraphs **(a), (b)** or **(c)** above occurs before employment, during employment or after employment of that person;

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

This insurance does not apply to:

"Personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs **(a), (b),** or **(c)** above is directed.

This exclusion applies:

(1) Whether the injury-causing event described in Paragraphs **(a), (b)** or **(c)** above occurs before employment, during employment or after employment of that person;

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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CAP ON LOSSES FROM 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. If aggregate insured losses attributable to terrorist acts certified under the federal 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.

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

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

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

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

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EXCLUSION – SERVICES FURNISHED BY HEALTH CARE PROVIDERS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description Of Operations:

ANY AND ALL MEDICAL SERVICES INCLUDING
BUT NOT LIMITED TO: DENTAL, MEDICAL,
MENTAL, NURSING, SURGICAL,X-RAY OR OTHER
SIMILAR SERVICE PERFORMED BY A MEDICAL
INTERN, RESIDENT, TECHNICIAN, NURSE,
PHYSICIAN OR OTHER MEDICAL PROFESSIONAL.

(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 **Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph **2., Exclusions** of **Section I – Coverage B – Personal And Advertising Injury Liability:**

With respect to any operation shown in the Schedule, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The rendering or failure to render:
   a. Medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages;
   b. Any health or therapeutic service, treatment, advice or instruction; or
   c. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming.
2. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
3. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.

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NEW YORK CHANGES – TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following Condition is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):

Transfer of Duties When a Limit of Insurance Is Used Up.

a. If we conclude that, based on "occurrences," offenses, claims or "suits" which have been reported to us and to which this insurance may apply, the:

(1) General Aggregate Limit (other than the Products – Completed Operations Aggregate Limit);

(2) Products – Completed Operations Aggregate Limit;

(3) Personal and Advertising Injury Limit;

(4) Each Occurrence Limit; or

(5) Fire Damage Limit

is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.

b. When a limit of insurance described in paragraph a. above has actually been used up in the payment of judgments or settlements:

(1) We will notify the first Named Insured, in writing, as soon as practicable, that:

(a) Such a limit has actually been used up; and

(b) Our duty to defend "suits" seeking damages subject to that limit has also ended.

(2) We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits."

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

(3) The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

c. The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph b.(2) above.

The duty of the first Named Insured to reimburse us will begin on:

(1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph a. above; or

(2) The date on which we sent notice in accordance with paragraph b.(1) above, if we did not send notice in accordance with paragraph a. above.

d. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

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AMENDATORY ENDORSEMENT – POLLUTION EXCLUSION

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 deleted and replaced by the following:

This insurance does not apply to:

(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 any insured or 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

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responding to, or assessing the effects of, "pollutants."

Paragraph **(2)** does not apply to liability for damages because of "property damage" that is not excluded by Paragraph **(1)** above. However, this exception to Paragraph **(2)** does not apply to any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement or claim or "suit" solely by or on behalf of a governmental authority.

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NONCONTRACTOR'S ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (called additional insured) described in paragraphs **2.a.**through **2.g.** below whom you are required to add as an additional insured on this policy under a written contract or agreement but the written contract or agreement must be:

1. Currently in effect or becoming effective during the term of this policy; or

2. Executed prior to the "bodily injury," "property damage" or "personal injury and advertising injury," but

Only the following persons or organizations are additional insureds under this endorsement and coverage provided to such additional insureds is limited as provided herein:

a. State or Political Subdivisions

A state or political subdivision subject to the following provisions:

(1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:

(a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or

(b) The construction, erection, or removal of elevators; or

(c) The ownership, maintenance, or use of any elevators covered by this insurance.

(2) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality.

b. Controlling Interest

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

(1) Their financial control of you; or

(2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

c. Managers or Lessors of Premises

A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

d. Mortgagee, Assignee or Receiver

A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

e. Owners/Other Interests – Land is Leased

An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

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(1) Any "occurrence" which takes place after you cease to lease that land; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

f. Co-owner of Insured Premises

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability as co-owner of such premises.

g. Lessor of Equipment

Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability for "bodily injury," "property damage," or "personal and advertising injury" caused, in whole or in part by your maintenance, operation or use of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their written contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply:

(1) To any "occurrence" which takes place after the equipment lease expires; or

(2) To "bodily injury" or "property damage" arising out of the sole negligence of such additional insured.

Any insurance provided to an additional insured designated under paragraphs **a.** through **g.** above does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard."

B. As respects the coverage provided under this endorsement, Paragraph **4.b. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** is deleted and replaced with the following:

4. Other Insurance

b. Excess Insurance

This insurance is excess over:

Any other insurance naming the additional insured as and insured whether primary, excess, contingent or on any other basis unless a written contract or agreement specifically requires that this insurance be either primary or primary and noncontributing. Where required by written contract or agreement, we will consider any other insurance maintained by the additional insured for injury or damage covered by this endorsement to be excess and noncontributing with this insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART (OCCURRENCE VERSION)

A. Paragraph **1. Insuring Agreement** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** 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" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. 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 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 "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) With respect to "bodily injury" or "property damage" that continues, changes or resumes so as to occur during more than one policy period, both of the following conditions are met:

(i) Prior to the policy period, no Authorized Insured knew that the "bodily injury" or "property damage" had occurred, in whole or in part; and

(ii) During the policy period, an Authorized Insured first knew that the "bodily injury" or "property damage" had occurred, in whole or in part.

For purposes of this Paragraph **1.b.(3)** only, if **(a)** "bodily injury" or "property damage" that occurs during this policy period does not continue, change or resume after the termination of this policy period; and **(b)** no Authorized Insured first knows of this "bodily injury" or "property damage" until after the termination of this policy period, then such first knowledge will be deemed to be during this 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 Authorized Insured 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 Authorized Insured:

(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, claim or "suit" 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".

The following definition is added to Section **V** – Definitions:

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Authorized Insured means any insured listed under Paragraph **1.** of Section **II** – Who Is An Insured, or any "employee" authorized by such an insured to give or receive notice of an "occurrence" or claim.

B. Paragraph **1.a.** of **Section I – Coverage B – Personal And Advertising Injury Liability** 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 "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 even if the allegations of the "suit" are groundless, false or fraudulent. 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** and **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.**

C. The following is added as Paragraph **e.** to the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition (Paragraph **2.** of **Section IV – Commercial General Liability Conditions**):

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

e. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

D. The definition of "loading or unloading" in the **Definitions** Section does not apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SILICA

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to **Exclusions** of **Section I – COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

This insurance does not apply to:

1. "Bodily injury" arising in whole or in part out of the actual, alleged or threatened respiration or ingestion at any time of "silica"; or
2. "Property damage" arising in whole or in part out of the actual, alleged or threatened presence of particulate "silica".

B. The following exclusion is added to **Exclusions** of **Section I – COVERAGE B. PERSONAL AND ADVERTISING LIABILITY:**

This insurance does not apply to "personal and advertising injury" arising in whole or in part out of the actual, alleged or threatened exposure at any time to or the presence of particulate "silica".

C. The following definition is added:

"Silica" means the chemical compound silicon dioxide (SiO2) in any form, including dust which contains "silica".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – HUMAN CLINICAL TRIALS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of:

1. Any "human clinical trial"; or
2. The disclosure or failure to disclose any data or other information with respect to any "human clinical trial"; or
3. Any evaluation, consultation or advice given with respect to any "human clinical trial."

"Human clinical trial" is any study, test or experiment involving one or more persons which may provide data or other information for assessment of a pharmaceutical, drug, organism, virus, bacterium or other substance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – LEAD PAINT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury", "property damage" or "personal injury" arising out of the actual or alleged manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, or exposure to, lead paint or products containing lead whether or not the lead is or was at any time airborne as a particle, contained in a product ingested, inhaled, transmitted in any fashion, or found in any form whatsoever.

This endorsement does not apply in Massachusetts

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EXCLUSION – ASBESTOS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE FORM
FARM COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK
POLLUTION LIABILITY COVERAGE FORM

This insurance does not apply to:

(1) "Bodily injury," "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened exposure at any time to asbestos; or

(2) Any loss, cost or expense that may be awarded or incurred:

(a) by reason of a claim or "suit" for any such injury or damage; or

(b) in complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of asbestos.

Asbestos means the mineral in any form whether or not the asbestos was at any time:

(1) airborne as a fiber, particle or dust;

(2) contained in or formed a part of a product, structure or other real or personal property;

(3) carried on clothing;

(4) inhaled or ingested; or

(5) transmitted by any other means.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The provisions of this endorsement apply only as respects Employee Benefit Liability Coverage afforded hereunder.

SECTION I – COVERAGES is amended to include the following:

EMPLOYEE BENEFITS LIABILITY

1. **Insuring Agreement.**

   a. We will pay those sums that the insured becomes legally obligated to pay as damages because of a negligent act, error or omission of:

      (1) The insured; or

      (2) Any other person for whose acts the insured is legally liable;

      if such act, error or omission is committed in the administration of your "employee benefit program." We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any report of a negligent act, error or omission 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** of this endorsement; 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.

      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** of the Commercial General Liability Coverage Form to which this endorsement is attached.

   b. This insurance applies only to negligent acts, errors or omissions which:

      (1) Take place in the "coverage territory" and

      (2) Occur during the policy period: or

      (3) Occurred prior to the policy period where:

         (a) There is no other insurance which:

            (i) is valid and collectible; or

            (ii) would be valid and collectible but for the exhaustion of the limits of insurance;

         (b) The insured had no prior knowledge or could not reasonably have foreseen any circumstances which might result in a claim or "suit":

         (c) The claim or "suit" is brought during the policy period; and

         (d) The insured notifies us in writing.

2. **Exclusions.**

   This insurance does not apply to:

   a. Loss arising out of a:

      (1) Dishonest;

      (2) Fraudulent;

      (3) Criminal; or

      (4) Malicious;

      act. error or omission committed by an insured;

   b. "Bodily injury," property damage" or "personal injury;"

   c. Loss arising out of failure of performance of a contract by an insurer;

   d. Loss arising out of insufficient funds to meet an obligation under a plan included in the "employee benefit program;"

   e. Claim or "suit" based upon:

      (1) Failure of an investment to perform as represented by any insured; or

      (2) Advice given to a person to participate or not participate in a plan included in the `employee benefit program:"

   f. Loss arising out of your failure to comply with mandatory provisions of laws concerning:

      (1) Workers' Compensation;

      (2) Unemployment Insurance;

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(3) Social Security;

(4) Disability benefits; or

(5) Any similar law;

g. Loss arising out of liability of an insured as a fiduciary under:

(1) EMPLOYEE RETIREMENT INCOME SECURITY ACT of 1974; or

(2) INTERNAL REVENUE CODE of 1986 (including the INTERNAL REVENUE CODE of 1954); and

their amendments.

SECTION II – WHO IS AN INSURED, is deleted in its entirety and replaced by the following:

1. If you are designated in the Commercial General Liability 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. An organization other than a partnership or joint venture, you are an insured. Your directors and stockholders are also insureds. but only with respect to their liability as your directors or stockholders.

2. Each of the following is also an insured:

a. Each of your partners, executive officers and employees who is authorized to administer your "employee benefit program."

b. 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 endorsement

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

SECTION III – LIMITS OF INSURANCE, is deleted in its entirety and replaced by the following:

1. **Limits of Insurance.**

a. The Limits of Insurance shown in the Supplemental Schedule and the rules below fix the most we will pay regardless of the number of:

(1) Insureds;

(2) Claims made or "suits" brought;

(3) Persons or organizations making claims or bringing `suits";

(4) Acts, errors or omissions which result in loss; or

(5) Plans included in your "employee benefit program":

b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions committed in the "administration" of your "employee benefit program";

c. Subject to **b.** above, the Each Employee Limit is the most we will pay for all damages sustained by any one employee, including the employee's dependents and beneficiaries, because of acts, errors or omissions committed in the "administration of your "employee benefit program".

Limits of Insurance of this 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 preceding period" for purposes determining the Limits of Insurance.

2. **Deductible.**

a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Supplemental Schedule as applicable to Each Employee. The Limits of Insurance applicable to Each Employee will be reduced by the amount of this deductible. The Aggregate limit will not be reduced by the application of such deductible.

b. The terms of this insurance, including those with respect to:

(1) Our right and duty to defend "suits" seeking those damages; and

(2) Your duties in the event of an act, error, omission, claim or "suit;"

apply irrespective of the application of the deductible amount.

c. We may pay any part or all of the deductible amount to effect settlement of 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.

SECTION IV – CONDITIONS is amended as follows:

1. Item **2., Duties in the Event of Occurrence, Claim or Suit,** is deleted in its entirety and replaced by the following:

   Duties in the Event of Act, Error. Omission, Claim or Suit.

   a. You must see to it that we are notified promptly in writing of an act, error or omission, which may result in a claim. Notice should include:

      (1) How, when and where the act, error or omission took place: and

      (2) The names and addresses of injured persons and witnesses:

   b. If a claim is made or "suit" is brought against an insured, you must see to it that we receive prompt written notice of the claim or "suit";

   c. You and any other involved insured must:

      (1) Immediately send us copies of any demands. notices. summons 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:

         (a) Investigation;

         (b) Settlement; or

         (c) Defense;'

         of the claim or "suit;" and

      (4) Assist us, upon our request, in the enforcement of any right against a 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 their own cost, voluntarily:

      (1) Make a payment;

      (2) Assume an obligation; or

      (3) Incur an expense;

      without our consent.

2. Item **4., Other Insurance,** is deleted in its entirety and replaced by the following:

   Other Insurance.

   Except for a loss which is the result of a negligent act, error or omission which occurred prior to the policy period, if other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

   a. **Primary Insurance**

      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 **b.** below;

   b. **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:

      (1) Has paid its applicable limit of insurance; or

      (2) 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.

SECTION V – DEFINITIONS is amended as follows:

The following definitions are added:

"Employee benefit program" means the following plans:

a. Group life insurance, group accident or health insurance, profit sharing plans, pension plans and stock distribution plans; provided that no one other than an employee may subscribe to such insurance or plans;

b. Unemployment insurance, social security benefits. workers' compensation and disability benefits;

c. Other similar plan designated in the Supplemental Schedule or added by endorsement.

"Administration" means:

a. Counseling employees, including their dependents and beneficiaries. with respect to the "employee benefit program";

b. Handling records in connection with the "employee benefit program"; or

c. Effecting or terminating an employee's participation in a plan included in the "employee benefit program";

"Employee" means your officers and employees, whether actively employed, disabled or retired;

With respect to this endorsement Item **10.,** "personal injury", is deleted in its entirety and replaced as follows:

"Personal injury" means injury, other than "bodily injury." arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

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c. Wrongful entry into, or eviction of a person from, a:

(1) Room;

(2) Dwelling; or

(3) Premises

that the person occupies;

d. Oral or written publication 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 of material that violates a person's right of privacy; or

f. Discrimination.

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AMENDATORY ENDORSEMENT – NEW YORK
COLLATERAL BUSINESS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added:

You have the right to apply for umbrella coverage. If you are interested in purchasing umbrella coverage from CNA, please contact your independent CNA agent. Any application you submit is subject to normal underwriting review.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE, G-43815-B

1. The following sentence of paragraph **1.a.** of **SECTION I – COVERAGES** is deleted:

   We will have the right and duty to defend any suit seeking those damages.

   The following is added to paragraph **1.a.** of **SECTION I – COVERAGES**:

   We will have the right and duty to defend any suit seeking those damages even if the allegations of the suit are groundless, false or fraudulent.

2. Under **SECTION IV – Conditions.** Part **1.a.** of **Duties in the Event of Act. Error, Omission, Claim or Suit** is deleted in its entirety and replaced by the following:

   a. You must see to it that we or our authorized agent are notified as soon as practicable of an act. error of omission. which may result in a claim. Notice should include:

   (1) How, when and where the act. error or omission took place; and

   (2) The names and addresses of injured persons or witnesses;

3. Under **SECTION IV – CONDITIONS.** Part **1.b** of **Duties In the Event of Act, Error, Omission, Claim or Suit,** is deleted in its entirety and replaced by the following:

   b. If a claim is made or "suit" is brought against an insured. you must see to it that we receive notice of the claim or "suit" as soon as practicable.

4. Under **SECTION IV CONDITIONS.** PART **1.c.(1)** of **Duties. In the Event of Act, Error, Omission, Claim or suit**, is deleted in its entirety and replaced by the following:

   (1) As soon as practicable send us copies of any demands, notices, summons or legal papers received in connection with the claim or a "suit".

5. Under the definition of "Personal Injury" in **SECTION V – DEFINITIONS.** subsection **f.,** Discrimination, is deleted

6. Under the definition Of "Administration" in **SECTION V – DEFINITIONS** subsection **a.** is deleted in its entirety and replaced by the following:

   a. Counseling, other than legal counseling of employees, including their dependents and beneficiaries, with respect to the employee benefit program;"

7. The following is added to **SECTION I.** Part **2., Exclusions:** This insurance does not apply to unfair or illegal discrimination.

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PREMIUM BASES
To be used with the General Liability Schedule

A	= Area	(Per 1,000 Sq. ft.)
AC	= Acres	(Each)
AN	= Animals	(Each)
AP	= Airports	(Each)
AT	= Attendants	(Each)
B	= Bodies	(Each)
BD	= Beds	(Each)
BE	= Beaches	(Each)
BO	= Boats	(Each)
C	= Total Cost	(Per $1,000 of Total Cost*)
CD	= Camper Days	(Each Camper Day)
CN	= Contestants	(Each)
CU	= Convention Days	(Each)
DB	= Drawbridges	(Each)
DM	= Dams	(Each)
DW	= Dwellings	(Each)
E	= Each	(Per Entity Described)
EX	= Exhibitions	(Each)
FG	= Fairgrounds	(Each)
FM	= Faculty Members	(Each)
FP	= Fishing Piers	(Each)
G	= Graduates	(Each)
GA	= Games	(Each)
GS	= Grandstands/Bleacher	(Each)
HQ	= Headquarters	(Each)
HO	= Hoists	(Each)
K	= Kennels	(Each)
LD	= Locations Days	(Each)
LE	= Lessees	(Each)
LO	= Locations	(Each)
LR	= Lakes/Reservoirs	(Each)
M	= Admissions	(Per 1,000 Admissions)
ME	= Members	(Each)
MI	= Miles	(Each)
MH	= Model Homes	(Each)
O	= Operators	(Each)
OE	= Operating Expenditures	(Per $1,000 of OperatingExpenditures)
P	= Payroll	(Per $1,000 of Payroll*)
PD	= Passenger Days	(Per 1,000 Passenger Days)
PP	= Parks/Playgrounds	(Each)
PR	= Parades	(Each)
PS	= Persons	(Each)
PG	= Picnic Grounds	(Each)
PU	= Pupils	(Each)
R	= Receipts	(Per $1,000 of Receipts)
RG	= Registrants	(Each)
RN	= Range	(Each)
S	= Gross Sales	(Per $1,000 of Gross Sales*)
SC	= Scouts	(Each)
SE	= Seats	(Each)
SP	= Swimming Pools	(Each)
ST	= Stations	(Each)
TE	= Teams	(Each)
TO	= Towers	(Each)
U	= Unit	(Per Dwelling Unit)
VE	= Vehicles	(Per 1,000 Vehicles)
VO	= Volunteers	(Each)
Z	= Zoos	(Each)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROAD FORM ENDORSEMENT – CGL PLUS – NEW YORK

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Medical Payments

If **Section I – Coverage C – Medical Payments** is not otherwise excluded from this Coverage Part:

1. The Medical Expense Limit is changed, subject to all the terms of **Section III – Limits Of Insurance,** to the greater of:
   a. $15,000; or
   b. The Medical Expense Limit shown in the Declarations of this Coverage Part.
2. The requirement, in the Insuring Agreement of **Section I – Coverage C – Medical Payments,** that expenses must be incurred and reported to us within "one year" of the accident date is changed to "three years."

B. Supplementary Payments

In **Section I – Supplementary Payments – Coverages A** and **B:**

1. The limit for the cost of bail bonds is changed from $250 to $2,500; and
2. The limit for loss of earnings is changed from $250 day to $350.

C. Fire, Lightning, Explosion, Smoke And Leaks From Sprinklers

If damage by fire to premises rented to you is not otherwise excluded from this Coverage Part, the word "fire" is changed to "fire, lightning, explosion, smoke, or leakage from automatic fire protective systems" where it appears in:

1. The Limits Of Insurance section of the Declarations as the Damage To Premises Rented To You Limit. That limit:
   a. Is changed, subject to all the terms of **Section III – Limits Of Insurance,** to the greater of:
      (1) $200,000, or
      (2) The amount shown in the Declarations as the Damage To Premises Rented To You Limit.
   b. Subject to **a.** above, is the most we will pay for all damage proximately caused by the same event, whether such damage results from fire, lightning, explosion, smoke, or leaks from automatic fire protective systems, or any combination thereof.
2. The last paragraph of **Section I – Coverage A** after the **Exclusions.**
3. Paragraph **6.** of **Section III – Limits Of Insurance** is deleted and replaced by:
   6. Subject to **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 a fire "event," while rented to you with the permission of the owner.
4. Paragraph **b.(1)(b)** of the **Section IV – Other Insurance Condition.**
5. Paragraph **a.** of the definition of "insured contract."

D. Non-Owned Watercraft

Paragraph **g.(2)** of **Section I – Coverage A – Exclusions,** is changed to read:

(2) A watercraft you do not own that is:
   (a) Less than 51 feet long; and
   (b) Not being used to carry persons or property for a charge;

E. Property Damage – Elevators

With respect to **Exclusions** of **Section I – Coverage A,** paragraphs **(3), (4)** and **(6)** of Exclusion **j.** and Exclusion **k.** do not apply to the use of elevators.

The insurance afforded by this provision **E.** is excess over any valid and collectible property insurance (including any deductible) available to the insured, and the **Other Insurance Condition** is changed accordingly.

F. Who Is An Insured

Section II – Who Is An Insured is changed as follows:

1. If coverage for newly acquired or formed organizations is not otherwise excluded from this Coverage Part, paragraph **4.a.** is changed to read:
   a. Coverage under this provision is, subject to **b.** and **c.** below:

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(1) Effective on the acquisition or formation date; and

(2) Afforded only until the end of the policy period of this Coverage Part, or the next anniversary of its inception date, whichever is earlier.

2. Each of the following is also an insured:

a. Your volunteer workers

b. Any organization and subsidiary thereof which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

However, the insurance afforded by **b.**, above, for any organization and subsidiary thereof not named in the Declarations as a Named Insured, does not apply to injury or damage with respect to which an insured under this Coverage Part is also an insured under another policy, or would be an insured under such policy but for its termination or the exhaustion of its limits of insurance.

G. Duties In The Event Of Occurrence, Offense, Claim Or Suit

1. The requirement in **Section IV – Commercial General Liability Conditions,** paragraph **2.a.** that you must see to it that we are notified as soon as practicable of an "occurrence" or an offense, applies only when the "occurrence" or offense is known to:

a. You, if you are an individual;

b. A partner, if you are a partnership; or

c. An "executive officer" or insurance manager, if you are a corporation.

2. The requirement in **Section IV – Commercial General Liability Conditions,** paragraph **2.b.** that you must see to it that we receive notice of a claim or "suit" as soon as practicable will not be considered breached unless the breach occurs after such claim or "suit" is known to:

a. You, if you are an individual;

b. A partner, if you are a partnership; or

c. An "executive officer" or insurance manager, if you are a corporation.

H. Advertising Injury – Televised Or Videotaped Publication/Infringement Of Trademark

1. In **Section V – Definitions,** paragraphs **d.** through **g.** of the definition of "personal and advertising injury" is changed to read:

"Personal and advertising injury" means injury arising out of one or more of the following offenses:

d. Oral, written, televised or videotaped publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral, written, televised or videotaped publication of material that violates a person's right of privacy;

f. Misappropriation of advertising ideas or style of doing business; or

g. Infringement of copyright, title or slogan.

2. Exclusions **a.(2)** and **a.(3)** of **Section I – Coverage B, Personal And Advertising Injury Liability,** are changed to read:

a. (2) Arising out of oral, written, televised or videotaped publication of material, if done by or at the direction of the insured with knowledge of its falsity;

(3) Arising out of oral, written, televised or videotaped publication of material whose first publication took place before the beginning of the policy period;

I. Bodily Injury – Mental Anguish

Section V – Definitions, the definition of "bodily injury" is changed to read:

"Bodily injury":

a. Means bodily injury, sickness or disease sustained by a person, and includes mental anguish resulting from any of these; and

b. Except for mental anguish, includes death resulting from the foregoing (item **a.** above) at any time.

J. Personal Injury Abuse Of Process/ Discrimination

If **Section I – Coverage B – Personal and Advertising Injury Liability Coverage** is not otherwise excluded from this Coverage Part:

1. The definition of "personal and advertising injury" is changed by:

a. Revising item **14.b.** of that definition to read:

Malicious prosecution or abuse of process;

K. Unintentional Failure To Disclose Hazards

It is agreed that, based on our reliance on your representations as to existing hazards, if you should unintentionally fail to disclose all such hazards prior to the beginning of the policy period of this Coverage

Part, we shall not deny coverage under this Coverage Part because of such failure.

L. Liberalization

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

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INSURANCE PREMIUM AUDIT

An accurate audit benefits you and your business.

What is it and why do you need it?

A premium audit is a determination of the actual insurance exposures for the coverages you have based on an examination of your operation, records and books of account.

When your policy is issued, your premium is estimated based on your business circumstances and information provided at that time. An audit establishes the correct premium base for your insurance coverage by verifying actual exposures. After your audit, an adjustment will be made to the premium that was estimated at issuance.

An audit is necessary after the expiration of a policy with a variable premium base such as payroll or sales. Some types of coverage subject to audit are:

- Workers' Compensation
- General Liability
- Premises Operations Liability
- Products Completed Operations
- Automobile Liability
- Garage Liability
- Liquor Liability
- Funeral Directors Liability
- Product Recall and Replacement
- Printer's E&O Correction of Work

Payroll Records Checklist

This list provides a good indication of the materials your auditor may need to complete your premium audit.

- Journals
- Ledgers
- Tax Reports
- Individual Earnings Cards
- Vehicle Titles
- Registrations or Ownership
- Cash Disbursements Tax Reports

You can also expect your auditor to observe your business operations and ask questions about your records.

Keeping good records may save you time and money

If you are eligible for allowable credits based on insurance manual classification and rating rules, you will need to provide the necessary records and detail to take advantage of the credits. Payroll (remuneration for services performed by an employee) is the basis for many insurance premiums. Remuneration includes any money paid for services, or any substitute for money, such as:

- Bonuses
- Vacation, holiday or sick pay
- Wages or commissions
- Payments for piece work
- Profit sharing plans
- Value of board, lodging
- Overtime
- Tool allowance
- Statutory payments
- Store certificates
- Other substitutes for cash

Scheduling the Audit

As the time for your audit approaches, a staff auditor from CNA or one of our authorized vendors will contact you to schedule the audit. Our current vendors are: Information Providers Inc. (IPI); and U.S. Insurance Services (USI).

Payroll Records Guidelines

Overtime – Show overtime pay in excess of straight time pay separately by employee and in summary by classification of work by state.*

Division of Payroll – Division of payroll between classifications may be allowed for certain construction and other types of risks. Where division of payroll is allowed, individual employee payroll records should show the number of hours and amount of payroll for each type of work. Without such records, the full salary must be charged to the employee's highest rated classification. Division of payroll is not available for outside sales persons (8742), auto salesperson (8748), clerical (8810), clerical telecommuter (8871) and drivers (7380).

Subcontractors – CNA requires all subcontractors hired by you to carry General Liability and/or Umbrella Liability limits of at least $1 million on an occurrence-based policy. Prior to allowing a subcontractor to work for you, you should obtain a Certificate of Insurance from the subcontractor evidencing these minimum limits. At final audit, we will examine the Certificates of Insurance for all work subcontracted during the policy term. Any subcontracted work for which we are not provided a Certificate of Insurance and any subcontracted work which was insured with liability limits less than $1 million will be converted to ratable payroll on your policy, resulting in an additional premium charge owed by you. To prevent this additional premium charge and to reduce the risk of your General Liability coverage being applied to cover claims that arise from work performed by your subcontractors, you must obtain Certificates of Insurance evidencing $1 million in liability limits from all of your subcontractors.

Prevailing Wage – For policyholders in PA, DE, NJ and CA, contact your CNA premium auditor for details concerning the records required relating to cash payments in lieu of prevailing fringe benefits.

*PA, DE and NV do not allow overtime credit for Workers' Compensation coverage. Overtime credit is allowed in all states for General Liability coverages.

Please contact us with questions

For policyholders in:
CT, DE, DC, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT, WV

CNA Premium Audit Dept.
1 Meridian Blvd, Suite A301
Wyomissing, PA 19610
Phone: 800-847-2736
Fax: 610-208-6571

For policyholders in all other states:
CNA Premium Audit Dept.
2405 Lucien Way
Maitland, FL 32794-6240
Phone: 800-847-2736
Fax: 407-919-3610

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One or more of the CNA companies provide the products and/or services described. The information is intended to present a general overview for illustrative purposes only. It is not intended to constitute a binding contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. CNA is a registered trademark of CNA Financial Corporation. Copyright © 2014 CNA. All rights reserved.

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Policy Endorsements

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CNA PARAMOUNT

Amendment to Policy Declarations – Named Insured Endorsement

It is understood and agreed as follows:

The **Policy Declarations** is amended as follows:

A. Addition of **Named Insureds**:

The following are added as **Named Insureds**:

Name and Address of **Named Insured**
STERI-PHARMA LLC
DROMIK, LLC
120 N RTE 17 NORTH PARAMUS, NJ 07652-2819

B. Deletion of **Named Insured**:

The following are deleted as **Named Insureds**:

All other terms and conditions of the Policy remain unchanged.

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This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA	CNA PARAMOUNT **Bridge Endorsement**

It is understood and agreed as follows:

I. If any endorsement attached to this Policy indicates that it amends one or more of the following forms:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART – LEGAL LIABILITY COVERAGE FORM
COMMERCIAL PROPERTY – LEGAL LIABILITY COVERAGE FORM
CRIME AND FIDELITY COVERAGE PART

then such endorsements are hereby amended to delete those form references.

II. Wherever any endorsement attached to this policy references the Common Policy Conditions, such reference is deleted and replaced with "Common Terms and Conditions":

III. The Common Terms and Conditions form is organized differently from the Common Policy Conditions form it replaces. When an endorsement refers to a particular Common Policy Condition name or paragraph, please use the table below to find the corresponding section of the Common Terms and Conditions. References to particular paragraph numbers in the Common Policy Conditions are hereby changed as necessary to reference equivalent provisions of the Common Terms and Conditions.

Common Policy Conditions IL0017 or IL0146	**Common Terms and Condition CNA62642**
A. Cancellation: items A.1. and A.3.	**XIII.** Named Insured Authorization and Notices
A. Cancellation: all other items	**III.** Cancellation / Nonrenewal
B. Changes	**IV.** Changes; and **IX.** Entire Agreement
C. Examination of Books and Records	**X.** Examination of Books and Records
D. Inspections and Surveys	**XI.** Inspections and Surveys
E. Premiums	**XIII.** Named Insured Authorization and Notices
F. Transfer of Your Rights and Duties under This Policy	**I.** Assignment of Interest
G. Nonrenewal (Washington only)	**III.** Cancellation / Nonrenewal

IV. Whenever any endorsement attached to this policy references the following words with respect to the Common Policy conditions (now the Common Policy Terms and Conditions per paragraph **II.** above),

A. "you" or "your", are replaced with **Named Insured** as defined in the **First Party Glossary of Defined Terms**;

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B. "we" and "us" are replaced by "the Insurer"; "our" is replaced by "the Insurer's";

C. first Named Insured is replaced by **First Named Insured** as defined in the **First Party Glossary of Defined Terms**.

V. If a Commercial General Liability Coverage Part is part of this policy, then:

A. the following Common Terms and Conditions do not apply to it, since SECTION **IV** – COMMERCIAL GENERAL LIABILITY CONDITIONS has more specific conditions of its own:

II. Bankruptcy

XIV. No Suit Against Insurer,

B. SECTION **IV** – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended to delete Condition **9. When We Do Not Renew**. Please refer instead to Condition **III**. CANCELLATION/NONRENEWAL of the Common Terms and Conditions.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ECONOMIC AND TRADE SANCTIONS CONDITION

The following condition is added to the COMMON POLICY CONDITIONS:

ECONOMIC AND TRADE SANCTIONS CONDITION

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void **ab initio** (void from its inception) with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any insured, or any person or entity claiming the benefits of an insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any claim or "suit" that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such claim or suit is prohibited by U.S. economic or trade sanctions;
3. Any claim or "suit" that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this endorsement a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this endorsement a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF TRANSPORTATION

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

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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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK

A. For policies with fixed terms in excess of one year, or policies with no stated expiration date, except as provided in Paragraph **B.**, the following applies:

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

B. For policies with fixed terms in excess of one year, where premium is computed and paid annually, the following applies:

1. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. Such rates and rules will be used to calculate the premium at each anniversary, for the entire term of the policy, unless the specific reasons described in Paragraph **2.** or **3.** apply.

2. The premium will be computed based on the rates and rules in effect on the anniversary date of the policy only when, subsequent to the inception of the current policy period, one or more of the following occurs:

a. After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current policy period;

b. A material physical change in the property insured, occurring after issuance or last anniversary renewal date of the policy, causes the property to become uninsurable in accordance with underwriting standards in effect at the time the policy was issued or last renewed; or

c. A material change in the nature or extent of the risk, occurring after issuance or last anniversary renewal date of the policy, which causes the risk of "loss" to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed.

3. If, subsequent to the inception of the current policy period, the Limit of Insurance is increased, or Additional Coverages or Causes of Loss are insured, the rate and rules in effect at the time of the change will be applied to calculate the premium and will continue to apply to the change at subsequent anniversary dates.

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CNA	CNA PARAMOUNT **Broad Named Insured Endorsement - New York**

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART

It is understood and agreed as follows:

I. The **WHO IS AN INSURED** Section is amended to delete its Paragraph **3.** in its entirety and replace it with the following:

3. Pursuant to the limitations described in Paragraph **IV.** below, any organization in which a **Named Insured** has **management control**:

a. on the effective date of this **Coverage Part**; or

b. by reason of a **Named Insured** creating or acquiring the organization during the **policy period**,

qualifies as a **Named Insured**, provided that there is there is no other similar liability insurance, whether primary, contributory, excess, contingent or otherwise, which provides coverage to such organization, or which would have provided coverage but for the exhaustion of its limit, and without regard to whether its coverage is broader or narrower than that provided by this insurance.

However, this **BROAD NAMED INSURED** provision does not apply to:

(a) any partnership, limited liability company or joint venture; or

(b) any organization for which coverage is excluded by another endorsement attached to this **Coverage Part**.

II. Solely with respect to organizations which qualify as **Named Insureds** by virtue of this Endorsement, this insurance does not apply to:

a. **bodily injury** or **property damage** that first occurred prior to the date of **management control**, or that first occurs after **management control** ceases; nor

b. **personal or advertising injury** caused by an offense that first occurred prior to the date of **management control** or that first occurs after **management control** ceases.

III. The insurance provided by this **Coverage Part** applies to **Named Insureds** when trading under their own names or under such other trading names or doing-business-as names as any **Named Insured** should choose to employ.

IV. For the purposes of this endorsement, a new definition is added as follows:

Management control means:

A. owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the Board of Directors of a corporation; or

B. having the right, pursuant to a written trust agreement, to protect, control the use of, encumber or transfer or sell property held by a trust.

V. If the **coverage part** to which this endorsement applies is part of a package policy that also contains a Commercial General Liability Coverage Part (CGL) that has been endorsed:

A. with a Broad Named Insured provision, then the CGL's Broad Named Insured provision's terms hereby replace this endorsement's terms, including any terms applicable to management control, limited liability companies or joint ventures; or

B. to exclude from coverage an organization that otherwise would qualify as a Named Insured under this (Broad Named Insured) endorsement, then such an organization is also excluded from the coverage provided by this **coverage part**.

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All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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Wherever used in this endorsement: 1) Insurer means "we", "us", "our" or the "Company" as those terms may be defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) "Insured" means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provisions in the policy are deleted in their entirety and replaced with the following:

CANCELLATION AND NON-RENEWAL

A. CANCELLATION

1. This policy may be canceled by the Named Insured by surrendering it to the Insurer or any of its authorized agents. The Named Insured may also cancel this policy by written notice to the Insurer or the Insurer's licensed agent stating at what future date cancellation is to be effective.

2. If this policy has been in effect for sixty (60) days or less, this policy may be canceled by the Insurer by mailing or delivering to the Named Insured written notice stating the reason for cancellation at the mailing address shown on the Declarations, and to its authorized agent or broker at least:

   1. Twenty (20) days before the effective date of cancellation if this policy is canceled for any reason not included in paragraph 2. below;

   2. Fifteen (15) days before the effective date of cancellation if this policy is canceled for any of the following reasons:

      (a) Non-payment of premium provided; however, a notice of cancellation on this ground shall inform the Insured of the amount due;

      (b) Conviction of a crime arising out of acts increasing the hazard insured against;

      (c) Any discovery of fraud or material misrepresentation in the obtaining of this policy or in the presentation of a claim;

      (d) After issuance of this policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;

      (e) Material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of this policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time this policy was issued or last renewed;

      (f) A determination by the New York State Superintendent of Insurance that continuation of the present premium volume of the Insurer would jeopardize the Insurer's solvency or be hazardous to the interest of the Insurer's policyholders, creditors or the public; or

      (g) A determination by such Superintendent that the continuation of this policy would violate, or would place the Insurer in violation of, any provision of the New York Insurance Code,

3. If this policy has been in effect for more than sixty (60) days, or if this policy is a renewal or continuation of a policy issued by the Insurer this policy may be canceled by the Insurer only for any reasons listed in paragraph 2. above provided a written notice stating the reason for cancellation is mailed or delivered to the Named Insured at the address shown in the Declarations, and its authorized agent or broker at least fifteen (15) days before the effective date of cancellation.

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4. Notice of cancellation will state the effective date of cancellation. The policy period will end on this date. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. PREMIUM REFUND

If this policy is cancelled, the Insurer will send the Named Insured any premium refund due. If the Insurer cancels the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

C. NON-RENEWAL

1. The Insurer can non-renew the policy by mailing or delivering written notice to the Named Insured as set forth in paragraph E. at the last mailing address known to the Insurer, and to the Named Insured's authorized agent or broker, at least sixty (60) days but not more than one hundred and twenty (120) days prior to the effective date of non-renewal. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. Late notice of non-renewal will state specific explanation of the reason for non-renewal.

D. CONDITIONAL RENEWAL

1. If the Insurer conditions renewal of the policy upon:

   a. Change of limits;
   b. Change in type of coverage;
   c. Reduction of coverage;
   d. Increased deductible;
   e. Addition of exclusion;
   f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added, or as a result of experience rating, retrospective rating or audit;

   The Insurer shall send notice as provided in paragraph **E.** below.

2. Solely with respect to any liability coverages, if the policy is extended pursuant to this paragraph **D**, the aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with the above.

E. NOTICE

1. If the Insurer decides not to renew the policy or to conditionally renew the policy as provided in paragraphs **C** and **D** above, the Insurer will mail or deliver written notice to the Named Insured at the address shown in the policy and to the Named Insured's authorized agent or broker at least sixty (60) days but not more than one hundred and twenty (120) days before:

   a. The expiration date; or
   b. The anniversary date if this is a continuous policy.

2. If notice is mailed, proof of mailing will be sufficient proof of notice. Notice will include the specific reason for non-renewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

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3. If the Insurer violates any of the provisions of this subsection by sending the Named Insured an incomplete or late conditional renewal notice or a late non-renewal notice:

   a. Coverage will remain in effect at the same terms and conditions of the policy at the lower of the current rates or the prior period's rates until sixty (60) days after such notice is mailed or delivered, unless the Named Insured, during this sixty (60) day period, has replaced the coverage or elects to cancel.

   b. On or after the expiration date of the policy, coverage will remain in effect at the same terms and conditions of the policy for another policy period, at the lower of the current rates or the prior period's rates, unless the Named Insured during this additional policy period, has replaced the coverage or elects to cancel.

   The Insurer will not send notice of non-renewal or conditional renewal if the Named Insured or its authorized agent or broker or another insurer of the Named Insured mails or delivers notice that the policy has been replaced or is no longer desired.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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It is understood and agreed as follows:

I. The **First Party Terms and Conditions** are amended as follows:

A. The **APPRAISAL** condition is deleted and replaced with the following:

APPRAISAL

If the **Named Insured** and the Insurer fail to agree on the amount of loss for physical damage or **business income** or **extra expense**, either may make a written demand for appraisal in which case within 20 days of that written demand each shall select an appraiser and shall notify the other of its chosen appraiser. This **APPRAISAL** Condition is not available to the **Named Insured** or the Insurer if there is a dispute as to whether the loss or damage was caused in whole or in part by a **covered peril**. This **APPRAISAL** Condition is not available if there is a dispute as to whether or not the loss is covered in whole or in part under this **coverage part**.

An individual may be chosen as an appraiser for a claim if such individual is a competent, independent and disinterested person and who has no direct or indirect financial interest in the loss or the adjustment of the claim. That appraiser cannot be:

A. the **Named Insured** or any of the **Named Insured's** employees or agents (including any public adjuster or public adjusting company hired by the **Named Insured**);

B. employed by the Insurer; or

C. an independent adjuster hired by the Insurer for such claim.

The appraisers will first select a competent, independent and disinterested umpire. If the appraisers fail to agree upon an umpire within 15 days then, only on the joint request of the **Named Insured** and the Insurer to a court of competent jurisdiction where the loss occurred, the **Named Insured** and the Insurer may request that the court select or appoint a competent, independent and disinterested umpire.

If the **Named Insured** and the Insurer fail to agree to submit a joint request to a court of competent authority, either may file the necessary documents in a court of competent jurisdiction where the loss occurred to compel the other to comply with the terms of this **APPRAISAL** provision.

The appraisers will then appraise, within a reasonable amount of time, the amount of loss, stating separately, as applicable:

1. the **actual cash value** or **replacement cost** as of the date of loss and the amount of loss, for each item of physical loss or damage; and

2. the amount of loss for each **time element coverage**.

If the appraisers fail to agree, they will submit their differences to the umpire. An award agreed to in writing by any two will determine the amount of loss and that award will be binding on both parties but such appraisal award will not determine whether the loss is covered. Any appraisal award addressing whether or not a loss is or is not covered is void and is not binding on either party to the appraisal.

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The **Named Insured** and the Insurer will each:

a. pay its chosen appraiser; and

b. bear equally the other expenses of the appraisal and umpire.

A demand for appraisal shall not relieve the **Named Insured** of its continuing obligation to comply with all of the terms and conditions of this Policy.

The Insurer will not be held to have waived any of its rights by any act relating to an appraisal. If there is an appraisal, the Insurer will still retain its right to deny the claim or challenge whether the damages from any loss are covered or otherwise excluded.

The **Named Insured** may only make a written demand for appraisal if the **Named Insured** has fully complied with all provisions of this Policy.

B. The **CONCEALMENT, MISREPRESENTATION AND FRAUD** condition is deleted and replaced with the following:

CONCEALMENT, MISREPRESENTATION AND FRAUD

This entire policy shall be cancelled if, whether before or after a loss, the **Named Insured** or designated representative:

A. has concealed or misrepresented any material fact or circumstance concerning:

1. this insurance or the subject thereof;

2. the interest of the **Named Insured** therein;

3. any claim.

B. has falsely sworn to any such material fact or circumstance.

A fact or circumstance is deemed material if the Insurer would not have issued the policy if such factor or circumstance were known to it prior to issuance.

C. **Building Owner Loss Payee** under **LOSS PAYEES AND MORTGAGEES** is deleted and replaced with the following:

Building Owner Loss Payee

1. A Building Owner Loss Payee is the owner of the described building:

a. Residential (except 1 or 2 family **buildings** or structures);

b. Commercial; or

c. Industrial.

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2. Loss or damage to such **building** will be adjusted with such Building Owner Loss Payee and payment will be made to such loss payee within 30 days of the Insurer's receipt of the certificate of lien, which will be a conclusive presumption that the claim was valid and properly paid. Any loss payment made to such Building Owner Loss Payee will satisfy the **Named Insured's** claims against the Insurer for such Building Owner Loss Payee property.

3. Loss or Damage to **tenants' improvements and betterments** will be adjusted with the **Named Insured** unless the lease provides otherwise.

D. The **OTHER INSURANCE** condition is deleted and replaced with the following:

OTHER INSURANCE

A. If the **Named Insured** has any other valid and collectable insurance subject to the same plan, terms, conditions and provisions as the insurance provided under this **coverage part**, the Insurer will pay the Insurer's share of the covered loss or damage. The Insurer's share is the proportion of the applicable limit of insurance under this **coverage part** bears to the sum of all the limits of insurance covering on the same basis.

B. If the **Named Insured** has other valid and collectible insurance covering the same loss or damage, other than described in Paragraph **A.** above, the Insurer will pay the least of the following amounts:

1. Any limit of insurance applicable to the **covered property** that has sustained such loss or damage;

2. The amount of covered loss or damage in excess of the amount due from that other insurance, whether the **Named Insured** can collect on it or not, without application of deductible amounts contained elsewhere in this **coverage part**; or

3. The amount the Insurer would have paid had such other insurance not existed.

C. Paragraphs **A.** and **B.** above do not apply to other insurance that is purchased as insurance in excess of the limit of insurance under this **coverage part**.

E. The following is added to the **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO THE INSURER**:

Solely with respect to **Property in Transit Coverage – Property Damage and Time Element Combined** in the **OFF-SITE COVERAGES** section of the **Business Property Coverage Part**, the following provision is added:

With respect to property in the due course of transit, nothing must be done either prior to or after a loss to impair the Insurer's rights of recovery against any carrier, bailee or other party responsible for damages. The Insurer will not pay for any loss or damage to property in the due course of transit which the **Named Insured** settles or compromises without the Insurer's written consent. But the **Named Insured** may accept released bills of lading from common carriers.

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II. Under the **Business Property Coverage Part**:

A. **Fungi, Wet Rot, Dry Rot and Microbe Coverage – Property Damage and Time Element Combined** under the **ADDITIONAL COVERAGES** section does not apply.

B. **Fungi, Wet Rot, Dry Rot and Microbes** under **Excluded Perils Subject to Concurrent Causation Provisions** of the **EXCLUSIONS** section is deleted and replaced by the following:

Fungi, Wet Rot, Dry Rot and Microbes

The Insurer will not pay for loss caused by or resulting from the presence, growth, proliferation, spread or any activity of **fungi**, wet or dry rot or **microbes**. However, this exclusion does not apply when **fungi**, wet or dry rot, or **microbes** results from a **covered peril**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA	CNA PARAMOUNT **Cap on Losses from Certified Acts of Terrorism Endorsement**

Solely with respect to the following coverage parts:

Business Property

General Liability

It is understood and agreed as follows:

A. Cap on Certified Terrorism Losses

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the Terrorism Risk Insurance Act, as extended and reauthorized (the "Act"). The criteria contained in the Act for a **certified act of terrorism** include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

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

If aggregate insured losses attributable to terrorist acts certified under the Act exceed $100 billion in a Calendar year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer 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.

B. Application of Exclusions

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

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All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA

333 S Wabash
Chicago, Illinois 60604

Policy Number	From Policy Period To	Coverage Is Provided By	Agency
A4017244481	09/22/17 09/22/18	American Casualty Co of Reading, PA	051744978

Named Insured And Address	Agent
STERI-PHARMA LLC 120 N RTE 17 NORTH PARAMUS, NJ 07652-2819	SCIROCCO FINANCIAL GROUP, INC. 777 TERRACE AVE SUITE 309 HASBROUCK HEIGHTS, NJ 07604

** PAYMENT PLAN SCHEDULE **

IT IS AGREED THAT THE TOTAL ESTIMATED PREMIUM SHOWN IN THE DECLARATIONS OF THIS POLICY IS PAYABLE AS FOLLOWS:

EFFECTIVE DATE	PREMIUM
09/22/2017	$182,490.40
TOTAL PREMIUM	$182,490.40

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ISSUE DATE 09/20/17

CNA

CNA Paramount Excess and Umbrella Liability

Insured Name

STERI-PHARMA LLC
120 N RTE 17
ATTN: VINCENT DURANTE
PARAMUS, NJ 07652-2819

Producer Information

SCIROCCO FINANCIAL GROUP, INC.
777 TERRACE AVE SUITE 309
HASBROUCK HEIGHTS, NJ 07604

Policy Number

CUE 4017244528

Producer Processing Code

978-051744

Policy Period

09/22/2017 to 09/22/2018

CNA Branch

NEW JERSEY
184 Liberty Corner Road
Suite 402
Warren, NJ 07059

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Claim Services

To file a claim contact us at:

Email:	HPReports@CNA.com
Fax#:	800-446-8632
Mailing Address:	Life Sciences CNA Claims Reporting P.O. Box 8317 Chicago, IL 60680-8317

Crisis Management Expenses

- $300,000 Crisis Management Limit is first dollar, in addition to the policy limit, and is available for all covered expenses, with no sublimit for Public Relations expense

The following are suggested Crisis Management firms:

Website	Contact	
www.ogilvypr.com	Mike Hatcliffe Ogilvy Public Relations mike.hatcliffe@ogilvy.com	Phone: (312) 397-6010
http://levick.com	**Eric A. Lundberg** Levick elundberg@levick.com	Phone: (202) 973-1352
http://fleishmanhillard.com	Marianna Deal Fleishman-Hillard marianna.deal@fleishman.com	Phone: (314) 982-9112

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NEW YORK FREE TRADE ZONE DISCLOSURE NOTICE

If the risk is classified as a Class 1 or Class 2, the following Notice applies:

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK INSURANCE LAW AND REGULATIONS. HOWEVER, THE FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

If the risk is classified as a Class 3, the following Notice applies:

NOTICE: THESE POLICY FORMS ARE NOT SUBJECT TO THE APPROVAL REQUIREMENTS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK INSURANCE LAW AND REGULATIONS. HOWEVER, THE FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

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Class Code : 2 Class 2 Classification Code : 2-13000

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NOTICE – OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM

IMPORTANT INFORMATION

NOTICE – OFFER OF TERRORISM COVERAGE;

DISCLOSURE OF PREMIUM

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

The **Named Insured** is hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), the **Named Insured** has a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert the **Named Insured** to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, the Insurer is required to offer the **Named Insured** the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. In 2015, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention, and shall decrease by 1 percentage point per calendar year until equal to 80%.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

Further, this coverage is subject to a limit on the Insurer's liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed $100 billion in a Program Year (January 1 through December 31) and the Insurer has met its insurer deductible under the Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion. 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.

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CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, the Insurer offered the **Named Insured** coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that the **Named Insured** has chosen to accept the Insurer's offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage is shown separately on the Declarations.

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POLICYHOLDER NOTICE – OFAC REQUIREMENTS

POLICYHOLDER NOTICE

CNA Commercial Insurance

CNA Plaza 38S-420

Chicago, IL 60685-0001

Regarding Your: CNA Commercial Insurance Coverage

Dear CNA Policyholder:

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit **all** United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your renewal policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups) any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

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POLICY LIMITATION DISCLOSURE NOTICE

This Disclosure Notice is not your policy. READ YOUR POLICY CAREFULLY to determine rights, duties, and what is and is not covered. Only the provisions of your policy determine the extent of your insurance protection.

This policy contains exclusions relating to asbestos and silica. As stated in the exclusions, the policy does not provide any coverage for liability arising out of the presence of or exposure to asbestos or silica.

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POLICYHOLDER NOTICE – COUNTRYWIDE

POLICY LIMITATION DISCLOSURE NOTICE
EXCLUSION – LEAD

This Disclosure Notice is not your policy. READ YOUR POLICY CAREFULLY to determine rights, duties, and what is and is not covered. Only the provisions of your policy determine the extent of your insurance protection.

This policy contains an exclusion of coverage for **claims** arising out of lead.

With this endorsement, coverage is excluded for:

I. any actual or alleged liability arising out of the exposure to or presence of lead; or

II. 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, abate, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of, lead; or

B. claim relating to testing for, monitoring, cleaning up, removing, abating, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of, lead.

Please read this exclusion carefully.

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POLICY DECLARATIONS

Named Insured and Mailing Address

Named Insured:
STERI-PHARMA LLC

Mailing Address:
120 N RTE 17
ATTN: VINCENT DURANTE
PARAMUS, NJ 07652-2819

Policy Information

Policy Number: 4017244528

Renewal of: 4017244528

Insurer's Name and Address:
Continental Ins. Co
333 S Wabash Ave
Chicago, IL 60604

Producer Information

Producer:
SCIROCCO FINANCIAL GROUP, INC.
777 TERRACE AVE SUITE 309
HASBROUCK HEIGHTS, NJ 07604

Producer Code: 978-051744

Policy Period

09/22/2017 to **09/22/2018** at 12:01 a.m. Standard Time at your mailing address.

Limits of Insurance

Each **Incident Limit**	$10,000,000
Aggregate Limit	$10,000,000
Aggregate **Products-Completed Operations Hazard** Limit	Excluded
Policy Aggregate Limit	N/A
Crisis Management Expenses Aggregate Limit	$300,000
Key Employee Replacement Expenses Aggregate Limit	$100,000

Self-Insured Retention

Self-Insured Retention	$10,000

Schedule of Underlying Insurance

Underlying Insurer
Policy Number
Policy Period
Note:

Underlying Insurance	Coverages	Limits of Insurance

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American Casualty Company of Reading, Pennsylvania 4017244481 09/22/2017 to 09/22/2018	General Liability	Each Occurrence Limit	$1,000,000
		General Aggregate Limit	$2,000,000
		Per Location : no	
		Per Project : no	
		Products/ Completed Operations Aggregate Limit	Excluded
		Personal and Advertising Injury Liability Limit	$1,000,000
		ALAE	Outside Limits
Valley Forge Insurance Company 4017244514 09/22/2017 to 09/22/2018	Auto Liability	Combined Single Limit	$1,000,000
		ALAE	Outside Limits
Continental Casualty Company 4017254573 09/22/2017 to 09/22/2018	Employers Liability	Bodily Injury by Accident- Each Accident Limit	$1,000,000
		Bodily Injury by Disease - Policy Limit	$1,000,000
		Bodily Injury by Disease - Each Employee Limit	$1,000,000
		ALAE	Outside Limits
Underlying Insurer **Policy Number** **Policy Period** **Note:**	**Underlying Insurance**	**Coverages**	**Limits of Insurance**

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American Casualty Company of Reading, Pennsylvania 4017244481 09/22/2017 to 09/22/2018	Employee Benefits Liability	Each Occurrence Limit Aggregate Limit	$1,000,000 $1,000,000
Continental Insurance Company PST 59 544 5564 10/11/2017 to 10/11/2018	Foreign General Liability	Each Occurrence Limit General Aggregate Limit Products/ Completed Operations Aggregate Limit Personal and Advertising Injury Liability Limit	$1,000,000 $2,000,000 Excluded $1,000,000
Continental Insurance Company PST 59 544 5564 10/11/2017 to 10/11/2018	Foreign Auto Liability	Combined Single Limit	$1,000,000
Underlying Insurer **Policy Number** **Policy Period** **Note:**	**Underlying Insurance**	**Coverages**	**Limits of Insurance**

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Continental Insurance Company PST 59 544 5564 10/11/2017 to 10/11/2018	Foreign Employers Liability	Bodily Injury by Accident- Each Accident Limit	$1,000,000
		Bodily Injury by Disease - Policy Limit	$1,000,000
		Bodily Injury by Disease - Each Employee Limit	$1,000,000
Continental Insurance Company PST 59 544 5564 10/11/2017 to 10/11/2018	Foreign Employee Benefits Liability	Each Occurrence Limit	$1,000,000
		Aggregate Limit	$1,000,000

Forms and Endorsements Attached to this Policy

See SCHEDULE OF FORMS AND ENDORSEMENTS

Premium

Minimum Earned Premium	0% of the Total Premium
Total Premium	$10,099.00
Premium includes the following amount for Certified Acts of Terrorism Coverage	$100

Notices

Notice to insurer

Address:	CNA Claims Reporting P.O. Box 8317 Chicago, IL 60680-8317
Fax #:	800-446-8632
Email Address:	HPReports@CNA.com

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SCHEDULE OF FORMS AND ENDORSEMENTS

Endorsement Number	Form Name	Form Number	Form Edition Date
1	CANCELLATION AND NON-RENEWAL ENDORSEMENT - NEW YORK	CNA62814NY	09-2012
2	HUMAN CLINICAL TRIALS EXCLUSION ENDORSEMENT	CNA75529XX	03-2015
3	LEAD EXCLUSION ENDORSEMENT	CNA75545XX	03-2015
4	MEDICAL MALPRACTICE PROFESSIONAL LIABILITY THERAPEUTIC OR COSMETIC SERVICES EXCLUSION ENDORSEMENT	CNA75548XX	03-2015
5	TESTING OR CONSULTING ERRORS AND OMISSIONS EXCLUSION ENDORSEMENT	CNA75549XX	03-2015
6	PRODUCTS COMPLETED OPERATIONS AND LEASED PRODUCTS EXCLUSION ENDORSEMENT	CNA75578XX	03-2015
7	UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT	CNA76492XX	03-2015
8	INTELLECTUAL PROPERTY EXCLUSION ENDORSEMENT	CNA76498XX	03-2015
9	TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP ENDORSEMENT NEW YORK	CNA76568NY	03-2015
10	STATE AMENDATORY ENDORSEMENT - NEW YORK	CNA76599NY	11-2015
	PAYMENT PLAN SCHEDULE	CNA84401XX	12-2015
	POLICYHOLDER NOTICE - COUNTRYWIDE	CNA76627XX	03-2015
	POLICY DECLARATIONS	CNA75501XX	03-2015
	POLICY LIMITATION DISCLOSURE NOTICE	CNA76626XX	07-2016
	POLICYHOLDER NOTICE OFAC REQUIREMENTS	CNA76614XX	03-2015
	PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY	CNA75504XX	03-2015
	NOTICE - OFFER OF TERRORISM COVERAGE, DISCLOSURE OF PREMIUM	CNA75532XX	01-2015
	NEW YORK FREE TRADE ZONE DISCLOSURE NOTICE	CNA72342NYFTZ	01-2013

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PAYMENT PLAN SCHEDULE

PAYMENT PLAN SCHEDULE

IT IS AGREED THAT THE TOTAL PREMIUM SHOWN IN THE DECLARATIONS OF THIS POLICY IS PAYABLE AS FOLLOWS:

Effective Date	Premium
09/22/2017	$10,099.00
Total Cost	$10,099.00

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PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

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

The "Insurer" refers to the insurer providing this insurance as set forth on the Declarations of this Policy. Words and phrases that appear in **bold** have special meaning. Refer to the section entitled **DEFINITIONS**.

I. COVERAGES

A. Coverage A - Excess Follow Form Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the applicable **underlying limits**. Coverage hereunder will attach only after the full amount of the applicable **underlying limits** have been exhausted through payment in legal currency of covered loss under all applicable **underlying insurance** and to which this Coverage A applies.

Coverage A under this Policy will then apply in conformance with the provisions of the applicable **underlying insurance** except for the premium, limits of insurance, deductible, retentions, or any defense obligations and any other terms and conditions specifically set forth in this Policy.

Upon exhaustion of the applicable **underlying limits**, the Insurer shall only pay for **damages** in excess of the applicable **underlying limits**. This Coverage A does not provide coverage for any loss not covered by the applicable **underlying insurance** except and to the extent that such loss is not paid under the applicable **underlying insurance** solely by reason of the exhaustion of the applicable **underlying limits** through payment of loss thereunder.

This Coverage applies:

1. if the applicable **underlying insurance** is on an occurrence basis, then only if that which must take place in the policy period of the **underlying insurance** in order to trigger coverage, takes place during this **policy period**; and
2. if the applicable **underlying insurance** is on a claims made basis, then only if:
   a. that which must take place in the **underlying insurance** in order to trigger coverage, takes place after the retroactive date and prior to the end of the **policy period**; and
   b. the **claim** is first made during the **policy period**.

B. Coverage B - Umbrella Liability

The Insurer will pay on behalf of the **Insured** those **damages** in excess of the **retained amount:**

1. that an **Insured** becomes legally obligated to pay because of **bodily injury, property damage or personal and advertising injury**; or
2. because of liability for **bodily injury** or **property damage** assumed under an **insured contract,** provided the **bodily injury** or **property damage** occurs subsequent to the execution of such **insured contract;**

and provided that:

a. the **bodily injury** or **property damage** occurs during the **policy period**;

b. the **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**;

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c. the **personal and advertising injury** is caused by an offense arising out of the **Named Insured's** business; and

d. the offense giving rise to **personal and advertising injury** was first committed during the **policy period** and in the **coverage territory**;

Provided, however, that **Coverage B - Umbrella Liability:**

i. does not apply to:

(a) any part of **damages** to which **underlying insurance** applies; or

(b) any part of **damages** to which **underlying insurance** would have applied regardless of:

(1) the availability of **underlying insurance**; or

(2) the exhaustion of the applicable **underlying limits;**

(c) any **defense costs** related to **damages** as described in **a.** and **b.** above.

ii. applies only if prior to the effective date of the **policy period**, no **authorized insured**:

(a) knew that such **bodily injury** or **property damage** had occurred, in whole or in part. If any **authorized insured** knew, prior to the **policy period**, that any such **bodily injury** or **property damage** had 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**; or

(b) knew that any offense giving rise to **personal and advertising injury** had occurred, in whole or in part.

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 **authorized insured**, includes any continuation, change or resumption of that **bodily injury** or **property damage** after the end of the **policy period**.

An **authorized insured** will be deemed to know:

1. that such **bodily injury** or **property damage** occurred, at the earliest time when such **authorized insured**:

a. reports the **bodily injury** or **property damage** to the Insurer or any other insurer;

b. receives a **claim** arising out of the **bodily injury** or **property damage**; or

c. becomes aware by any other means that the **bodily injury** or **property damage** has occurred or has begun to occur;

2. that such offense giving rise to **personal and advertising injury** occurred, on the date of the first utterance or dissemination or, if there is no utterance or dissemination, then on the first date of the activity giving rise to a **claim.**

C. **Coverage C - Crisis Management Expenses**

The Insurer will reimburse the **Named Insured** for **crisis management expenses** incurred by the **Named Insured** as a direct result of its response to a **crisis management event** that first occurs during the **policy period**, provided:

1 such **crisis management event** is reported to the Insurer as soon as reasonably practicable following the **crisis management event**, or within 72 hours after such **crisis management event** begins if such **crisis management event** is likely to give rise to **bodily injury** or **property damage;**

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2. such **crisis management expenses** are incurred within 180 days after the **crisis management event** and reported to the Insurer as soon as reasonably practicable; and,

3. such **crisis management expenses** are approved in advance by the Insurer.

The period of time for which the Insurer will pay **crisis management expenses** will not be limited by the expiration of the **policy period.**

D. **Coverage D – Key Employee**

The Insurer will reimburse the **Named Insured** for **key employee replacement expenses** due to the **Named Insured's** permanent loss of the services of a **key employee** provided that:

1. the **Named Insured** would not have incurred such **key employee replacement expenses** if the **Named Insured** had not lost the services of the **key employee;**

2. such **key employee replacement expenses** are incurred by the **Named Insured** within 180 days of the **covered accident** and reported to the Insurer as soon as reasonably practicable;

3. such loss of service is caused by a **covered accident;**

4. the **covered accident** occurs during the **policy period;** and

5. a replacement for such **key employee** is hired within 180 days after the **covered accident.**

The period of time for which the Insurer will pay **key employee replacement expenses** will not be limited by the expiration of the **policy period.**

II. DEFENSE COSTS PAYMENT AND RELATED DUTIES

A. The Insurer has the right and duty to defend any **suit**, and the right to assume control of the investigation and settlement of any **claim**, against the **Insured**, as follows:

1. with respect to the **Coverage A - Excess Follow Form Liability**, upon exhaustion through payment in legal currency of the full amount of the applicable **underlying limits** over which **Coverage A** applies.

2. with respect to the **Coverage B - Umbrella Liability**, upon receipt by the Insurer of a **claim** to which Coverage B applies.

When the Insurer has the duty to defend any **suit** and the right to investigate any **claim** but is prevented by law from doing so, the **Insured** will undertake such defense and investigation, and the Insurer will reimburse the **Insured** for the **defense costs.**

The Insurer's obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** does not apply if any other insurer has a duty to defend. Further, any obligation to defend any **suit**, investigate any **claim**, or reimburse for any **defense costs** ceases upon exhaustion of the applicable limits of insurance of this Policy.

B. The Insurer may, at the Insurer's sole discretion and at the Insurer's own cost, elect to participate in the investigation, settlement or defense of any **claim** against any of the **Insureds** for matters covered by this Policy even if the applicable **underlying limit** has not been exhausted.

C. The Insurer will pay **defense costs** as follows:

1 with respect to the **Coverage A - Excess Follow Form Liability, defense costs** are paid within or excess of the limits of insurance as set forth in the applicable **underlying insurance.**

2. with respect to the **Coverage B - Umbrella Liability, defense costs** are paid in excess of and do not erode the limits of insurance or the **retained amount.**

D Where the Insurer investigates a **claim** or defends a **suit**, the Insurer will do so even if the allegations of a **claim** are groundless, false, or fraudulent. If Insurer investigates a **claim** or defends a **suit,** Insurer will

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do so only until the Insurer:

1. makes payment of; or
2. offers to pay; or
3. deposits in court

that part of a judgment up to but not exceeding the Insurer's applicable limits of insurance.

E. No **Insured** shall admit liability, consent to any judgment, agree to any settlement or make any settlement offer which is reasonably likely to involve this Policy without the Insurer's prior written consent, such consent not to be unreasonably withheld. The **Insureds** agree that they shall not knowingly take any action that increases the Insurer's exposure for **damages** or **defense costs** under this Policy.

III. EXCLUSIONS

A. Coverage A - Excess Follow Form Liability and Coverage B - Umbrella Liability Exclusions

With respect to both the **Coverage A- Excess Follow Form Liability** and **Coverage B -Umbrella Liability,** this Insurance does not apply to:

1. **Access to or Disclosure of Confidential or Personal Information and Data-Related Liability**

   any actual or alleged **damages** arising out of:

   a. 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

   b. 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 the **Named Insured** or others arising out of that which is described in paragraph **a.** or **b.** above.

   However, unless paragraph **a.** above applies, this exclusion does not apply to **bodily injury** to the extent that such liability is covered by **underlying insurance.**

2. **Asbestos**

   a. any actual or alleged liability arising out of the actual, alleged or threatened exposure at any time to **asbestos**; or

   b. any actual or alleged loss, cost or expense that may be awarded or incurred:

      i. by reason of a **claim** for any such injury or damage; or

      ii. in complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of **asbestos.**

3. **Damage to Impaired Property or Property not Physically Injured**

   any actual or alleged **property damage** to **impaired property** or property that has not been physically injured, arising out of:

   a. a defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or

   b. a delay or failure by the **Named Insured** or anyone acting on the **Named Insured's** behalf to perform a contract or agreement in accordance with its terms.

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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.

4. **Damage to Premises Rented or Occupied by the Named Insured**

   any actual or alleged **property damage** to premises rented to the **Named Insured** or in the case of damage by fire, while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with the permission of the owner.

5. **Distribution or Recording of Material or Information in Violation of Laws**

   any actual or alleged liability arising directly or indirectly out of any actual or alleged:

   a. violation of:

      i. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

      ii. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;

      iii. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

      iv. any statute, ordinance, regulation or law other than the TCPA, CAN-SPAM Act of 2003, or FCRA, including FACTA, 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; or

   b. conversion or consumption of another's tangible property or electronic assets. For the purpose of this provision, electronic assets include but are not limited to minute allowances, text message allowances, and other electronic consumables.

6. **Employment Related Practices**

   any actual or alleged **bodily injury** or **personal and advertising injury** to:

   a. a person arising out of any actual or alleged:

      i. refusal to employ that person;

      ii. termination of that person's employment;

      iii 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

   b the **spouse**, child, parent, brother or sister of that person as a consequence of such **bodily injury** or **personal and advertising injury** to that person at whom any of the employment-related practices described in paragraphs **a. i., ii.**, or **iii.** above is directed.

   This exclusion applies:

   a. whether the injury-causing event described in paragraphs **a. i., ii.**, or **iii.** above occurs before employment, during employment or after employment of that person;

   b. whether the **Insured** may be liable as an employer or in any other capacity; and

   c. to any obligation to share damages with or repay someone else who must pay damages because of the injury.

   However, this exclusion does not apply to **bodily injury** a person sustains during a job interview while attempting to demonstrate a physical capability or skill required by the job to the extent that

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such liability is covered by **underlying insurance**.

7. **ERISA**

any actual or alleged liability arising out of any actual or alleged obligation of any **Insured** under the Employees Retirement Income Security Act of 1974 or any similar common or statutory law anywhere in the world including any amendments or additions thereto.

8. **Nuclear Energy Liability**

any actual or alleged **bodily injury, property damage** or **personal and advertising injury:**

a. with respect to which an **Insured** under this 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 insurance;

b. resulting from the **hazardous properties** of **nuclear material** and with respect to which:

   i. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or

   ii. 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; or

c. resulting from **hazardous properties** of **nuclear material**, if:

   i. 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;

   ii. the **nuclear material** is contained in **spent fuel** or **nuclear waste** at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an **Insured**;

   or

   iii the **bodily injury, property damage** or **personal and advertising injury** 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 applies only to **property damage** to such **nuclear facility** and any property thereat.

d. Under any Medical Payments coverage, to expenses 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.

Solely as used in this exclusion:

(a) **property damage** includes all forms of radioactive contamination of property;

(b) **hazardous properties** includes but is not limited to radioactive, toxic or explosive properties;

(c) 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;

(d) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.

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9. **Recall of Products, Work or Impaired Property**

   any actual or alleged loss, cost or expense incurred by the **Named Insured** or any person or entity, for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your product**, **your work** or **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.

10. **Unfair Competition/Antitrust Claims/RICO Claims**

    any actual or alleged liability arising out of any:

    a. unfair competition, dilution, deceptive trade practices, or civil actions for consumer fraud;

    b. charges of price fixing, monopolization or restraint of trade; or

    c. any violation of:

       i. the Federal Trade Commission Act;

       ii. the Sherman Act, the Clayton Act, or any federal statutory provision regarding anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade;

       iii. the Racketeer Influenced and Corrupt Organizations Act;

       iv. any rules or regulations promulgated under or in connection with the above statutes; or

       v. any state, federal or local statute or other law which similarly regulates business practices.

11. **Uninsured/Underinsured Motorists**

    any actual or alleged liability arising out of any obligations under an uninsured/underinsured motorist law, a personal injury protection law, a reparations benefit law or other similar law.

12. **War**

    any actual or alleged liability arising, directly or indirectly out of any:

    a. war, including undeclared or civil war;

    b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

    c. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. **Workers' Compensation and Similar Laws /Nonsubscriber Status**

    any actual or alleged liability arising out of any obligation of any **Insured**:

    a. under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

    b. by reason of a statement of non-subscription on file with any applicable Worker's Compensation authority of any State indicating the **Named Insured** has chosen not to participate in the Workers Compensation system in accordance with laws of such state.

B. **Coverage A - Excess Follow Form Liability Exclusions**

With respect to **Coverage A - Excess Follow Form Liability**, this Insurance does not apply to:

1. **Coverages Subject to a Sub Limit**

   any actual or alleged liability, loss, cost or expense covered under any **underlying insurance** which is

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subject to a **sub limit**.

2. **Crisis Management Expenses**

   crisis management expenses except as provided for in **Coverage C** above even if such insurance is afforded under **underlying insurance** or would have been afforded but for the exhaustion of the **underlying limits**.

3. **Pollution**

   a. any actual or alleged **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:

      i. 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** except that this subparagraph does not apply to:

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

         (b) **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. 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;

      iii. which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Insured** or any person or organization for whom the **Named Insured** may be legally responsible; or

      iv. 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:

         (a) If the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **Insured**, contractor or subcontractor; except that this subparagraph does not apply to **bodily injury** or **property damage** arising out of:

            (1) the escape of fuels, lubricants, or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for 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; or

            (2) heat, smoke or fumes from a **hostile fire**; or

         (b) 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;**

      v. that are, or that are contained in property that is:

         (a) being transported or towed by, or handled for movement into, onto or from a covered **auto**;

         (b) otherwise in the course of transit; or

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(c) being stored, disposed of, treated or processed in or upon the covered **auto** except that this subparagraph does not apply to fuels, lubricants, fluids, exhaust, gases or other similar **Pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts if the **pollutants** escape or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants;**

vi. before the **pollutants** or property in which the **pollutants** are contained are moved from the place where they are accepted by the **Insured** for movement into or onto the covered **auto;**

or

vii. after the **pollutants** or property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **Insured.**

Subparagraphs **vi.** and **vii.** do not apply if the **pollutants** or property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto** and the discharge, dispersal, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

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

c. any actual or alleged loss, cost or expense arising out of any:

i. 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

ii. **claim** 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, if liability for **damages** because of **property damage** is not excluded by paragraph **a.** of this exclusion, then neither will paragraph **c.** above serve to exclude such **damages.**

C. Coverage B - Umbrella Liability Exclusions

With respect to the **Coverage B - Umbrella Liability**, this Insurance does not apply to:

1. Aircraft, Auto, Watercraft or Mobile Equipment

any actual or alleged **bodily injury, property damage, personal and advertising injury** arising out of the ownership, maintenance, operation, use, **loading or unloading** or entrustment to others of any:

a. **aircraft** owned by any **Insured** or rented, loaned or chartered by or on behalf of any **Insured** without crew; or

b. **autos,** watercraft or **mobile equipment**

This exclusion applies even if such **claim** against an **Insured** alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured.**

This exclusion does not apply to:

i. watercraft while ashore on premises the **Named Insured** owns or rents;

ii. watercraft the **Named Insured** does not own that is:

(a) less than 55 feet long; and

(b) not being used to carry persons or property for a charge; or

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iii. liability assumed under any **insured contract** for the ownership, maintenance or use of watercraft.

2. **Contractual Liability**

   any actual or alleged **bodily injury**, **property damage** or **personal and advertising injury** for which an **Insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement other than an **insured contract**. This exclusion does not apply to liability that the **Insured** would have in the absence of such contract or agreement.

3. **Damage to Property**

   any actual or alleged **property damage** to:

   a. property the **Named Insured** owns, rents, or occupies, including any costs or expenses incurred by the **Named Insured**, 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;

   b. premises the **Named Insured** sells, gives away or abandons, if the **property damage** arises out of any part of those premises;

   c. property loaned to the **Named Insured**;

   d. personal property in the care, custody or control of the **Insured**;

   e. that particular part of real property on which the **Named Insured** or any contractors or subcontractors working directly or indirectly on its behalf are performing operations, if the **property damage** arises out of those operations; or

   f. that particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

   Paragraph **b.** of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by the **Named Insured**.

   Paragraphs **c.**, **d.**, **e.** and **f.** of this exclusion do not apply to liability assumed under a sidetrack agreement.

   Paragraph **f.** of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

4. **Damage to Your product**

   any actual or alleged **property damage** to **your product** arising out of it or any part of it.

5. **Damage to Your work**

   any actual or alleged **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 the **Named Insured's** behalf by a subcontractor.

6. **Employee Injury**

   any actual or alleged **bodily injury** or **personal and advertising injury** to:

   a. an **employee** arising out of and in the course of employment by the **Insured** or performing duties related to the conduct of the **Insured's** business; or

   b. the **spouse**, child, parent, brother or sister of that **employee** as a consequence of **a.** above.

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This exclusion applies:

i. whether an **Insured** may be liable as an employer or in any other capacity; and

ii. 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**.

7. **Expected or Intended injury**

any actual or alleged **bodily injury** or **property damage** arising out of an act or omission:

a. intended by an **Insured**; or

b. that would be expected from the standpoint of a reasonable person in the circumstances of the **Insured;**

to cause **bodily injury** or **property damage,** even if the actual **bodily injury** or **property damage is** of a different degree or type than intended or expected.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property.

8. **Fungi or Other Organic Pathogens**

a. any actual or alleged **bodily injury**, **property damage** or **personal and advertising injury** arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi or other organic pathogens;**

b. any actual or alleged loss, cost or expense arising out of or relating to the 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 other organic pathogens** by any **Insured** or by anyone else; or

c. any actual or alleged **property damage** caused by water where there also exists any **property damage** arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any **fungi or other organic pathogens.**

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage, loss, cost or expense.

9. **Liquor Liability**

any actual or alleged **bodily injury** or **property damage** for which any **Insured** may be held liable by reason of:

a. causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on the **Insured's** premises, for consumption on the **Insured's** premises;

b. the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

c. 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:

i. the supervision, hiring, employment, training or monitoring of others by that **Insured**; or

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ii. 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 **a.**, **b.** or **c.** above.

10. **Nonemployment Related Discrimination**

any actual or alleged personal and advertising injury arising out of any actual or alleged nonemployment related discrimination committed intentionally against a person.

11. **Personal and Advertising Injury**

any actual or alleged **personal and advertising injury**:

a. **Breach of Contract**

arising out of breach of contract, except an implied contract to use another's advertising idea in the **Named Insured's advertisement.**

b. **Criminal Acts or Conduct**

arising out of any actual or alleged criminal act or omission committed by or at the direction of any **Insured**. This exclusion does not apply to the extent liability is imposed upon the **Insured** for acts or omissions of another committed without the knowledge or consent of the **Insured.**

c. **Electronic Chat Rooms or Bulletin Boards**

arising out of an electronic chat room or bulletin board the **Insured** hosts, owns, or over which the **Insured** exercises control.

d. **Infringement of Copyright, Patent, Trademark or Trade Secret**

arising out of 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 the **Named Insured's advertisement**. However, this exclusion does not apply to infringement of copyright, trade dress or slogan in the **Named Insured's advertisement.**

e. **Insureds in Media and Internet Type Businesses**

committed by an **Insured** whose business is:

i. advertising, broadcasting, publishing or telecasting;

ii. designing or determining content or web-sites for others; or

iii. an Internet search, access, content or service provider.

However, this exclusion does not apply to paragraph **A.**, **B.** or **C.** of **personal and advertising injury** as defined in the section entitled Definitions.

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

f. **Knowing Violation of Rights of Another**

caused by an actual or alleged offense, act or omission by or at the direction of the **Insured** if the **Insured** knew or should have known that such offense, act or omission would cause such **personal and advertising injury**.

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

arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the **policy period**.

h. **Material Published with Knowledge of Falsity**

arising out of written publication in any manner of material, if the **Insured** knew or should have known the material was false.

i. **Quality or Performance of Goods – Failure to Conform to Statements**

arising out of any failure of goods, products or services to conform to any statement of quality or performance made in the **Named Insured's advertisement.**

j. **Unauthorized Use of Another's Name or Product**

arising out of unauthorized use of another's name or product in the **Named Insured's** e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

k. **Wrong Description of Prices**

arising out of the wrong description of the price of goods, products or services stated in the **Named Insured's advertisement.**

12. **Pollution**

a any actual or alleged **bodily injury, property damage** or **personal and advertising injury** arisingout of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.

b. any actual or alleged loss, cost or expense arising out of any:

i. request, demand, order, or statutory or regulatory requirement that anyone test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**; or

ii. **claim** 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.**

13. **Silica**

a. any actual or alleged **bodily injury** arising, in whole or in part, out of the actual, alleged or threatened respiration or ingestion at any time of **silica**; or

b. any actual or alleged **property damage** arising in whole or in part out of the actual, alleged or threatened presence of **silica**.

c. any actual or alleged **personal and advertising injury** arising, in whole or in part, out of the actual, alleged or threatened:

i. exposure at any time to; or

ii. presence at any time of;

silica.

14. **Terrorism**

any actual or alleged **bodily Injury, property damage** or **personal and advertising injury** arising out of any act of terrorism.

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D. Coverage D - Key Employee Exclusions

With respect to **Coverage D – Key Employee**, this insurance does not apply to any actual or alleged:

1. **Death or Disability**

   death or permanent disability of a **key employee** relating to, or arising out of:

   a. nuclear reaction or radiation or radioactive contamination, however caused;

   b. sickness or disease, including mental illness or mental injury;

   c. pregnancy, childbirth, miscarriage or abortion;

   d. suicide, attempted suicide or self inflicted bodily injury, while sane or insane;

   e. the **key employee's** intoxication, impairment or otherwise being under the influence of alcohol or controlled substances;

   f. war, including undeclared or civil war;

   g. 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

   h. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. **Other Expenses**

   a. expenses the **Named Insured** incurs which the **Named Insured** would not have incurred if the **Named Insured** had used all reasonable means to:

      i. find a permanent replacement for the **key employee**; and

      ii. reduce or discontinue the **key employee** replacement expense;

      as soon as possible after the **Named Insured's** permanent loss of the services of the **key employee** caused by a **covered accident**.

   b. additional expenses incurred due to the **Named Insured's** loss of the services of a permanent replacement appointed or hired to replace a **key employee**, however caused. However, this exclusion does not apply if the replacement employee is included in the definition as a **key employee** and the **Named Insured's** loss of the services of the replacement employee is caused by a **covered accident**.

IV. WHO IS AN INSURED

The following persons or organizations are **Insureds**.

A. With respect to **Coverage A - Excess Follow Form Liability**, the **Named Insured** and any persons or organizations included as an insured under the provisions of **underlying insurance** are **Insureds**, and then only for the same coverage, except for limits of insurance, afforded under such **underlying insurance**.

B. With respect to the **Coverage B - Umbrella Liability**:

1. If the **Named Insured** is designated in the Declarations of this Policy as:

   a. an individual, the **Named Insured** and the **Named Insured's spouse** are **Insureds**, but only with respect to the conduct of a business of which the **Named Insured** is the sole owner.

   b. a partnership or joint venture, the **Named Insured** is an **Insured**. The **Named Insured's** members, the **Named Insured's** partners, and their **spouses** are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business.

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c. a limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's** members are also **Insureds**, but only with respect to the conduct of the **Named Insured's** business. The **Named Insured's** managers are **Insureds**, but only with respect to their duties as the **Named Insured's** managers.

d. an organization other than a partnership, joint venture or limited liability company, the **Named Insured** is an **Insured**. The **Named Insured's executive officers** and directors are **Insureds**, but only with respect to their duties as the **Named Insured's** officers or directors. The **Named Insured's** stockholders are also **Insureds**, but only with respect to their liability as stockholders.

e. a trust, the **Named Insured** is an **Insured**. The **Named Insured's** trustees are also **Insureds**, but only with respect to their duties as trustees.

2. Each of the following are also **Insureds**:

a. The **Named Insured's volunteer workers** but only while performing duties related to the conduct of the **Named Insured's** business.

b. The **Named Insured's employees**, other than either the **Named Insured's executive officers** (if the **Named Insured** is an organization other than a partnership, joint venture or limited liability company) or the **Named Insured's** managers (if the **Named Insured** is a limited liability company), but only for acts within the scope of their employment by the **Named Insured** or while performing duties related to the conduct of the **Named Insured's** business.

However, none of these **employees** or **volunteer workers** are **Insureds** for:

i. **bodily injury** or **personal and advertising injury**:

(a) to the **Named Insured**, to the **Named Insured's** partners or members (if the **Named Insured** is a partnership or joint venture), to the **Named Insured's** members (if the **Named Insured** is 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 the **Named Insured's** business, or to the **Named Insured's** other **volunteer workers** while performing duties related to the conduct of the **Named Insured's** business;

(b) to the **spouse**, child, parent, brother or sister of that co-**employee** or **volunteer worker** as a consequence of paragraph **(i)(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 i. **(a)** or **(b)** above; or

(d) arising out of his or her providing or failing to provide professional health care services.

ii. **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;

the **Named Insured**, any of the **Named Insured's employees, volunteer workers**, any partner or member (if the **Named Insured** is a partnership or joint venture), or any member (if the **Named Insured** is a limited liability company).

C. With respect to the **Coverage C - Crisis Event Management** and the **Coverage D - Key Employee**, the **Named Insured** is the **Insured.**

V. LIMITS OF INSURANCE

A. Multiple Insureds, claims, claimants

The limits of insurance shown in the Declarations of this Policy and the rules below fix the most the

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Insurer will pay regardless of the number of:

1. **Insureds**;
2. **claims** made or brought against the **Insured**;
3. persons or organizations making **claims** or bringing **claims**; and
4. coverages under this Policy.

B. Aggregate Limit

Subject to the paragraphs **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate limit is the most that the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for:

1. **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated; and
2. **damages** covered under the **products-completed operations hazard.**

The limits of insurance shown in the Declarations of this Policy apply to the entire **policy period**, regardless of length.

In addition, with respect to **Coverage A – Excess Follow Form Liability** only, the Aggregate limit shown in the Declarations of this Policy shall be applied in the same manner as the applicable Aggregate limits in the Schedule of **underlying insurance**.

C. Aggregate Products-Completed Operations Hazard

Subject to paragraph **D.** and **E.** below, the limit of insurance shown in the Declarations of this Policy as the Aggregate Products-Completed Operations Hazard limit is the most that the Insurer will pay as **damages** arising out of the **products-completed operations hazard,** regardless of whether such **damages** are or otherwise would be covered in any way under more than one coverage.

D. Policy Aggregate Limit

This provision **D.** only applies if an amount is shown in the Declarations as the Policy Aggregate Limit.

Subject to the Each **Incident** limit, Aggregate limit and Aggregate **products-completed operations hazard** limit, the Policy Aggregate limit is the most the Insurer will pay as **damages** under this Policy, regardless of which coverage applies, except for **damages** covered by any auto liability policy listed in the Schedule of **Underlying Insurance** where the limits of insurance of such auto liability policy are not aggregated.

E. Each Incident

Subject to paragraphs **B.**, **C.** and **D.** above, the limit of insurance shown in the Declarations of this Policy as the Each **Incident** limit is the most the Insurer will pay for the sum of all **damages** arising out of any one **incident** under this Policy, regardless of which coverage applies.

F. Crisis Management

Solely with respect to **Coverage C – Crisis Management Expenses,** the most the Insurer will pay is the limit of insurance shown on the Declarations of this Policy as the **Crisis Management Expenses** Aggregate limit, regardless of the number **crisis management events** for which **crisis management expenses** are incurred. **Crisis management expenses** are not subject to the **retained amount.**

The **Crisis Management Expenses** Aggregate limit of insurance is in addition to and will not erode any other limits of this Policy. The **Crisis Management Expenses** Aggregate limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

G. Key Employee Replacement Expenses

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Solely with respect to **Coverage D – Key Employee,** the most the Insurer will pay for **key employee replacement expenses** is the **Key Employee** Aggregate limit shown on the Declarations of this Policy, regardless of the number **key employees** for which **key employee replacement expenses** are incurred. **Key employee replacement expenses** are not subject to the **retained amount.**

The **Key Employee Replacement Expenses** Aggregate limit of insurance is in addition to and will not erode any other limits of this Policy. The **Key Employee Replacement Expenses** Aggregate limit of insurance shall be excess of any other limits of insurance available to the **Insured** for the same expenses.

H. Defense Costs

Defense costs are either paid within or are in excess of the limits of insurance as set forth in paragraph **C.** of the section entitled **Defense Costs Payment and Related Duties.**

I. Exhaustion or Reduction of Applicable Underlying Limit

Solely with respect to **Coverage A - Excess Follow Form Liability,** if the applicable **underlying limits** are:

1. reduced solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) **Coverage A** will apply in excess of the remaining amount of such applicable **underlying limit**; or
2. exhausted, solely by the payment of covered loss as set forth in **Coverage A** including related costs and expenses (if such related costs and expense reduce such limits) then **Coverage A** will apply, subject to this Policy's limit of insurance provision and to the remaining terms and provisions and conditions of this Policy in place of such exhausted applicable **underlying limit.**

If any loss covered under any **underlying insurance** is subject to a **sub-limit** (whether or not such **sub-limit** erodes the limits generally available to all claims), then the **underlying limits** shall not be deemed depleted by payment of any such **sub-limits.**

Nothing herein shall serve to increase the limits of insurance shown in the Declarations of this Policy.

VI. CONDITIONS

A. Appeals

If the **Named Insured** or its **underlying insurers** elect not to appeal a judgment in excess of the limits of insurance afforded by the **underlying insurance** the Insurer may elect to appeal at the Insurer's expense. The Insurer's limits of insurance shall not be increased because of such appeal. However, the Insurer will pay the following costs and expenses:

1. all premium bonds to release attachments for an amount not in excess of the applicable limit of insurance of this policy;
2. all premiums on appeal bonds required in such defended **claims**, but without obligation to apply for or furnish such bonds;
3. court fees; and
4. costs and expenses taxed against the **Named Insured** by the appellate court and interest accruing after entry of a judgment against the **Named Insured** and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance of this Policy. Where the **underlying insurers** terminate their liability to pay interest on the judgment by an offer to pay their limits, the **Named Insured** shall demand that such limits be paid. If the appeal is successful, such amounts not obligated to be paid shall be returned to such **underlying insurer.**

B. Cancellation and Nonrenewal

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The Cancellation/Nonrenewal provisions are as set forth in the Cancellation/Nonrenewal Endorsement attached to this Policy.

C. Changes to the Policy

Notice to any of the Insurer's agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this Policy, nor will such notice prevent the Insurer from asserting any rights under the provisions of this Policy. None of the provisions of this Policy will be waived, changed or modified except by written endorsement issued by the Insurer to form a part of this Policy.

D. Concealment, Misrepresentation and Fraud

No concealment, misrepresentation or fraud shall avoid or defeat recovery under this Policy unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this Policy which if known by the Insurer would have led to refusal by the Insurer to make this contract or provide coverage, or to make this contract or provide coverage on different terms or conditions, will be deemed material.

E. Duties of the First Named Insured on the Declarations of this Policy

The **First Named Insured**, on behalf of all others, will be:

1. authorized to make changes in the terms of this Policy with the consent of the Insurer;
2. the payee of any premiums the Insurer refunds;
3. responsible for:
   a. remitting the payment of all premiums due, but all **Named Insureds** jointly and severally agree to make such payments in full if the **First Named Insured** fails to pay the amount due within 10 days after the Insurer give written notice or demand;
   b. keeping records of the information the Insurer requires for premium computation, and sending copies of such records at such times as requested by the Insurer;
   c. notifying the Insurer that the **First Named Insured** on behalf of all others wants to cancel this Policy; and
   d. providing any notice required under this Policy.

F. Economic and Trade Sanctions

This Policy does not provide coverage for an **Insured**, transaction or that part of loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

G. Entire Contract

By acceptance of this Policy, the **Insureds** agree that this Policy, including all endorsements to this Policy, constitute the entire contract existing between the parties relating to this insurance.

H. Estates, Legal Representatives and Spouses

The estates, heirs, legal representatives and **spouses** of any natural person **Insured** shall also be insured under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouses** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or spouse outside the scope of such person's capacity or status as such provided however that this sentence does not apply to the spouse of:

1. a sole proprietorship **Named Insured**; or

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2. members or partners of joint venture or partnership **Named Insureds.**

Examination of the **Named Insured's Books and Records**
The Insurer may examine and audit the **Named Insured's** books and records as they relate to this Policy at any time during the **policy period** and up to 3 years afterward.

J. **Financial Impairment**

Bankruptcy, rehabilitation, receivership, liquidation or other financial impairment of the **Named Insured** or an **underlying insurer** shall neither relieve nor increase any of the Insurer's obligations under this Policy.

In the event there is diminished recovery or no recovery available to the **Named Insured** as a result of financial impairment of an **underlying insurer**, the coverage under this Policy shall apply only in excess of the **underlying limits.** Under no circumstances shall the Insurer be required to drop down and replace the **underlying limits**, or assume the obligations of the **Named Insured** or the financially impaired insurer.

K. **Headings**

The description in the headings and subheadings of this Policy is solely for convenience, and forms no part of the terms and conditions of coverage.

L. **Inspections and Surveys**

The Insurer has the right but is not obligated to:

1. make inspections and surveys at any time;
2. give the **Named Insured** reports on the conditions it finds;
3. recommend changes; or
4. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.

The Insurer does not:

1. make safety inspections;
2. undertake to perform the duty of any organization to provide for the health or safety of workers or the public; nor
3. warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

This provision applies not only to the Insurer, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, recommendations, reports, or gives loss control or prevention advice, on its behalf.

M. **Legal Action Limitation**

No person or organization has a right under this Policy:

1. to join the Insurer as a party or otherwise bring the Insurer into a **suit** asking for **damages** from an **Insured**; or
2. to sue Insurer on this Policy unless all of its terms have been fully complied with.

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

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N. Maintenance of Underlying Insurance

Solely with respect to **Coverage A - Excess Follow Form Liability**, while this Policy is in force the **First Named Insured** agrees that the **underlying insurance** and renewals and replacements thereof shall be maintained, without alterations of terms or conditions, in full effect during the term of this Policy; except for reduction or exhaustion of the limits of insurance in the **underlying insurance**, provided that such reduction or exhaustion is solely the result of **incidents** covered under this Policy.

If the **First Named Insured** fails to maintain **underlying insurance**, this condition shall not invalidate this Policy. However, in the event of such failure, the Insurer will only be liable to the same extent as if such **underlying insurance** was in full force and effect without alteration of its terms and conditions.

O. Notice of Claims/Crisis Management Event/Covered Accident

1. Solely with respect to **Coverage A - Excess Follow Form Liability**, if any **underlying insurance** is a policy issued by the Insurer or any of its affiliates, then notice of any **claim** under such **underlying insurance** is notice to the Insurer under this Policy.
2. It is a condition precedent to coverage under this Policy that:
   - **a.** subject to paragraph **b.** below, the **Insured** notify the Insurer as soon as practicable of an **incident** which an **Insured** believes may result in a **claim**. To the extent possible, notice should include:
     - **i.** how, when and where the **incident** took place;
     - **ii.** the names and addresses of any injured persons and witnesses; and
     - **iii.** the nature and location of any injury or damage arising out of the **incident**.
   - **b.** the **Insured** notify the Insurer as soon as practicable of an **incident** if it involves:
     - **i.** a demand against the **Insured** which exceeds 50% of any remaining applicable **underlying limit**;
     - **ii.** any **underlying insurance** reserve or monetary exposure exceeding $500,000; or
     - **iii.** any of the following:
       - **(a)** brain damage, including but not limited to any neurological impairment of infants or adults and coma;
       - **(b)** spinal cord injury, including but not limited to paraplegia or quadriplegia;
       - **(c)** loss of any organ;
       - **(d)** severe disfigurement, including but not limited to burns and amputations; or
       - **(e)** death.
   - **c.** if a **claim** is made against any **Insured**, the **Named Insured:**
     - **i.** will immediately record the specifics of the **claim** and the date received and notify the Insurer of such **claim**;
     - **ii.** will immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
     - **iii.** will authorize the Insurer to obtain records and other information;
     - **iv.** will cooperate with the Insurer in the investigation or settlement of the **claim** or defense against the **suit**;

       will assist the Insurer, upon its request, in the enforcement of any right against any person

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or organization which may be liable to the **Insured** because of injury or damage to which this insurance may also apply; and

vi. will not voluntarily make a payment, except at its own cost, assume any obligation, or incur any expense, other than for first aid, without the Insurer's prior consent.

3. **Cooperation**

With respect to both **Coverage A - Excess Follow Form Liability** and **Coverage B – Umbrella Liability**, the **Named Insured** will cooperate with the Insurer in addressing all **claims** required to be reported to the Insurer in accordance with this paragraph **O. Notice of Claims/Crisis Management Event/Covered Accident**, and refuse, except solely at its own cost, to voluntarily, without the Insurer's approval, make any payment, admit liability, assume any obligation or incur any expense related thereto.

P. Notices

Any notices required to be given by an **Insured** shall be submitted in writing to the Insurer at the address set forth in the Declarations of this Policy.

Q. Other Insurance

If the **Insured** is entitled to be indemnified or otherwise insured in whole or in part for any **damages** or **defense costs** by any valid and collectible **other insurance** for which the **Insured** otherwise would have been indemnified or otherwise insured in whole or in part by this Policy, the limits of insurance specified in the Declarations of this Policy shall apply in excess of, and shall not contribute to a **claim**, **incident** or such event covered by such **other insurance**.

With respect to **Coverage A – Excess Follow Form Liability** only, if:

a. the **Named Insured** has agreed in writing in a contract or agreement with a person or entity that this insurance would be primary and would not seek contribution from any other insurance available;

b. **Underlying Insurance** includes that person or entity as an additional insured; and

c. **Underlying Insurance** provides coverage on a primary and noncontributory basis as respects that person or entity;

then this insurance is primary to and will not seek contribution from any insurance policy where that person or entity is a named insured.

R. Premium

All premium charges under this Policy will be computed according to the Insurer's rules and rating plans that apply at the inception of the current **policy period**. Premium charges may be paid to the Insurer or its authorized representative.

S. In Rem Actions

A quasi *in rem* action against any vessel owned or operated by or for a **Named Insured**, or chartered by or for a **Named Insured**, will be treated in the same manner as though the action were *in personam* against the **Named Insured**.

T. Separation of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Policy to the **First Named Insured**, this insurance applies:

1. as if each **Named Insured** were the only **Named Insured**; and

2. separately to each **Insured** against whom a **claim** is made.

U. Transfer of Interest

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Assignment of interest under this policy shall not bind the Insurer unless its consent is endorsed hereon.

V. Unintentional Omission

Based on Insurer's reliance on the **Named Insured's** representations as to existing hazards, if the **Named Insured** should unintentionally fail to disclose all such hazards at the effective date of this Policy, the Insurer will not deny coverage under this Policy because of such failure.

W. Waiver of Rights of Recovery

The Insurer waives any right of recovery it may have against any person or organization because of payments the Insurer makes under this Policy if the **Named Insured** has agreed in writing to waive such rights of recovery in a contract or agreement, and only if the contract or agreement:

1. is in effect or becomes effective during the **policy period**; and
2. was executed prior to loss.

VII. DEFINITIONS

For purposes of this Policy, words in bold face type, whether expressed in the singular or the plural, have the meaning set forth below.

Advertisement means a notice that is broadcast or published to the general public or specific market segments about the **Named Insured's** 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 the **Named Insured's** goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.

Aircraft means any machine or device that is capable of atmospheric flight.

Arbitration proceeding means a formal alternative dispute resolution proceeding or administrative hearing to which an **Insured** is required to submit by statute or court rule or to which an **Insured** has submitted with the Insurer's consent.

Asbestos means the mineral in any form whether or not the asbestos was at any time airborne as a fiber, particle or dust, contained in or formed a part of a product, structure or other real or personal property, carried on clothing, inhaled or ingested, or transmitted by any other means.

Authorized Insured means any **executive officer**, member of the **Named Insured's** risk management or in-house general counsel's office, or any **employee** authorized by the **Named Insured** to give or receive notice of a **claim**.

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**.

Bodily injury means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the bodily injury, sickness or disease.

Claim means a:

A. **suit**; or

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B. written or oral demand for **damages** alleging injury to which this insurance applies.

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 the **Named Insured** in the territory described in paragraph **A.** above;

2. the activities of a natural person whose home is in the territory described in paragraph **A.** above, but is away for a short time on the **Named Insured's** business; or

3. an offense that take place through the Internet or similar electronic means of communication,

provided that 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 the Insurer agrees to.

Covered accident means a sudden and unexpected event, which solely and independently of any other cause results in the **key employee's** death or **permanent disability** within one year after the date of the sudden event.

Crisis management event means an event that an **executive officer** reasonably believes has resulted or may result in significant adverse regional or national media coverage and a claim for:

A. **bodily injury**, **property damage** or any of the following **personal and advertising injury** offenses:

1. false arrest, detention or imprisonment;

2. malicious prosecution or abuse of process; or

3. wrongful eviction from, wrongful entry into, or the 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; and

B. **damages** to which this insurance applies, that are in excess of any applicable:

1. **underlying limits**; or

2. **retained amount.**

Crisis management expenses means **crisis management public relations expenses** and **crisis management other expenses** provided however **crisis management expenses** do not include any of the following:

A. salary, wages, or benefits of the **Named Insured** or the **Named Insured's employees;**

B. loss of business income;

C. costs to acquire, repair or replace real or personal property; or

D. expense to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by a **Named Insured.**

Crisis management public relations expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured**:

A. to hire a **crisis management firm**;

B. to set up call centers or similar inquiry management system to manage inquiries from, or to directly contact, individuals or entities that may be directly impacted by such **crisis management event**;

to create and deliver notification letters to contact individuals or entities that may be directly impacted

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by the **crisis management event**; or

D. other related miscellaneous expenses.

Crisis management other expenses means reasonable and necessary expenses incurred in connection with a **crisis management event** by the **Named Insured:**

A. to pay medical expenses, funeral expenses, psychological counseling expenses, travel expenses, and temporary living expenses of a third party who incurs **bodily injury**, or a family member of such third party, by reason of such **crisis management event**;

B. for travel expenses incurred by or on behalf of **Insureds** and at the direction of the **crisis management firm**;

C. to secure the scene of a **crisis management event**; and

D. other related miscellaneous expenses.

Crisis management firm means a public relations firm, law firm or crisis management firm approved by the Insurer to provide media management services and to respond to actual or anticipated adverse publicity arising out of a **crisis management event** or **covered accident.**

Damages means the amount an **Insured** is legally obligated to pay, either through:

A. final adjudication of a **claim**; or

B. through compromise or settlement of a **claim** with the Insurer's written consent or direction,

because of covered **incidents**. In addition, **damages** includes the above-mentioned sums only after deducting all other recoveries and salvages.

However, **damages** does not include:

1. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule;

2. injunctive or declaratory relief;

3. any amount that is not insurable under any applicable law; or

4. plaintiff's attorney fees associated with any of the above.

Notwithstanding paragraph **3.** above, **damages** shall include (subject always to this Policy's other terms, conditions and limitations) punitive and exemplary damages the enforceability of which shall be governed by such applicable law that most favors coverage for **damages.**

Defense costs mean:

A reasonable and necessary fees, costs, and expenses incurred by the Insurer or consented to by the Insurer and incurred by the **Named Insured** in the defense or appeal of a covered **suit** or in the investigation of any covered **claim**, and includes premium for appeal bonds arising out of a covered judgment, attachment bonds or similar bonds, but only for bond amounts up to the applicable limit of insurance. In addition, the Insurer will pay 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 **bodily injury** coverage applies. The Insurer has no obligation to provide such bonds.

B. prejudgment interest awarded against an **Insured** on that part of a judgment covered by this policy. If the Insurer makes an offer to pay the applicable limit of insurance, the Insurer will not pay any prejudgment interest based on that period of time after the offer.

C. post judgment interest which accrues after entry of judgment, but before the Insurer has paid or offered to pay, ordeposited in court that part of the judgment which is within the limit of insurance of this Policy. The amount of interest the Insurer pays will be in direct proportion to the amount of **damages**

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the Insurer pays in relation to the total amount of the judgment.

D. all reasonable expenses incurred by a natural person **Insured** at the Insurer's request to assist the Insurer in the investigation or defense of the **claim.** This includes such **Insured's** actual loss of earnings up to $750 per 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.**

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.

Employee includes **leased workers** or employees loaned to the **Insured. Temporary workers** are not **employees.**

Executive Officer means any natural person holding any of the following positions created by the **Named Insured's** charter, constitution, bylaws or any other similar governing document:

A. director, officer, trustee or governor of a corporation;

B. management committee member of a joint venture;

C. partner of a partnership;

D. manager of a limited liability company; and

E. trustee of a trust.

An **executive officer** is not an **employee.**

First Named Insured means the person or organization first listed as a **Named Insured** in the Declarations of this Policy.

Fungi means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. However, **fungi** does not include any fungi intended by the **Insured** for human consumption.

Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

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. the **Named Insured** has 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 the **Named Insured's** fulfilling the terms of the contract or agreement.

Incident means:

A. with respect to **Coverage A - Excess Follow Form Liability**, a covered event as defined in applicable **underlying insurance;**

B. solely with respect to **Coverage B - Umbrella Liability:**

1. with respect to **bodily injury** and **property damage, incident** means an **occurrence**; or

C. 2. with respect to **personal and advertising injury, incident** means an offense that gives rise to such **personal and advertising injury.**

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Insured means any person or organization set forth in the section entitled **WHO IS AN INSURED.**

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 the **NamedInsured** or temporarily occupied by the **Named Insured** with permission of the owner is not an **insured contract**;

B. a sidetrack agreement;

C. an 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; or

F. the part of any other contract or agreement pertaining to its business (including an indemnification of a municipality in connection with work performed for a municipality) under which the **Named Insured** assumes 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 the **Named Insured** or by those acting on its behalf. However, such part of a contract or agreement shall only be considered an **insured contract** to the extent the **Named Insured's** assumption of the tort liability is permitted by law. "Tort liability" means liability that would be imposed by law in the absence of contracts or agreements. This paragraph **F.** does not include that part of a 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 **bodily injury** or **property 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 **bodily injury** or **property damage**;

3 under which an **Insured**, if an architect, engineer or surveyor, assumes liability for **bodily injury** or **property damage** arising out of such **Insured's** rendering or failure to render professional services, including those listed in paragraph **2.** above and supervisory, inspection, architectural or engineering activities; or

4. that indemnifies a person or organization for damage by fire to premises rented to or loaned to an **Insured.**

Key employee means any of the following officer and employment positions:

A. Chief Executive Officer;

B. Chiof Operating Officer;

C. Chief Financial Officer;

D. Corporate Secretary;

E. Treasurer;

F. Executive Vice President; and

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G. Risk Manager

Key employee also means anyone added as such by endorsement to the Policy.

Key employee replacement expenses means the actual and necessary expenses incurred by the **Named Insured:**

A. to continue the performance of the **key employee's** normal job responsibilities, with comparable quality, while a permanent replacement for the **key employee** is being sought, appointed or hired, and trained.

B. to find a qualified permanent replacement to fill the **key employee's** position:

1. costs of advertising the employment position opening;
2. travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
3. miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the job applicants and legal expenses incurred to draw up employment contracts.

C. to minimize the amount of **key employee replacement expenses,** but only to the extent the amount of **key employee replacement expenses** otherwise payable under paragraphs **1.** and **2.** above are reduced.

D. to relocate the replacement employee to an area within a reasonable commute from their place of employment.

E. to pay the following reasonable and necessary expenses incurred in connection with the death or permanent disability of any **key employee:**

1. to hire a **crisis management firm.**
2. to create and deliver notification letters to contact individuals or entities that may be directly impacted by the **key employee covered accident**; or
3. other related miscellaneous expenses

F. **Key employee replacement expenses** also include first year amounts of the replacement employee's:

1. annual base starting salary;
2. employee perquisite costs; and
3. employee benefit costs;

in excess of the amounts which would have been incurred for the **key employee** if the **Named Insured** had not lost the services of the **key employee.** However, the Insurer will not pay more for these expenses than 10% of the amounts which would have been incurred for the **key employee.**

Key employee replacement expenses do not include the following:

a. any expenses which would have been incurred by the **Named Insured** for the **key employee** if the **Named Insured** had not lost the services of the **key employee;**

b. any **key employee replacement expenses** that are paid for by any **other insurance;**

c. except as provided in paragraph **F.** above, salary, wages, or benefits of the **Named Insured,** the **Named Insured's employees,** the **Named Insured's** temporary workers or **volunteer workers;**

d. costs to acquire, repair or replace real or personal property;

e. the **Named Insured's** loss of business income;

f. expenses incurred by or on behalf of the **Named Insured** to hire a public adjuster or appraiser or any other claim adjustment expenses incurred by the **Named Insured;** and

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g. expenses incurred by or on behalf of the **Named Insured** due to **bodily injury, property damage,** or **personal and advertising injury**.

Leased worker means a person leased to the **Named Insured** by a labor leasing firm under an agreement between the **Named Insured** and such labor leasing firm, to perform duties related to the conduct of the **Named Insured's** business. **Leased worker** does not include a **temporary worker**.

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.

However, **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**.

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 the **Named Insured** owns or rents;

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 **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; and

F. vehicles not described in **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 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

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considered **autos.**

Named Insured means the persons or organizations named as such in the Declarations of this Policy.

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 **nuclear 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 any **Insured** at the premises where such equipment is located consists of or contains more than:

1. 25 grams of plutonium or uranium 233 or any combination thereof; or
2. 250 grams of uranium 235; and

D. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **nuclear 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 material means source material, special nuclear material, or by-product material as these terms are defined in the Atomic Energy Act of 1954 or in any law amendatory thereof.

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

Nuclear Waste means waste material:

A containing by-product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from ore processed primarily for its source material (as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof) content; and

B. resulting from the operation by any person or organization, of a **nuclear facility** included within paragraphs **A.** and **B.** of the definition of **nuclear facility.**

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

Other insurance means any:

A. valid and collectible policy of insurance;

B. self insurance; or

C. indemnity agreement by which an **Insured** arranges for funding or transferring its liabilities

that provides coverage that this Policy also provides. **Other insurance** does not include **underlying insurance** or any policy that was bought specifically to apply in excess of the limits of insurance shown in the Declarations of this Policy.

Other organic pathogens means any organic irritant or contaminant other than **fungi**, including but not limited to bacteria, microbes and viruses (whether or not a microorganism), that cause infection and disease.

Other organic pathogens includes any spores, mycotoxins, odors, variants, mutations, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of such

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pathogens, and any colony or group of the foregoing.

However, **other organic pathogens** does not mean pathogens that were transmitted directly from person to person.

Permanent disability means permanent physical inability, or mental inability due to a permanent physical inability, of the **key employee** to perform the normal duties of the applicable position for which the individual qualifies as a **key employee.**

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 or abuse of process;

C. wrongful eviction from, wrongful entry into, or the 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 the **Named Insured's advertisement**; or

G. infringing upon another's copyright, trade dress or slogan in the **Named Insured's advertisement.**

Policy period means the time from 12.01 A.M. on the effective date of this Policy as set forth in the Declarations of this Policy to the earlier of 12.01 A.M. of the expiration, termination or cancellation date of this Policy.

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

Products-completed operations hazard means **bodily injury** or **property damage** occurring away from premises the **Named Insured** owns or rents and arising out of **your product** or **your work** except:

A. products that are still in the **Named Insured's** physical possession; or

B. work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:

1. when all of the work called for in the **Named Insured's** contract has been completed;

2. when all of the work to be done at the job site has been completed if the **Named Insured's** contract calls for work at more than one job site; or

3. when that part of the work done at a job site has been put to its intended use by any 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.

However, **products-completed operations hazard** does not include **bodily injury** or **property damage** arising out of:

A. the transportation of property, unless **bodily injury** or **property damage** arises out of a condition in or on a vehicle not owned or operated by the **Named Insured**, and that condition was created by the **loading or unloading** of that vehicle by any **Insured**;

B. the existence of tools, uninstalled equipment or abandoned or unused materials; or

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C. products or operations for which the **underlying insurer** states that products-completed operations are subject to the General Aggregate Limit.

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 **incident** that caused it.

However, **electronic data** is not tangible property.

Retained amount means the self insured retention as set forth on the Declarations of this Policy or the amount payable by **other insurance**, whichever is greater.

Silica means the chemical compound silicon dioxide (SiO2) in any form, including dust which contains silicon dioxide.

Spouse means any husband, wife or partner in a marriage or civil union or any person qualifying as a domestic partner under any federal, state or local laws or under the **Named Insured's** employee benefit plans or employee benefits program.

Sub limit means a limit that is lower than the **underlying limits.**

Suit means a civil proceeding in which **damages** because of injury or damage to which this insurance applies are alleged, including:

A. an **arbitration proceeding** alleging such **damages**; or

B. any other alternative dispute resolution proceeding in which such **damages** are claimed and to which the **Insured** submits with the Insurer's consent.

Temporary worker means a worker who is furnished to the **Named Insured** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

Underlying insurance means policies of insurance listed in the Schedule of **Underlying Insurance** including renewal or replacement of such insurance which is neither more restrictive nor more broad than that listed in the aforementioned Schedule of **Underlying Insurance.**

Underlying insurer means the insurer providing the **underlying insurance.** It does not include any insurer whose policies were purchased specifically to be in excess of this policy.

Underlying limits means the limits of insurance as set forth in the Schedule of **Underlying Insurance.**

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

Your product means:

A. means:

1. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

   a. the **Named Insured;**

   b. others trading under the **Named Insured's** name; or

   c. a person or organization whose business or assets the **Named Insured** has acquired; and

2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

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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.

Your work:

A. means:

1. work or operations performed by the **Named Insured** or on its behalf; and
2. materials, parts or equipment furnished in connection with such work or operations.

B. Includes:

1. warranties or representations made 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.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by the Insurer's Chairman and Secretary, but this Policy shall not be binding upon the Insurer unless completed by the attachment of the Declarations of this Policy and signed by the Insurer's duly authorized representative if required.

Chairman of the Board

Secretary

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CANCELLATION AND NON-RENEWAL ENDORSEMENT – NEW YORK

Wherever used in this endorsement: 1) Insurer means "we", "us", "our" or the "Company" as those terms may be defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) "Insured" means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provisions in the policy are deleted in their entirety and replaced with the following:

CANCELLATION AND NON-RENEWAL

I. CANCELLATION

A. This policy may be canceled by the Named Insured by surrendering it to the Insurer or any of its authorized agents. The Named Insured may also cancel this policy by written notice to the Insurer or the Insurer's licensed agent stating at what future date cancellation is to be effective.

B. If this policy has been in effect for sixty (60) days or less, this policy may be canceled by the Insurer by mailing or delivering to the Named Insured written notice stating the reason for cancellation at the mailing address shown on the Declarations, and to its authorized agent or broker at least:

1. Twenty (20) days before the effective date of cancellation if this policy is canceled for any reason not included in paragraph **2.** below;

2. Fifteen (15) days before the effective date of cancellation if this policy is canceled for any of the following reasons:

   a. Non-payment of premium provided; however, a notice of cancellation on this ground shall inform the Insured of the amount due;

   b. Conviction of a crime arising out of acts increasing the hazard insured against;

   c. Any discovery of fraud or material misrepresentation in the obtaining of this policy or in the presentation of a claim;

   d. After issuance of this policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;

   e. Material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of this policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time this policy was issued or last renewed;

   f. A determination by the New York State Superintendent of Insurance that continuation of the present premium volume of the Insurer would jeopardize the Insurer's solvency or be hazardous to the interest of the Insurer's policyholders, creditors or the public; or

   g. A determination by such Superintendent that the continuation of this policy would violate, or would place the Insurer in violation of, any provision of the New York Insurance Code,

C. If this policy has been in effect for more than sixty (60) days, or if this policy is a renewal or continuation of a policy issued by the Insurer this policy may be canceled by the Insurer only for any reasons listed in paragraph **2.** above provided a written notice stating the reason for cancellation is mailed or delivered to the Named Insured at the address shown in the Declarations, and its authorized agent or broker at least fifteen (15) days before the effective date of cancellation.

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D. Notice of cancellation will state the effective date of cancellation. The policy periodwill end on this date. If notice is mailed, proof of mailing will be sufficient proof of notice.

II. PREMIUM REFUND

If this policy is cancelled, the Insurer will send the Named Insured any premium refund due. If the Insurer cancels the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.

III. NON-RENEWAL

A. The Insurer can non-renew the policy by mailing or delivering written notice to the Named Insured as set forth in paragraph **V.** at the last mailing address known to the Insurer, and to the Named Insured's authorized agent or broker, at least sixty (60) days but not more than one hundred and twenty (120) days prior to the effective date of non-renewal. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Late notice of non-renewal will state specific explanation of the reason for non-renewal.

IV. CONDITIONAL RENEWAL

A. If the Insurer conditions renewal of the policy upon:

1. Change of limits;
2. Change in type of coverage;
3. Reduction of coverage;
4. Increased deductible;
5. Addition of exclusion;
6. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added, or as a result of experience rating, retrospective rating or audit;

The Insurer shall send notice as provided in paragraph **V.** below.

B. Solely with respect to any liability coverages, if the policy is extended pursuant to this paragraph **IV**, the aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with the above.

V. NOTICE

A. If the Insurer decides not to renew the policy or to conditionally renew the policy as provided in paragraphs **III.** and **IV.** above, the Insurer will mail or deliver written notice to the Named Insured at the address shown in the policy and to the Named Insured's authorized agent or broker at least sixty (60) days but not more than one hundred and twenty (120) days before:

1. The expiration date; or
2. The anniversary date if this is a continuous policy.

B. If notice is mailed, proof of mailing will be sufficient proof of notice. Notice will include the specific reason for non-renewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

C. If the Insurer violates any of the provisions of this subsection by sending the Named Insured an incomplete or late conditional renewal notice or a late non-renewal notice:

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1. Coverage will remain in effect at the same terms and conditions of the policy at the lower of the current rates or the prior period's rates until sixty (60) days after such notice is mailed or delivered, unless the Named Insured, during this sixty (60) day period, has replaced the coverage or elects to cancel.
2. On or after the expiration date of the policy, coverage will remain in effect at the same terms and conditions of the policy for another policy period, at the lower of the current rates or the prior period's rates, unless the Named Insured during this additional policy period, has replaced the coverage or elects to cancel.

The Insurer will not send notice of non-renewal or conditional renewal if the Named Insured or its authorized agent or broker or another insurer of the Named Insured mails or delivers notice that the policy has been replaced or is no longer desired.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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HUMAN CLINICAL TRIALS EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

If this endorsement is attached to the:

A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions;** or

B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions;** or

C. PARAMOUNT EXCESS LIABILITY POLICY, then the section entitled **EXCLUSIONS;**

is amended by the addition of the following new exclusion:

Human Clinical Trial

any actual or alleged liability arising out of any:

a. **human clinical trial;**

b. disclosure of or failure to disclose any data or other information with respect to any **human clinical trial;** or

c. evaluation, consultation or advice given with respect to any **human clinical trial.**

As used in this endorsement, **human clinical trial** means any study, test or experiment involving one or more persons which may provide data or other information for assessment of a pharmaceutical, drug, organism, virus, bacterium or other substance.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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LEAD EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

I. If this endorsement is attached to the:

A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions**; or

B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions;**

is amended by the addition of the following new exclusion:

Lead

a. any actual or alleged liability arising out of the exposure to or presence of lead; or

b. any loss, cost or expense arising out of any:

i. request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, abate, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of, lead; or

ii. **claim** relating to testing for, monitoring, cleaning up, removing, abating, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of, lead.

II. If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the section entitled **EXCLUSIONS** is amended by the addition of the exclusion set forth in paragraph **I.** above, except that:

A. the term "**Insured**" is deleted in its entirety and replaced with the term "insured"; and

B. the term "**claim**" is deleted in its entirety and replaced with the phrase "claim or suit".

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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MEDICAL MALPRACTICE PROFESSIONAL LIABILITY THERAPEUTIC OR COSMETIC SERVICES EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

I. If this endorsement is attached to the:

A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Coverage Exclusions**; or

B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions;**

is amended by the addition of the following new exclusion:

Medical Malpractice/Professional Liability/Therapeutic or Cosmetic Services

any actual or alleged liability arising out of:

a. the rendering or failure to render:

i. medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages;

ii. any health or therapeutic service, treatment, advice or instruction;

iii. any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal, extension or replacement, or personal grooming, relaxation or therapy; or

b. the service by any person as a member of a formal accreditation or similar professional board or committee of the **Insured** or as a person charged with the duty of executing directives of any such board or committee;

c. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or

d. the handling or treatment of dead bodies, including autopsies, organ donation or other procedures.

II. If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the section entitled **EXCLUSIONS** is amended by the addition of the exclusion set forth in paragraph **I.**, except that the term " **Insured**" is deleted in its entirety and replaced with the term "insured".

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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TESTING OR CONSULTING ERRORS AND OMISSIONS EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed that if this endorsement is attached to the:

A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions**;

B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**; or

C. PARAMOUNT EXCESS LIABILITY POLICY, then the section entitled **EXCLUSIONS**;

is amended by the addition of the following new exclusion:

Testing and Consulting

any liability arising out of any:

a. actual or alleged error, omission, defect or deficiency in any test performed, or an evaluation, a consultation, or advice given;

b. reporting of or reliance upon any such test, evaluation, consultation or advice; or

c. actual or alleged error, omission, defect or deficiency in experimental data or the interpretation of that data.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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PRODUCTS-COMPLETED OPERATIONS AND LEASED PRODUCTS EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed as follows:

I. Under **DEFINITIONS**, the definition of **your product** is amended to delete paragraph **C.** in its entirety and replace it with the following:

C. includes goods or products the **Named Insured** leases or rents to others, other than vending machines or similar property located for the use of others by the **Named Insured.**

II. If this endorsement is attached to the:

A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions**; or

B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions;**

is amended by the addition of the following new exclusion:

Products-Completed Operations and Leased Products

a. Any actual or alleged **bodily injury** or **property damage** included within the **products-completed operations hazard;**

b. Any actual or alleged **bodily injury** or **property damage** arising out of **your products** which are rented or leased to others;

c. Any actual or alleged **bodily injury** or **property damage** included in the **products-completed operations hazard** for which the **Insured** is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement; or

d. Any actual or alleged **personal and advertising injury** arising out of **your product** or **your work** that has been completed or abandoned.

Your work will be deemed completed at the earliest of the following times:

i. When all of the work called for in the **Named Insured's** contract has been completed;

ii. When all of the work to be done at the job site has been completed if the **Named Insured's** contract calls for work at more than one job site; or

iii. 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.

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All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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UNDERLYING INSURANCE COVERAGE LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed as follows:

If this endorsement is attached to the:

A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage B – Umbrella Liability Coverage Exclusions**; or

B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions**,

it is amended with the addition of the following new exclusion:

Underlying Insurance Coverage Limitation

Notwithstanding anything to the contrary, this policy does not provide broader coverage than that which is provided by any **underlying insurance**.

In the event of any difference between:

a. exclusions, restrictions, limiting terms or conditions in this policy and

b. exclusions, restrictions, limiting terms or conditions in the **underlying insurance**;

addressing the same general risk or hazard, then the more restrictive provision shall apply.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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INTELLECTUAL PROPERTY EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

It is understood and agreed that if this endorsement is attached to the:

A. PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Excess Follow Form Liability and Coverage B – Umbrella Liability Exclusions**; or

B. PARAMOUNT UMBRELLA LIABILITY POLICY, then under **EXCLUSIONS**, the section entitled **Coverage A – Umbrella Liability Exclusions;**

is amended by the addition of the following new exclusion:

INTELLECTUAL PROPERTY

Any actual or alleged infringement or violation of the following rights or laws:

a. patent;

b. trade secret or other confidential or proprietary non-personal information;

c. trademark, certification mark, service mark, collective mark, trade name, or other designation of origin or authenticity;

d. copyright; or

e. any other intellectual property right or legally protected expression, including but not limited to another's idea, slogan, trade dress, style of doing business, or unauthorized use of another's name or image, or any other intellectual property law, including but not limited to piracy, unfair competition or other similar practices.

This exclusion applies to the entirety of all allegations in any **claim** if the **claim** alleges the infringement or violation of any intellectual property right or law identified above, even if this insurance would otherwise apply to other allegations in the **claim**. However, this exclusion does not apply if the **claim's** only allegation is copyright or slogan infringement in an **advertisement.**

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP ENDORSEMENT – NEW YORK

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

I. If this endorsement is attached to the PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY or the PARAMOUNT UMBRELLA LIABILITY POLICY, then the following Condition is added:

Transfer of Duties When a Limit of Insurance Is Used Up

1. If the Insurer concludes that, based on **occurrences**, offenses or **claims** which have been reported to the Insurer and to which this insurance may apply, the applicable limit of liability insurance, as stated in the Declarations, is likely to be used up in the payment of judgments or settlements, the Insurer will notify the **First Named Insured**, in writing, to that effect.

2. When the applicable limit of liability insurance, as stated in the Declarations, has actually been used up in the payment of judgments or settlements:

   a. The Insurer will notify the **First Named Insured**, in writing, as soon as practicable, that:

      i. such a limit has actually been used up; and

      ii. the Insurer's duty to defend **suits** seeking **damages** subject to that limit has also ended.

   b. The Insurer will initiate, and cooperate in, the transfer of control, to any appropriate **Insured**, of all **claims** seeking **damages** which are subject to that limit and which are reported to the Insurer before that limit is used up. That **Insured** must cooperate in the transfer of control of said **claims**.

      The Insurer agrees to take such steps, as the Insurer deems appropriate, to avoid a default in, or continue the defense of, such **suits** until such transfer is completed, provided the appropriate **Insured** is cooperating in completing such transfer.

      The Insurer will take no action whatsoever with respect to any **claim** seeking **damages** that would have been subject to that limit, had it not been used up, if the **claim** is reported to the Insurer after that limit of insurance has been used up.

   c. The **First Named Insured**, and any other **Insured** involved in a **suit** seeking **damages** subject to that limit, must arrange for the defense of such **suit** within such time period as agreed to between the appropriate **Insured** and the Insurer. Absent any such agreement, arrangements for the defense of such **suit** must be made as soon as practicable.

3. The **First Named Insured** will reimburse the Insurer for expenses the Insurer incurs in taking those steps the Insurer deems appropriate in accordance with paragraph **2.b.** above.

   The duty of the **First Named Insured** to reimburse the Insurer will begin on:

   a. the date on which the applicable limit of liability insurance is used up, if the Insurer sent notice in accordance with paragraph **1.** above; or

   b. the date on which the Insurer sent notice in accordance with paragraph **2.a.** above, if the Insurer did not send notice in accordance with paragraph **1.** above.

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4. The exhaustion of the applicable limit of liability insurance by the payments of judgments or settlements, and the resulting end of the Insurer's duty to defend, will not be affected by the Insurer's failure to comply with any of the provisions of this Condition.

II. If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the Condition set forth in paragraph **I.** is added, except that:

1. the terms "**claim**" and "**claims**" are deleted in their entirety and replaced with the terms "claim" and "claims", respectively;
2. the term "**occurrences**" is deleted in its entirety and replaced with the term "occurrences";
3. the phrase "**First Named Insured**" is deleted in its entirety and replaced with the phrase "first **Named Insured**";
4. the terms "**suit**" and "**suits**" are deleted in their entirety and replaced with the terms "suit" and "suits", respectively; and
5. the term "**Insured**", when not part of the phrase "**First Named Insured**", is deleted in its entirety and replaced with the term "insured".

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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STATE AMENDATORY ENDORSEMENT – NEW YORK

This endorsement modifies insurance provided under the following:

PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY

PARAMOUNT UMBRELLA LIABILITY POLICY

PARAMOUNT EXCESS LIABILITY POLICY

It is understood and agreed as follows:

I. If this endorsement is attached to the PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY, then under **DEFENSE COSTS PAYMENT AND RELATED DUTIES**, section **A.**, the first sentence before the colon is deleted in its entirety and replaced with the following:

The Insurer has the right and duty to defend any **suit**, even if the allegations of the **suit** are groundless, false or fraudulent, and the right to assume control of the investigation and settlement of any **claim**, against the **Insured**, as follows:

II. If this endorsement is attached to the PARAMOUNT UMBRELLA LIABILITY POLICY, then under **DEFENSE COSTS PAYMENT AND RELATED DUTIES**, section **I.**, paragraph **A.** is deleted in its entirety and replaced with the following:

A. right and duty to defend any **suit** against the **Insured**, even if the allegations of the suit are groundless, false or fraudulent; and

III. If this endorsement is attached to the PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY or the PARAMOUNT UMBRELLA LIABILITY POLICY, under **CONDITIONS**, the Condition entitled **Notices** is amended to add the following:

Notice given by or on behalf of the **Insured**, or written notice by or on behalf of the injured person or any other claimant, to any agent of the Insurer's in New York State, with particulars sufficient to identify the **Insured**, shall be considered to be notice to the Insurer.

IV. If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, under **CONDITIONS**, the Condition entitled **Notices** is amended to add the statement set forth in paragraph **III.** of this endorsement, except that the term "**Insured**" is deleted in its entirety and replaced with the term "insured".

V. If this endorsement is attached to the PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY or the PARAMOUNT UMBRELLA LIABILITY POLICY, then under **CONDITIONS**, the Condition entitled **Legal Action Limitation** is deleted in its entirety and replaced with the following:

Legal Action Limitation

A. Except as provided in Paragraph **B.**, no person or organization has a right under this Policy:

1. to join the Insurer as a party or otherwise bring the Insurer into a **suit** asking for **damages** from an **Insured**; or
2. to sue the Insurer on this Policy unless all of its terms have been fully complied with.

A person or organization may sue the Insurer to recover on an agreed settlement or on a final judgment against an **Insured**; but the Insurer will not be liable for **damages** that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Insurer, the **Insured** and the claimant or the claimant's legal representative.

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B. With respect to **bodily injury** and **personal and advertising injury claims**, if the Insurer denies coverage or does not admit liability because an **Insured** or the injured person, someone acting for the injured person or other claimant fails to give the Insurer written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against the Insurer, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after the Insurer denies coverage or does not admit liability, the Insurer or an **Insured**:

1. brings an action to declare the rights of the parties under the Policy; and
2. names the injured person, someone acting for the injured person or other claimant as a party to the action.

VI. If this endorsement is attached to the PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY or the PARAMOUNT UMBRELLA LIABILITY POLICY, then the following provision is added and supersedes any provision to the contrary:

Failure to give notice to the Insurer as required under this Policy shall not invalidate any **claim** made by the **Insured**, injured person or any other claimant, unless the failure to provide such timely notice has prejudiced the Insurer. However, no **claim** made by the **Insured**, injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

VII. If this endorsement is attached to the PARAMOUNT EXCESS LIABILITY POLICY, then the provision set forth in paragraph **VI.** of this endorsement is added and supersedes any provision to the contrary, except that:

A. the term "**claim**" is deleted in its entirety and replaced with the term "claim"; and

B. the term "**Insured**" is deleted in its entirety and replaced with the term "insured".

VIII. If this endorsement is attached to the PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY or the PARAMOUNT UMBRELLA LIABILITY POLICY, then under DEFINITIONS, the definition of **loading or unloading** does not apply.

IX. If this endorsement is attached to the PARAMOUNT EXCESS AND UMBRELLA LIABILITY POLICY or the PARAMOUNT UMBRELLA LIABILITY POLICY, then under DEFINITIONS, the definition of **damages**, the paragraph beginning with the term "Notwithstanding" is deleted in its entirety.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

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ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT

THIS ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT (the "***Agreement***") is made as of March 1, 2018, by **STERI-PHARMA, LLC** ("***Steri-Pharma***") and **DROMIK, LLC** ("***Dromik***" and together with Steri-Pharma, collectively, the "***Indemnitor***" or the "***Company***"), for the benefit of the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the "***Agency***").

RECITALS

WHEREAS, the Agency has undertaken at the request of the Indemnitor, a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***") as more particularly described on Schedule "A" attached hereto; (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

NOW, THEREFORE, in consideration of the premises, Ten Dollars ($10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Indemnitor, intending to be legally bound, hereby agrees as follows:

1. **Recitals; Definitions.**

(a) The foregoing recitals are incorporated into this Agreement by this reference.

(b) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Table of Definitions attached to the Agency Lease as Exhibit "C."

2. **Representations and Warranties.**

(a) Except as disclosed in Schedule B annexed hereto, Indemnitor represents and warrants that it has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous wastes or hazardous substances (collectively, "***Hazardous Substances***"), as those terms are used in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or in any other federal, state or local law governing hazardous substances, as such laws may be amended from time to time (collectively, the "***Hazardous Waste Laws***"), at, upon, under or within the Project Facility or any contiguous real estate, and (ii) it has not caused or permitted to occur, and shall not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Project Facility or on any contiguous real estate.

(b) Except as disclosed in the reports listed on Schedule B annexed hereto, Indemnitor further represents and warrants that (i) it has not been nor will be involved in operations at or near the Project Facility which operations could lead to (A) the imposition of liability on Indemnitor or on any subsequent or former owner of the Project Facility or (B) the creation of a lien on the Project Facility under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) it has not permitted, and will not permit, any tenant or occupant of the Project Facility to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, on Agency, the Indemnitor or on any other owner of any of the Project Facility.

3. **Covenants.**

(a) Indemnitor shall comply strictly and in all respects with the requirements of the Hazardous Waste Laws and related regulations and with all similar laws and regulations and shall notify Agency immediately in the event of any discharge or discovery of any Hazardous Substance at, upon, under or within the Project Facility which is not otherwise already disclosed in Schedule B. Indemnitor shall promptly forward to Agency copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge or the presence of any Hazardous Substance or any other matters relating to the Hazardous Waste Laws or any similar laws or regulations, as they may affect the Project Facility.

(b) Promptly upon the written request of Agency, Indemnitor shall provide Agency, at Indemnitor's expense, with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable to the requesting Person, to assess with a reasonable degree of certainty the presence or absence of any Hazardous

Substances and the potential costs in connection with abatement, cleanup or removal of any Hazardous Substances found on, under, at or within the Project Facility.

4. **Indemnity.**

(a) Indemnitor shall at all times indemnify and hold harmless Agency against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by Agency, whether as contract vendor, owner, mortgagee, as mortgagee in possession, or as successor-in-interest to Indemnitor by foreclosure deed or deed in lieu of foreclosure, under or on account of the Hazardous Waste Laws or any similar laws or regulations, including the assertion of any lien thereunder, with respect to:

(1) any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances affecting the Project Facility whether or not the same originates or emanates from the Project Facility or any contiguous real estate including any loss of value of the Project Facility as a result of any of the foregoing;

(2) any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Hazardous Waste Laws;

(3) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or near the Project Facility; and/or

(4) any other environmental matter affecting the Project Facility within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local agency.

The obligations of Indemnitor under this Agreement shall arise whether or not the Environmental Protection Agency, any other federal agency or any state or local agency has taken or threatened any action in connection with the presence of any Hazardous Substances.

(b) In the event of any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances affecting the Project Facility, whether or not the same originates or emanates from the Project Facility or any contiguous real estate, and/or if Indemnitor shall fail to comply with any of the requirements of the Hazardous Waste Laws or related regulations or any other environmental law or regulation, Agency may at its election, but without the obligation so to do, give such notices and/or cause such work to be performed at the Project Facility and/or take any and all other

actions as Agency shall deem necessary or advisable in order to abate the discharge of any Hazardous Substance, remove the Hazardous Substance or cure the noncompliance of Indemnitor.

(c) Indemnitor acknowledges that Agency has relied upon the representations, warranties, covenants and indemnities of Indemnitor in this Agreement. All of the representations, warranties, covenants and indemnities of this Agreement shall survive the repayment of Indemnitor's obligations under the Agency Lease or other Company Documents.

5. **Attorney's Fees**. If Agency retains the services of any attorney in connection with the subject of the indemnity herein, Indemnitor shall pay Agency's costs and reasonable attorneys' fees thereby incurred. Agency may employ an attorney of its own choice.

6. **Interest**. In the event that Agency incurs any obligations, costs or expenses under this Agreement, Indemnitor shall pay such Person immediately on demand, and if such payment is not received within ten (10) days, interest on such amount shall, after the expiration of the ten-day period, accrue at the interest rate set forth in the Agency Lease until such amount, plus interest, is paid in full.

7. **No Waiver**. Notwithstanding any terms of the Company Documents to the contrary, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by: (i) any extensions of time for performance required by any of the Company Documents; (ii) any sale, assignment or foreclosure of the Agency Lease or any sale or transfer of all or part of the Project Facility; (iii) the accuracy or inaccuracy of the representations and warranties made by Indemnitor under any of the Company Documents; or (iv) the release of Indemnitor or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in the Company Documents by operation of law, Agency's voluntary act, or otherwise; and, in any such case, whether with or without notice to Indemnitor and with or without consideration.

8. **Waiver by Indemnitor**. Indemnitor waives any right or claim of right to cause a marshalling of Indemnitor's assets or to cause Agency to proceed against any of the security for the Agency Lease before proceeding under this Agreement against Indemnitor or to proceed against Indemnitor in any particular order; Indemnitor agrees that any payments required to be made hereunder shall become due on demand; Indemnitor expressly waives and relinquishes all rights and remedies (including any rights of subrogation) accorded by applicable law to indemnitors or guarantors.

9. **Releases**. Any one or more of Indemnitor and any other party liable upon or in respect of this Agreement or the Agency Lease may be released without affecting the liability of any party not so released.

10. **Amendments.** No provision of this Agreement may be changed, waived, discharged or terminated orally, by telephone or by any other means except by an instrument in

writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

11. **Joint and Several Liability**. In the event that this Agreement is executed by more than one party as Indemnitor, the liability of such parties is joint and several. A separate action or actions may be brought and prosecuted against each Indemnitor, whether or not an action is brought against any other person or whether or not any other person is joined in such action or actions.

12. **Consent to Jurisdiction.** Indemnitor consents to the exercise of personal jurisdiction over Indemnitor by any federal or state court in the State of New York and consent to the laying of venue in any jurisdiction or locality in the City of Syracuse. Service shall be effected by any means permitted by the court in which any action is filed.

13. **Notices.** All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) If to the Agency, to:

City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202
Attention: Chairman

With a copy to:

City of Syracuse
233 East Washington Street
Syracuse, New York 13202
Attn: Corporation Counsel

and

Barclay Damon LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

(b) To the Company:

Steri-Pharma, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante
and

Domik, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante

With a copy to:

Wendy S. Lougnot, Esq.
Costello, Cooney and Fearon, PLLC
500 Plum Street, Suite 300
Syracuse, New York 13204

The Agency and the Company, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, and other communications shall be sent.

14. **Waivers.** The parties waive trial by jury in any action brought on, under or by virtue of this Agreement. Indemnitor waives any right to require Agency at any time to pursue any remedy in such Person's power whatsoever. The failure of Agency to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms, nor shall it prevent Agency from insisting upon strict compliance with this Agreement or any other Company Document at any time thereafter.

15. **Severability**. If any clause or provisions herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision shall be held for naught as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

16. **Inconsistencies Among the Company Documents**. Nothing contained herein is intended to modify in any way the obligations of Indemnitor under the Agency Lease or any other Company Document. Any inconsistencies among the Company Documents shall be construed, interpreted and resolved so as to benefit Agency.

17. **Successors and Assigns**. This Agreement shall be binding upon Indemnitor's successors, assigns, heirs, personal representatives and estate and shall inure to the benefit of Agency and its successors and assigns.

18. **Controlling Laws.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Indemnitor has executed this Agreement as of the date first above written.

STERI-PHARMA, LLC

By: _____
Vincent Durante, Director

DROMIK, LLC

By: _____
Vincent Durante, Sole Member

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

On the 16th day of March in the year 2018 before me, the undersigned, a notary public in and for said state, personally appeared **VINCENT DURANTE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2022

SCHEDULE "A"

LEGAL DESCRIPTION

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

November 6, 2017

PROPOSED LEGAL DESCRIPTION
Portion of Block No. 192B
City of Syracuse

Re: 100 Tully Street (Rear)

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at the intersection of the present southerly road boundary of Jefferson Street (66 feet wide public right-of-way) and the easterly road boundary of South West Street (66 feet wide public right-of-way); **thence** S.08°44'00"E., along said easterly road boundary of South West Street, a distance of 202.46 feet to a point; **thence** S. 89°48'10"E., along a line parallel with and 200.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 246.10 feet to the centerline of a former railroad siding; **thence** N.00°11'50"E., along said centerline of a former railroad siding, a distance of 15.00 feet to a point; **thence** S.89°48'10"E., along a line parallel to and 185.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 39.64 feet to the **ACTUAL POINT OF BEGINNING;**

thence S.89°48'10"E., a distance of 9.80 feet to a point;

thence S.01°23'45" W., a distance of 32.53 feet to a point, said point hereinafter referred to as "Point X";

thence N.51°56'20"W., a distance of 11.69 feet to a point;

thence N.00°26'00"E., a distance of 25.35 feet to the point of beginning.

Containing 277 Square Feet of Land more or less.

ALSO ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at "Point X" of the hereinbefore described parcel of land; **thence** S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building; **thence** S.00°30'35"W., along the easterly line of said building, a distance of 133.00 feet to the **ACTUAL POINT OF BEGINNING**;

thence S.49°20'37"E., a distance of 8.00 feet to a point;

thence S.38°51'00"E., a distance of 28.00 feet to a point;

thence N.89°48'10"W., a distance of 15.00 feet to a point;

thence N.06°03'17"W., a distance of 5.94 feet to a point;

thence N.89°29'25"W., a distance of 8.20 feet to a point;

thence N.00°30'35"E., along the easterly line of said building, a distance of 21.00 feet to the point of beginning.

Containing 291 Square Feet of Land more or less.

The hereinbefore described parcels of land are subject to any and all easements and/or rights-of-ways of record.

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

PROPOSED LEGAL DESCRIPTION
New Lot 1B of the Resubdivision Map for
Proposed Planned Development District (PPD)
City of Syracuse

December 7, 2017

RE: 429 South West Street A.K.A. 110 Tully Street and 108 Fabius Street

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being Lot 1B of the Resubdivision Map for Proposed Planned Development District (PPD) filed in the Onondaga County Clerk's Office on August 26, 2015 as Map No. 12072 and being more particularly described as follows:

BEGINNING at the intersection of the present easterly street line of South West Street (66 feet wide) and the northerly street line of former Tully Street (66 feet wide [abandoned by the Syracuse Common Council on March 5, 1990]);

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 227.88 feet to the southwesterly corner of property now or formerly owned by KJNK, LLC as recorded in the Onondaga County Clerk's Office in Liber 5283 of Deeds, Page 638;

thence S.89°48'10"E., along the southerly line of said KJNK, LLC property and its easterly prolongation, a distance of 246.10 feet to the southeasterly corner of property now or formerly owned by Hosek Contractors, Inc. as recorded in the Onondaga County Clerk's Office in Liber 3972 of Deeds, Page 104;

thence N.00°11'50"E., along the easterly line of said Hosek Contractors, Inc. property, a distance of 15.00 feet to the southwesterly corner of property now or formerly owned by F. & P. Hosek as recorded in the Onondaga County Clerk's Office in Liber 3779 of Deeds, Page 83;

thence S.89°48'10"E., along said southerly line of said Hosek property, a distance of 39.64 feet to a point;

thence S.00°26'00"W., a distance of 25.35 feet to a point;

thence S.51°56'20"E., a distance of 11.69 feet to a point;

thence S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building;

thence S.00°30'35"W., along the easterly brick face of said building, a distance of 154.00 feet to a point;

thence S.89°29'25"E., a distance of 8.20 feet to a point;

thence S.06°03'17"E., a distance of 6.93 feet to a point;

thence S.42°57'35"E., a distance of 102.08 feet to a point;

thence S.44°08'51"E., a distance of 77.94 feet to a point;

thence S.60°27'51"E., a distance of 110.07 feet to the northwesterly corner of property now or formerly owned by Sycamore Holding as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 85;

thence S.08°54'00"E., along the westerly line of said Sycamore Holding property, a distance of 94.69 feet to its intersection with the northerly street line of Fabius Street (66 feet wide);

thence S.81°16'10"W., along said northerly street line of Fabius Street, a distance of 280.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC;

thence N.08°54'00"W., along the easterly line of said Sycamore Holding LLC property, a distance of 116.00 feet to the northeasterly corner of said Sycamore Holding LLC property;

thence S.81°16'10"W., along the northerly line of said Sycamore Holding LLC property, a distance of 15.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 53;

thence N.00°19'33"E., along the easterly line of said Sycamore Holding LLC property (4784/53), a distance of 77.86 feet to the northeasterly corner of said Sycamore Holding LLC property (4784/53);

thence N.89°48'10"W., along the northerly line of said Sycamore Holding LLC property (4784/53) property, a distance of 171.48 feet to its intersection with said easterly street line of South West Street;

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 133.62 feet to the point of beginning.

Containing 3.460 Acres of Land more or less.

The hereinbefore described parcel of land is subject to any and all easements and/or rights-of-ways of record.

SCHEDULE "B"

EXCEPTIONS

NONE

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CLOSING RECEIPT

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
LEASE/SUBLEASE TRANSACTION
STERI-PHARMA, LLC AND DROMIK, LLC

CLOSING RECEIPT executed March 16, 2018 by the City of Syracuse Industrial Development Agency (the "***Agency***"), **Steri-Pharma, LLC** ("***Steri-Pharma***") and **Dromik, LLC** ("***Dromik***" and together with Steri-Pharma, collectively the "***Company***") in connection with a certain project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

W I T N E S S E T H :

(1) The Agency has executed, delivered, sealed and acknowledged, where appropriate, the documents to which it is a party, and acknowledges receipt from the Company of its administrative fee.

(2) The Company has executed, delivered, sealed and acknowledged, where appropriate, the documents to which it is a party.

(Signature page to Closing Receipt).

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Honora Spillane, Executive Director

STERI-PHARMA, LLC

By: _____
Vincent Durante, Director

DROMIK, LLC

By: _____
Vincent Durante, Sole Member

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City of Syracuse
Industrial Development Agency
City Hall Commons
201 East Washington Street, 7th Floor
Syracuse, NY 13202
Tel (315) 473-3275 Fax (315) 435-3669

March 1, 2018

Steri-Pharma, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante, Director

Re: City of Syracuse Industrial Development Agency
Steri-Pharma, LLC
Sales Tax Appointment Letter

Dear Mr. Durante:

Pursuant to a resolution duly adopted on May 16, 2017, the City of Syracuse Industrial Development Agency (the "***Agency***") appointed Steri-Pharma, LLC (the "***Company***") the true and lawful agent of the Agency to undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement. The

amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved by the Agency for the benefit of the Project shall not exceed **$712,971.52**.

This appointment includes, and this letter evidences, authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Project Facility and the following activities as they relate to any renovation, improvement, equipping and completion of any of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (1) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with renovation, improvement and equipping; (2) all purchases, rentals, uses or consumption of supplies, materials, utilities and services of every kind and description used in connection with renovation, improvement and equipping; and (3) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs), installed or placed in, upon or under such building or facility, including all repairs and replacements of such property, and with respect to such specific purchases or rentals, are exempt from any sales or use tax imposed by the State of New York or any governmental instrumentality located within the State of New York.

This agency appointment includes the power to delegate such agency, in whole or in part, to a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***"). Additional Agents must be specifically appointed by the Company in accordance and compliance with the terms of the Agency Lease dated as of March 1, 2018 by and between the Agency and the Company (the "***Agency Lease***"). The Company hereby agrees to complete "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (Form ST-60) for itself and each Additional Agent who provide materials, equipment, supplies or services to the Project Facility and deliver said form to the Agency within fifteen (15) days of appointment such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment. The Agency's obligation to execute any Form ST-60 relative to an Additional Agent is subject to the satisfaction of the conditions in the Agency Lease relative to such appointments.

The Company agrees, whenever requested by the Agency, to provide, or cause its Additional Agents to provide and certify, or cause to be certified, such information regarding use of local labor, job creation, exemptions from State and local sales and use tax, real property taxes and mortgage recording taxes and other topics as the Agency from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation, including but not limited to those required by §875 of the Act.

The Company acknowledges and agrees that pursuant to Section 875(3) of the Act, and in conjunction with the Agency's Recapture of Benefits Policy (the "***Recapture Policy***") dated as of June 21, 2016 and the Project Agreement between the Agency and the Company dated as of March 1, 2018, the Agency shall, and in some circumstances may, recover, recapture, receive or

otherwise obtain from the Company some or all of the Financial Assistance (the "***Recapture Amount***").

Each supplier or vendor should identify the Project Facility on each bill or invoice and indicate thereon which of the Company or its Additional Agents acted as agent for the Agency in making the purchase.

In order to be entitled to use this exemption, you and each Additional Agent should present to the supplier or other vendor of materials for the Project Facility, a completed "IDA Agent or Project Operator Exempt Purchase Certificate" (Form ST-123).

In addition, General Municipal Law §874(8) requires you to file an Annual Statement with the New York State Department of Taxation and Finance ("***NYSDTF***") on "Annual Report of Sales and Use Tax Exemptions" (Form ST-340) regarding the value of sales and use tax exemptions you and your Additional Agents have claimed pursuant to the agency we have conferred on you with respect to this Project. The penalty for failure to file such statement is the removal of your authority to act as our agent. In addition, you must provide a copy of the completed Form ST-340 to the Agency within ten (10) days of the date it is due to be filed with the NYSDTF.

The agency created by this letter is limited to the Project Facility and will expire on the earlier of: (i) sixty (60) days after the issuance of a certificate of occupancy or similar document by the applicable municipality in which the Project Facility is located; or (i) **April 30, 2019;** unless the Agency Lease is terminated early in accordance with its terms in which case this appointment shall terminate at that time.

This letter is provided for the sole purpose of evidencing, in part, the exemption from New York State Sales and Use Taxes **for this project only**. No other principal/agent relationship is intended or may be implied or inferred by this letter.

The Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party liable thereunder. By acceptance of this letter, the vendor hereby acknowledges the limitations on liability described herein.

Very truly yours

CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Honora Spillane, Executive Director

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New York State Department of Taxation and Finance

IDA Appointment of Project Operator or Agent

For Sales Tax Purposes

ST-60
(4/13)

The industrial development agency or authority (IDA) **must** submit this form within 30 days of the appointment of a project operator or agent, whether appointed directly by the IDA or indirectly by the operator or another agent.

For IDA use only

Name of IDA: City of Syracuse Industrial Development Agency	IDA project number (use OSC numbering system for projects after 1998): 31021704
Street address: 201 East Washington Street, 7th Floor	Telephone number: (315) 448-8127
City: Syracuse	State: NY; ZIP code: 13202
Name of IDA project operator or agent: Steri-Pharma, LLC	Mark an *X* in the box if directly appointed by the IDA: ☒
Employer identification or social security number: 26-2372400	
Street address: 429 South West Street	Telephone number: (315) 473-7180
Primary operator or agent? ☒ Yes ☐ No	
City: Syracuse	State: NY; ZIP code: 13202
Name of project: Steri-Pharma, LLC Project	Purpose of project *(see instructions)*: other - commercial
Street address of project site: 429 South West Street and 100 Tully Street	
City: Syracuse	State: NY; ZIP code:
Description of goods and services intended to be exempted from New York State and local sales and use taxes: building materials, equipment, fixtures and furnishings installed in the Project Facility	
Date project operator or agent appointed *(mm/dd/yy)*: 12/01/17	Date project operator or agent status ends *(mm/dd/yy)*: 04/30/19
Mark an *X* in the box if this is an extension to an original project: ☒	
Estimated value of goods and services that will be exempt from New York State and local sales and use tax: $8,912,144	Estimated value of New York State and local sales and use tax exemption provided: $712,971.52

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.

Print name of officer or employee signing on behalf of the IDA: Honora Spillane	Print title: Executive Director	
Signature:	Date: 3/14/18	Telephone number: (315) 448-8127

Instructions

Filing requirements

An IDA must file this form within 30 days of the date the IDA appoints any project operator or other person as agent of the IDA, for purposes of extending any sales and compensating use tax exemptions.

The IDA must file a separate form for each person it appoints as agent, whether directly or indirectly, and regardless of whether the person is the primary project operator or agent. If the IDA authorizes a project operator or agent to appoint other persons as agent of the IDA, the operator or agent making such an appointment must advise the IDA that it has done so, so that the IDA can file a form within 30 days of the date of the new agent's appointment. The IDA should not file this form for a person hired to work on an IDA project if that person is not appointed as agent of the IDA. The IDA need not file this form if the IDA does not extend any sales or use tax exemption benefits for the project.

If an IDA modifies a project, such as by extending it beyond its original completion date, or by increasing or decreasing the amount of sales and use tax exemption benefits authorized for the project, the IDA must, within 30 days of the change, file a new form with the new information.

If an IDA amends, revokes, or cancels the appointment of an agent, or if an agent's appointment becomes invalid for any reason, the IDA must, within 30 days, send a letter to the address below for filing this form, indicating that the appointment has been amended, revoked, or cancelled, or is no longer valid, and the effective date of the change. It should attach to the letter a copy of the form it originally filed. The IDA need not send a letter for a form that is not valid merely because the "Completion date of project" has passed.

Purpose of project

For *Purpose of project*, enter one of the following:

- Services
- Agriculture, forestry, fishing
- Finance, insurance, real estate
- Transportation, communication, electric, gas, sanitary services
- Construction
- Wholesale trade
- Retail trade
- Manufacturing
- Other (specify)

Mailing Instructions

Mail completed form to:

NYS TAX DEPARTMENT
IDA UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

Need help?

Internet access: ***www.tax.ny.gov*** (for information, forms, and publications)

Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431

Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): (518) 485-5082

BARCLAY DAMON LLP

Susan R. Katzoff
Partner

March 21, 2018

VIA CERTIFIED MAIL
7016 1970 0000 3833 3474

New York State Tax Department
IDA Unit
Building 8, Room 738
W.A. Harriman Campus
Albany, New York 12227

Re: IDA Appointment of Project Operator or Agent for Sales Tax Purposes
City of Syracuse Industrial Development Agency Appointment of
Steri-Pharma, LLC (Steri-Pharma, LLC Project)
IDA Project No. 31021704

Dear Ladies and Gentlemen:

Enclosed for filing on behalf of the City of Syracuse Industrial Development Agency, please find form ST-60 in connection with the appointment by the IDA of Steri-Pharma, LLC as its agent for sales tax purposes in connection with the IDA project identified therein.

Please do not hesitate to contact me with any questions. Thank you.

7016 1970 0000 3833 3474

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com
OFFICIAL USE
Certified Mail Fee $
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) $
☐ Return Receipt (electronic) $
☐ Certified Mail Restricted Delivery $
☐ Adult Signature Required $
☐ Adult Signature Restricted Delivery $
Postage $
Total Postage and Fees $
Sent To
Street and Apt. No., or PO Box No.
City, State, ZIP+4®
PS Form 3800, April 2015 PSN 7530-02-000-9047 See

SENDER: COMPLETE THIS SECTION
- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
New York State Tax Department
IDA Unit
Building 8, Room 738
W.A. Harriman Campus
Albany, New York 12227

9590 9402 3272 7196 1706 41

2. Article Number (Transfer from service label)
7016 1970 0000 3833 3474

COMPLETE THIS SECTION ON DELIVERY
A. Signature
X ☐ Agent ☐ Addressee
B. Received by (Printed Name) C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No
ALBANY, NY 12227
MAR 23 2018

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☑ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over $500)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☑ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

15

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

and

DROMIK, LLC

PAYMENT IN LIEU OF TAX AGREEMENT

Dated as of: MARCH 1, 2018

STERI-PHARMA, LLC PROJECT

THIS PAYMENT IN LIEU OF TAX AGREEMENT, (this "***Agreement***") dated as of March 1, 2018 by and among the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State of New York (hereinafter referred to as the "***Agency***"), having an office at 201 East Washington Street, 7th Floor, Syracuse, New York 13202 **DROMIK, LLC** a New York limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 429 South West Street, Syracuse, New York 13202 (the "***Company***").

WITNESSETH:

WHEREAS, the New York State Industrial Development Agency Act, being Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of the State of New York, as amended (hereinafter referred to as the "***Enabling Act***") authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish real and personal property, whether or not now in existence or under construction, which shall be suitable for, among others, manufacturing, warehousing, research, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease and to sell its projects, to charge and collect rent therefor, to issue its bonds or notes for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of, and interest on, any such bonds or notes, to mortgage any or all of its facilities and to pledge the revenues and receipts therefrom to the payment of such bonds or notes; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, Chapter 641 of the 1979 Laws of the State of New York, as amended (said chapter and the Enabling Act being hereinafter collectively referred to as the "***Act***") created the Agency for the benefit of the City of Syracuse (hereinafter referred to as the "***Municipality***") and the inhabitants thereof; and

WHEREAS, the Agency, by Resolution adopted on December 20, 2016, (the "***Resolution***"), resolved to undertake the "***Project***" (as hereinafter defined); and

WHEREAS, the Project will consist of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency will lease the Land and Facility from the Company pursuant to that certain Company Lease Agreement dated as of March 1, 2018 (the "***Company Lease Agreement***"), between the Company and the Agency, obtain an interest in the Equipment pursuant to a bill of sale dated as of February 1, 2018 from the Company (the "***Bill of Sale***"), and sublease the Project Facility back to the Company pursuant to that certain Agency Lease Agreement dated as of March 1, 2018 (the "***Agency Lease Agreement***"), between the Agency and the Company (the Company Lease Agreement, the Bill of Sale and the Agency Lease Agreement are hereinafter

collectively referred to as the "***Lease Agreement***"); and

WHEREAS, under the present provisions of the Act and Section 412-a of the Real Property Tax Law of the State of New York, the Agency is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or supervision or control; and

NOW, THEREFORE, in consideration of the matters above recited, the parties hereto formally covenant, agree and bind themselves as follows, to wit:

ARTICLE I

REPRESENTATIONS AND WARRANTIES

Section 1.00. Recitals. The foregoing recitals are incorporated herein by reference as if fully set forth hereinbelow.

Section 1.01. Representations and Warranties by Agency

The Agency does hereby represent and warrant as follows:

(a) Existence and Power. The Agency has been duly established under the provisions of the Act and has the power to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder.

(b) Intentions. The Agency intends to acquire a leasehold interest in the Project Facility from the Company and to sublease the Project Facility back to the Company, all pursuant to the provisions of the Lease Agreement.

(c) Authorization. The Agency is authorized and has the corporate power under the Act, its by-laws and the laws of the State of New York to enter into this Agreement and the transactions contemplated hereby and to perform and carry out all the covenants and obligations on its part to be performed under and pursuant to this Agreement. By proper corporate action on the part of its members, the Agency has duly authorized the execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated.

(d) Validity. The Agency is not prohibited from entering into this Agreement and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by the terms, conditions or provisions of the Act, any other law, any order of any court or other agency or authority of government, or any agreement or instrument to which the Agency is

a party or by which the Agency is bound, and this Agreement is a legal, valid and binding obligation of the Agency enforceable in accordance with its terms.

Section 1.02. Representations and Warranties by Company

The Company does hereby represent and warrant as follows:

(a) Existence. The Company is a New York limited liability company duly organized, validly existing and in good standing under the laws of the State of New York.

(b) Authorization. The Company is authorized and has the power under the laws of the State of New York to enter into this Agreement and the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement. The Company has duly authorized the execution, delivery and performance of the Lease Agreement, this Agreement and the consummation of the transactions therein and herein contemplated. The Company is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by (and the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the provisions of this Agreement will not conflict with or violate or constitute a breach of or a default under) the terms, conditions or provisions of its Articles of Organization, Operating Agreement or any other restriction or any law, rule, regulation or order of any court or other agency or authority of government, or any contractual limitation, restriction or outstanding indenture, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which the Company is a party or by which it or any of its property is bound, and the Company's discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement will neither be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any of the foregoing, nor result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any of the foregoing, and this Agreement is a legal, valid and binding obligation of the Company enforceable in accordance with its terms.

(c) Title. The Company has valid and marketable fee title to the Project Facility, free and clear of all liens and encumbrances except for Permitted Encumbrances (as defined in the Lease

Agreement).

(d) Governmental Consent. No further consent, approval or authorization of, or filing, registration or qualification with, any governmental or public authority on the part of the Company is required as a condition to the execution, delivery or performance of this Agreement by the Company or as a condition to the validity of this Agreement.

ARTICLE II

COVENANTS AND AGREEMENTS

Section 2.01. Tax-Exempt Status of the Project Facility

(a) Assessment of the Project Facility. Pursuant to the Act and Section 412-a of the Real Property Tax Law, the parties hereto understand that, upon acquisition of ownership or control of the Project Facility by the Agency, and for so long thereafter as the Agency shall own or control the Project Facility, the Project Facility shall be entitled to an exemption upon the first available assessment roll of the Municipality prepared subsequent to the acquisition by the Agency of ownership or control of the Project Facility. The time of commencement of the Agency's exemption shall be controlled by the Municipality's taxable status date, in conformity with Section 412-a of the Real Property Tax Law. The Company will be required to pay to the Municipality all taxes and assessments lawfully levied and/or assessed against the Project Facility, in spite of the Agency's actual ownership or control of the Project Facility, until the Project Facility shall be entitled to exempt status on the tax roll of the Municipality.

(b) Special Assessments. The parties hereto understand that the tax exemption extended to the Agency by the Act and Section 412-a of the Real Property Tax Law does not entitle the Agency to exemption from special assessments and special ad valorem levies. The Company will be required at all times to pay all special assessments and special ad valorem levies lawfully levied and/or assessed against the Project Facility.

Section 2.02. Payments in Lieu of Taxes

(a) Agreement to Make Payments. The Company agrees that it shall make periodic payments in lieu of real property taxes in the amounts hereinafter provided. The said payments due to the Agency hereunder shall be paid by the Company, to the Municipality, on behalf of the Agency, by check made payable to "*Commissioner of Finance*". Upon receipt of the Company's

payment, the Municipality, on behalf of the Agency, will disburse the appropriate portion of the said payment to the County of Onondaga and the Municipality, or such other taxing jurisdiction, pursuant to the Act. This Company obligation shall exist for so long as the Agency retains an interest in the Project Facility. Notwithstanding the appearance of the Agency's exemption on the Municipality's tax roll for the 2019/2020 City and School portion of the real property tax due on the Land and Facility, the year 1 payment due for the City and School portion of the year 1 payment under **Exhibit "A"** shall commence on July 1, 2019. The year 1 payment due for the County and Water District portion of the year 1 payment under **Exhibit "A"** shall commence on January 1, 2020. Without regard to the Agency exemption, the Company shall continue paying real property tax through June 30, 2019 with respect to the City and School portion of the real property tax and through December 31, 2019 with respect to the County and Water District portion of the real property tax, based upon the assessment and the combined real property tax rate in effect for that period as if the Project Facility were privately owned and the Agency had no interest in the same.

(b) Amount of Payments in Lieu of Taxes. Unless otherwise stated, the Company's agreed upon annual payment in lieu of tax hereunder shall be an amount determined by reference to **Exhibit "A"**, attached hereto and made a part hereof. The payments in lieu of tax due, as set forth in **Exhibit "A"**, include any real property tax exemptions that might be afforded to the Company if the Project Facility were owned by the Company and not the Agency. As consideration for the benefits conferred on the Company pursuant to this Agreement, the Company hereby agrees to be bound by any determination by the City of Syracuse Board of Assessment Review resulting from a review of the assessment pertaining to the Project Facility and/or Additional Property throughout the term of this Agreement. The Company hereby agrees to waive any and all right to challenge or contest in a court of law (a "***Legal Challenge***"), those payments or the basis for those payments due pursuant to Exhibit "A." It shall also be an event of default under Article IV of this Agreement should the Company bring a Legal Challenge on the Project Facility and/or Additional Property.

(c) Additional Amounts in Lieu of Taxes. Commencing on the first tax year following the date on which any structural addition shall be made to the Facilities, or any new or additional building shall be constructed on the real property described in **Exhibit "B"** that is in addition to the Facilities (such structural additions and additional buildings being hereinafter referred to as

"***Additional Property***"), the Company agrees to make additional periodic payments in lieu of real property taxes (such additional payments being hereinafter collectively referred to as "***Additional Payments***") to the Municipality on behalf of the Agency with respect to such Additional Property. Such Additional Payments shall be computed as follows:

By multiplying (1) the value placed on such Additional Property, as value is determined by the Municipality's assessor by (2) the tax rate or rates of the Municipality that would be applicable to such Additional Property if such Additional Property were owned or controlled by the Company and not the Agency; and (3) then reducing the amount so determined by the amounts of any properly acquired tax exemptions that would be afforded to the Company by the Municipality for such Additional Property as if it was owned or controlled by the Company and not the Agency.

(d) Revaluation. In the event of a real property assessment revaluation by the Municipality, the Company shall continue to make its payments in accordance with this Agreement; however, in the event that Exhibit "A" is no longer in effect, but payments are still being made hereunder for any reason, (including, but not limited to, the Agency still having an interest in the Project Facility), and would be effected by revaluation, each year's payments subsequent to such revaluation shall be adjusted to properly reflect revaluation, it being the intent of the parties that the level of payments following revaluation shall be equal to those payments contemplated by this Agreement.

(e) Damage or Destruction. In the event that all or substantially all of the Project Facility is damaged or destroyed, the Company shall continue to make the payments required by this Agreement for as long as the Agency shall own or control the Project Facility, without regard to such damage or destruction.

(f) Time of Payments. The Company agrees to pay the amounts due the Agency hereunder to the Municipality for each year of this Agreement, within the period that the Municipality allows payment of taxes levied in such calendar year without penalty. The Company shall be entitled to receive receipts from the Municipality for such payments.

(g) Method of Payment. All payments by the Company hereunder shall be paid to the Municipality in lawful money of the United States of America, cash, money order or check.

Section 2.03. PILOT Statements

The Municipality and/or the Agency shall submit to the Company written semi-annual statements specifying the amount and due date or dates of any payments due to the Agency hereunder. Each semi-annual PILOT statement shall be submitted to the Company at the same time that tax statements/bills are mailed by the Municipality to the owners of privately owned property. Failure to receive a PILOT statement shall not relieve the Company of its obligation to make all payments provided for hereunder. If, for any reason, the Company does not receive an appropriate PILOT Statement, the Company shall have the responsibility and obligation to make all reasonable inquiries to the Municipality and the Agency and to have such a statement issued, and thereafter to make payment of the same no later than the due dates provided herein.

Section 2.04. Obligations of Agency

Requirement that Mortgagees Subordinate to Payments. The Agency and the Company agree that any mortgages on the Project Facility, given by either of them, shall provide that the rights of the mortgagees thereunder shall be subordinate to this Agreement and to the right of the Municipality to receive payments in lieu of taxes pursuant to Article II hereof.

Section 2.05. Company to Furnish Information

The Company agrees to promptly comply with the reporting and information requirements of the Agency and the Act, and to promptly furnish the applicable information required or requested by the Agency and/or the State of New York. The Company further agrees to assist the Agency with the preparation of any reports, or answer any inquiries, required by the State of New York in connection with the Act or the Agency's participation in the Project.

Section 2.06. Interest

(a) Agreement to Pay Interest on Missed Payments. If the Company shall fail to make any payment required by this Agreement when due, its obligation to make the payment so in default shall continue as an obligation of the Company until such payment in default shall have been made in full, and the Company shall pay the same together with interest thereon, to the extent permitted by law, at the greater of: **(i) eighteen per cent (18%) per annum; or (ii) the rate per annum which would be payable if such amounts were delinquent taxes, until so paid in full.**

(b) Maximum Legal Rate. It is the intent of the Agency, the Municipality, and Company that in no event shall interest be payable at a rate in excess of the maximum rate permitted by applicable law (the "***Maximum Legal Rate***"). Solely to the extent necessary to prevent interest under this Agreement from exceeding the Maximum Legal Rate, any amount that would be treated as excessive under a final judicial interpretation of applicable law shall be deemed to have been a mistake and automatically canceled, and, if received by the Agency or Municipality, shall be refunded to the Company.

ARTICLE III

LIMITED OBLIGATION OF THE AGENCY

Section 3.01. No Recourse; Limited Obligation of the Agency

(a) No Recourse. All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, director, officer, agent, servant or employee of the Agency in his individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in this Agreement, or otherwise based on or in respect of this Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, director, officer, agent, servant or employee, as such, of the Agency or any successor public benefit corporation or political subdivision or any person executing this Agreement on behalf of the Agency, either directly or through the Agency or any successor public benefit corporation or political subdivision or any person so executing this Agreement. It is expressly understood that this Agreement is a corporate obligation, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent, servant or employee of the Agency or of any successor public benefit corporation or political subdivision or any person so executing this Agreement under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom. Any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent, servant or employee under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of this

Agreement.

(b) Limited Obligation. The obligations and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State of New York or the Municipality, and neither the State of New York nor the Municipality shall be liable thereon. Furthermore, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Project.

(c) Further Limitation. Notwithstanding any provision of this Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (i) the Agency shall have been requested to do so in writing by the Company and (ii) if compliance with such request is expected to result in the incurrence by the Agency (or any of its members, directors, officers, agents, servants or employees) of any liability, fees, expenses or other costs, the Agency shall have received from the Company security or indemnity satisfactory to the Agency for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.01. Events of Default

Any one or more of the following events shall constitute an event of default under this Agreement, and the terms "***Event of Default***" or "***Default***" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure of the Company to pay any amount due and payable by it pursuant to this Agreement or the Lease Agreement.

(b) Commencement by the Company of a Legal Challenge, as defined in Section 2.02(b), to those payments or the basis for those payments due pursuant to Exhibit "A."

(c) Failure of the Company to observe and perform any other covenant, condition or agreement on its part to be observed and performed under this Agreement (other than as referred to in paragraph (a) above) or the Lease Agreement, or any other Company Document (as defined in the Agency Lease) and continuance of such failure for a period of thirty (30) days after written

notice to the Company specifying the nature of such failure hereunder, or with respect to the Lease Agreement, continuance of such failure for the duration of any applicable cure period set forth therein after receipt of any required notice thereunder.

(d) Any warranty, representation or other statement by or on behalf of the Company contained in this Agreement or the Lease Agreement shall prove to have been false or incorrect in any material respect on the date when made or on the effective date of this Agreement or the Lease Agreement.

(e) The Company violates any federal, state or local environmental law or allows or causes any Hazardous Materials (as Hazardous Materials is defined and described in any federal, state or local law) to be released at, on, to, into or from the Project Facility, except as permitted by the Lease Agreement or within the terms and conditions of a permit, certificate, license or other written approval of an authorized governmental body, and fails to remedy such violation within thirty (30) days; or if such failure cannot be cured within thirty (30) days, fails to commence a cure within thirty (30) days and thereafter diligently prosecute the cure thereof.

(f) The occurrence of any Event of Default or Default under this Agreement, the Lease Agreement or any other Company Documents.

(g) Failure of the Company to commence the acquisition, construction, renovation, equipping and completion of the Project Facility within eight (8) months of the date of this Agreement.

Section 4.02. Remedies on Company Default

Whenever any Event of Default under Section 4.01 shall have occurred and be continuing with respect to this Agreement, and/or the Company shall be in default under the Lease Agreement, the Agency may take whatever action at law or in equity, following applicable notice, as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company under this Agreement and/or the Lease Agreement. Notwithstanding anything herein to the contrary, if the Lease Agreement is terminated for any reason, this Agreement shall automatically terminate without any further notice or action required hereunder and the Project Facility shall immediately become taxable and revert to the tax roll.

The payment schedule contained in Exhibit "A" is for the benefit of the Company and its Project Facility. In the event that the Company defaults hereunder, and the Lease Agreement cannot be terminated, and/or the Agency's participation in the Project and this Agreement is not or cannot be terminated, the Company, or any assignee, or successor shall no longer be entitled to make payments under this Agreement pursuant to Exhibit "A". In such an event, payments shall be made hereunder, for any remaining term of this Agreement, as if the Project Facility was privately owned and assessed and without any further regard to Exhibit "A".

Section 4.03. Recording of Lease Terminations and Other Documents

Whenever any Event of Default under Sections 4.01 shall have occurred and be continuing with respect to this Agreement or the Lease Agreement, the Agency may, upon notice to the Company provided for in this Agreement or the Lease Agreement, if any, terminate the Lease Agreement and record such termination or other necessary documents in the Onondaga County Clerk's Office, terminating the Agency's interest in the Project Facility and terminating this Agreement.

The recording of such a termination and any other documentation shall constitute delivery to, and acceptance of such, by the Company. In order to facilitate such a termination, the Company hereby appoints the Chairman or the Vice Chairman of the Agency as its agent for the purpose of executing and delivering all documents necessary to allow such termination by the Agency.

In the event that the Lease Agreement, for any reason, is extended by its terms, or for any reason this Agreement expires or terminates, but the Agency retains an interest or remains in title to the Project Facility, the Company shall continue to make payments in lieu of taxes to the Municipality, on behalf of the Agency, for as long as the Agency retains an interest in, or remains in title to, the Project Facility. Those payments shall be the equivalent of the real property taxes that would be due on the Project Facility if it were owned by the Company and the Agency had no interest therein. It is the intention of the parties hereto, that for so long as the Agency shall possess title to, or an interest in, the Property, the Company, or any permitted successors or assigns, shall make payments in lieu of taxes to the Municipality, on behalf of the Agency, that are either based upon Exhibit "A", or if Exhibit "A" is no longer applicable for any reason, are the equivalent of the real property taxes that would be due and owing if the Project Facility were privately owned and the

Agency had no interest therein.

Section 4.04. Payment of Attorney's Fees and Expenses

If the Company should default in performing any of its obligations, covenants and agreements under this Agreement and the Agency or the Municipality should employ attorneys (whether in-house or outside counsel) or incur other expenses for the collection of any amounts payable hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefor, pay to the Agency and/or the Municipality the reasonable fees and disbursements of such attorneys and such other reasonable expenses so incurred.

Furthermore, should the Company bring a Legal Challenge on the Project Facility and/or Additional Property during the term of this Agreement, and the Agency and/or the Municipality waives its right to declare a default under this Agreement in regard to such Legal Challenge, or such Legal Challenge is determined not to be a default of this Agreement by any Court of competent jurisdiction, the Company agrees that in the event that the Company is unsuccessful in its Legal Challenge, it will, on demand, pay to the Agency and/or the Municipality the reasonable fees and disbursements of any attorneys employed (whether in-house or outside counsel) for the defense of such Legal Challenge as well as such other reasonable expenses so incurred.

Section 4.05. Remedies; Waiver and Notice

(a) No Remedy Exclusive. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

(b) Delay. No delay or omission in exercising any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(c) Notice Not Required. In order to entitle the Agency to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Agreement.

(d) No Waiver. In the event any provision contained in this Agreement should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing.

ARTICLE V

MISCELLANEOUS

Section 5.01. Term of Agreement

(a) General. This Agreement shall become effective and the obligations of the Agency and the Company shall arise absolutely and unconditionally upon the execution and delivery of this Agreement. This Agreement shall terminate on the earliest to occur of: (i) the same date that the Agency Lease Agreement terminates; (ii) on any earlier date permitted under the Agency Lease Agreement; or (iii) upon the expiration on June 30, 2035, of the PILOT Schedule set forth in **Exhibit "A"** hereto. In the event of a termination of the Agency's interest in the Project Facility, the Company's payments due hereunder shall be pro-rated to the extent necessary to allow the Municipality to issue a supplemental PILOT Statement based upon the Agency's transfer of ownership or control of the Project Facility to the Company, and the loss of the Agency's tax exemption on the said Project Facility.

(b) Conflict. In the event of a conflict between this Agreement or any of its terms on the one hand, and the Lease Agreement or any other Project documents on the other hand, the provisions most favorable to the Agency shall govern. The Agency and the Company agree that the Agency's participation in this Agreement is for the benefit of the Company and that the Municipality must receive payments from the Company hereunder, during the entire term of this Agreement and/or the Agency's ownership or control of the Project Facility.

Section 5.02. Company Acts

Where the Company is required to do or accomplish any act or thing hereunder, the Company may cause the same to be done or accomplished with the same force and effect as if done or accomplished by the Company.

Section 5.03. Amendment of Agreement

This Agreement may not be amended, changed, modified or altered unless such amendment, change, modification or alteration is in writing and signed by the Agency and the Company.

Section 5.04. Notices

All notices, certificates or other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) To the Agency:
City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202
Attn: Chairman

With a copy to:

Barclay Damon LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

And to:
Corporation Counsel
City of Syracuse
233 East Washington Street, Room 300
Syracuse, New York 13202

To the Company:

Dromik, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante, Director

With a copy to:

Costello, Cooney and Fearon, PLLC
500 Plum Street, Suite 300
Syracuse, New York 13204
Attn: Wendy S. Lougnot, Esq.

The Agency and Company may, by notice given hereunder to each of the others, designate any further or different addresses to which the subsequent notices, certificates or other communications to them shall be sent.

Section 5.05. Binding Effect

This Agreement shall inure to the benefit of, and shall be binding upon the Agency and the Company, and their respective successors and assigns.

Section 5.06. Severability

If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

Section 5.07. Counterparts

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.08. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York. Venue of any action or proceeding brought hereunder shall be in the State or Federal Courts located in Onondaga County, New York.

Section 5.09. Assignment

This Agreement may not be assigned by the Company without the prior written consent of the Agency.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Agency and Company have caused this Agreement to be executed in their respective names on the date first above written.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Honora Spillane, Executive Director

DROMIK, LLC

By: _____
Vincent Durante, Sole Member

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss:

On the 15 day of ~~August~~ March, in the year 2018, before me the undersigned, a Notary Public in and for said state, personally appeared **Honora Spillane**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC6055591
Commission Expires on Feb. 12, 20 22

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss:

On the 16 day of ~~August~~ March, in the year 2018, before me the undersigned, a notary public in and for said state, personally appeared **Vincent Durante**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC6055591
Commission Expires on Feb. 12, 20 22

ACKNOWLEDGEMENT BY
DROMIK, LLC

DROMIK, LLC (the "***Company***") hereby acknowledges receipt and review of this Agreement, and consents to, and approves of, the terms and provisions contained herein.

IN WITNESS WHEREOF, the Company has caused this Acknowledgment to be executed in its name by its duly authorized representative, dated as of March 1, 2018.

DROMIK, LLC

By: _____
Vincent Durante, Sole Member

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss:

On the 16 day of March, in the year 2018, before me the undersigned, a notary public in and for said state, personally appeared **Vincent Durante**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or he person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 22

14772084.2

EXHIBIT "A"

PILOT SCHEDULE

Year	*Amount*
1	$90,455.46
2	$92,264.57
3	$94,109.86
4	$95,992.06
5	$97,911.90
6	$99,870.14
7	$101,867.54
8	$103,904.89
9	$105,982.99
10	$108,102.65
11	$122,868.60
12	$138,181.95
13	$154,058.69
14	$170,515.22
15	$187,568.39
Total	$1,763,654.92

EXHIBIT "B"

LEGAL DESCRIPTION

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

November 6, 2017

PROPOSED LEGAL DESCRIPTION
Portion of Block No. 192B
City of Syracuse

Re: 100 Tully Street (Rear)

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at the intersection of the present southerly road boundary of Jefferson Street (66 feet wide public right-of-way) and the easterly road boundary of South West Street (66 feet wide public right-of-way); **thence** S.08°44'00"E., along said easterly road boundary of South West Street, a distance of 202.46 feet to a point; **thence** S. 89°48'10"E., along a line parallel with and 200.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 246.10 feet to the centerline of a former railroad siding; **thence** N.00°11'50"E., along said centerline of a former railroad siding, a distance of 15.00 feet to a point; **thence** S.89°48'10"E., along a line parallel to and 185.00 feet southerly therefrom as measured at right angles thereto the southerly road boundary of Jefferson Street, a distance of 39.64 feet to the **ACTUAL POINT OF BEGINNING;**

thence S.89°48'10"E., a distance of 9.80 feet to a point;

thence S.01°23'45" W., a distance of 32.53 feet to a point, said point hereinafter referred to as "Point X";

thence N.51°56'20"W., a distance of 11.69 feet to a point;

thence N.00°26'00"E., a distance of 25.35 feet to the point of beginning.

Containing 277 Square Feet of Land more or less.

ALSO ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being part of Block No. 192B in said City and being more particularly described as follows:

COMMENCING at "Point X" of the hereinbefore described parcel of land; **thence** S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building; **thence** S.00°30'35"W., along the easterly line of said building, a distance of 133.00 feet to the **ACTUAL POINT OF BEGINNING;**

thence S.49°20'37"E., a distance of 8.00 feet to a point;

thence S.38°51'00"E., a distance of 28.00 feet to a point;

thence N.89°48'10"W., a distance of 15.00 feet to a point;

thence N.06°03'17"W., a distance of 5.94 feet to a point;

thence N.89°29'25"W., a distance of 8.20 feet to a point;

thence N.00°30'35"E., along the easterly line of said building, a distance of 21.00 feet to the point of beginning.

Containing 291 Square Feet of Land more or less.

The hereinbefore described parcels of land are subject to any and all easements and/or rights-of-ways of record.

Lehr Land Surveyors
Land Surveying & Planning

Suite 6
116 Salina Street
Liverpool, New York 13088
315-451-3333
FAX: 315-451-3392
EMAIL: LehrSurveyors@aol.com

PROPOSED LEGAL DESCRIPTION
New Lot 1B of the Resubdivision Map for
Proposed Planned Development District (PPD)
City of Syracuse

December 7, 2017

RE: 429 South West Street A.K.A. 110 Tully Street and 108 Fabius Street

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Syracuse, County of Onondaga and State of New York and being Lot 1B of the Resubdivision Map for Proposed Planned Development District (PPD) filed in the Onondaga County Clerk's Office on August 26, 2015 as Map No. 12072 and being more particularly described as follows:

BEGINNING at the intersection of the present easterly street line of South West Street (66 feet wide) and the northerly street line of former Tully Street (66 feet wide [abandoned by the Syracuse Common Council on March 5, 1990]);

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 227.88 feet to the southwesterly corner of property now or formerly owned by KJNK, LLC as recorded in the Onondaga County Clerk's Office in Liber 5283 of Deeds, Page 638;

thence S.89°48'10"E., along the southerly line of said KJNK, LLC property and its easterly prolongation, a distance of 246.10 feet to the southeasterly corner of property now or formerly owned by Hosek Contractors, Inc. as recorded in the Onondaga County Clerk's Office in Liber 3972 of Deeds, Page 104;

thence N.00°11'50"E., along the easterly line of said Hosek Contractors, Inc. property, a distance of 15.00 feet to the southwesterly corner of property now or formerly owned by F. & P. Hosek as recorded in the Onondaga County Clerk's Office in Liber 3779 of Deeds, Page 83;

thence S.89°48'10"E., along said southerly line of said Hosek property, a distance of 39.64 feet to a point;

thence S.00°26'00"W., a distance of 25.35 feet to a point;

thence S.51°56'20"E., a distance of 11.69 feet to a point;

thence S.01°23'45"W., a distance of 47.66 feet to the northeasterly corner of an existing brick building;

thence S.00°30'35"W., along the easterly brick face of said building, a distance of 154.00 feet to a point;

thence S.89°29'25"E., a distance of 8.20 feet to a point;

thence S.06°03'17"E., a distance of 6.93 feet to a point;

thence S.42°57'35"E., a distance of 102.08 feet to a point;

thence S.44°08'51"E., a distance of 77.94 feet to a point;

thence S.60°27'51"E., a distance of 110.07 feet to the northwesterly corner of property now or formerly owned by Sycamore Holding as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 85;

thence S.08°54'00"E., along the westerly line of said Sycamore Holding property, a distance of 94.69 feet to its intersection with the northerly street line of Fabius Street (66 feet wide);

thence S.81°16'10"W., along said northerly street line of Fabius Street, a distance of 280.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC;

thence N.08°54'00"W., along the easterly line of said Sycamore Holding LLC property, a distance of 116.00 feet to the northeasterly corner of said Sycamore Holding LLC property;

thence S.81°16'10"W., along the northerly line of said Sycamore Holding LLC property, a distance of 15.00 feet to the southeasterly corner of property now or formerly owned by Sycamore Holding LLC as recorded in the Onondaga County Clerk's Office in Liber 4784 of Deeds, Page 53;

thence N.00°19'33"E., along the easterly line of said Sycamore Holding LLC property (4784/53), a distance of 77.86 feet to the northeasterly corner of said Sycamore Holding LLC property (4784/53);

thence N.89°48'10"W., along the northerly line of said Sycamore Holding LLC property (4784/53) property, a distance of 171.48 feet to its intersection with said easterly street line of South West Street;

thence N.08°44'00"W., along said easterly street line of South West Street, a distance of 133.62 feet to the point of beginning.

Containing 3.460 Acres of Land more or less.

The hereinbefore described parcel of land is subject to any and all easements and/or rights-of-ways of record.

16

NYS DEPARTMENT OF TAXATION & FINANCE
OFFICE OF REAL PROPERTY TAX SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name City of Syracuse Industrial Development Ag.
Street 201 East Washington Street, 7th Floor
City Syracuse
Telephone no. Day (315)473-3275
Evening ( )N/A
Contact Honora Spillane
Title Executive Director

2. OCCUPANT (IF OTHER THAN IDA)
(If more than one occupant attach separate listing)

Name Dromik, LLC LLC
Street 429 South West Street
City Syracuse
Telephone no. Day (315 473-7180
Evening ( )N/A
Contact Vincent Durante
Title Sole Member

RECEIVED
APR 24 2018
DEPT. OF ASSESSMENT

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no.,/roll year) 101-18-26.0 & 101-17-08.0 / 2017
b. Street address 429 South West Street and 100 Tully Street
c. City, Town or Village Syracuse
d. School District Syracuse
e. County Onondaga
f. Current assessment $2,848,125
g. Deed to IDA (date recorded; liber and page) N/A lease/leaseback agreement - see Schedule A

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

a. Brief description (include property use) construction of an approximately 18,500 sq.ft. commercial building and renovations to the land
b. Type of construction steel/wood
c. Square footage approx. 87,120
d. Total cost approx. $50,000,000
e. Date construction commenced 2018
f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA) June 30, 2035

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION
(Attach copy of the agreement or extract of the terms relating to the project).

a. Formula for payment See attached PILOT Agreement

b. Projected expiration date of agreement June 30, 2035

c. Municipal corporations to which payments will be made

	Yes	No
County Onondaga	☐	☐
Town/City Syracuse	☐	☐
Village	☐	☐
School District Syracuse	☐	☐

d. Person or entity responsible for payment

Name Dromik, LLC
Title

Address 429 South West Street
Syracuse, NY 13202

e. Is the IDA the owner of the property? ☐ Yes ☑ No (check one)
If "No" identify owner and explain IDA rights or interest in an attached statement. See Schedule A

Telephone (315)473-7180

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) ☐ Yes ☑ No

If yes, list the statutory exemption reference and assessment roll year on which granted:
exemption _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 4/20/18 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Honora Spillane (Name), Executive Director (Title) of City of Syracuse Industrial Development Agency (Organization) hereby certify that the information on this application and accompanying papers constitutes a true statement of facts.

3/14/18
Date

Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____

3a. Agreement (or extract) date _____

3b. Projected exemption expiration (year) _____

4. Assessed valuation of parcel in first year of exemption $ _____
5. Special assessments and special as valorem levies for which the parcel is liable:

_____

_____

Date

Assessor's signature

SCHEDULE "A"

Response to Item 3.g *Deed to IDA*: Memorandum of Company Lease and Memorandum of Agency Lease, both dated as of March 1, 2018, were each recorded in the office of the Clerk of Onondaga County on March 16, 2018 as Instrument No. 2018-00012549 and Instrument No. 2018-00012550, respectively.

Response to Item 5.e. *Is the IDA the owner of the property*?
No. The City of Syracuse Industrial Development Agency has a leasehold interest in the subject premises pursuant to a lease/leaseback arrangement as set forth in a certain Agency Lease and Company Lease each dated as of March 1, 2018, memorandums of which were filed as set forth above.

BARCLAY DAMON LLP

Susan R. Katzoff
Partner

April 20, 2018

VIA CERTIFIED MAIL
7017 1450 0000 0413 4982

Dave Clifford, Assessor
City of Syracuse
Department of Assessment
Room 130, City Hall
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency
Steri-Pharma, LLC Project

Dear Mr. Clifford:

Enclosed herewith please find an original RP-412-a form attendant with the above referenced Project, as well as a fully executed original PILOT Agreement, to be filed with your office.

Also enclosed for your file are fully executed copies of the Company Lease Agreement and the Agency Lease Agreement regarding this Project.

Kindly return a file-stamped copy of the RP-412-a to our attention in the enclosed self-addressed stamped envelope.

If you have any questions regarding the foregoing, please do not hesitate to contact me.

Very truly yours,

COPY

Susan R. Katzoff

SRK/llm
Enclosures
cc: ***Via Electronic Mail***
Honora Spillane (without Enclosures)
Judy DeLaney (without Enclosures)

Barclay Damon Tower – 125 East Jefferson Street – Syracuse, New York 13202 barclaydamon.com
skatzoff@barclaydamon.com Direct: 315.425.2860 Fax: 315.425.6597

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

David Clifford, Assessor
City of Syracuse
Department of Assessment
Room 130, City Hall, Syracuse, NY

9590 9402 3272 7196 1701 15

2. Article Number (Transfer from service label)

7017 1450 0000 0413 4982

COMPLETE THIS SECTION ON DELIVERY

A. Signature
Kaitlyn Gentile
☐ Agent
☐ Addressee

B. Received by (Printed Name) Kaitlyn Gentile
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☑ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over $500)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☑ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 — Domestic Return Receipt

7017 1450 0000 0413 4982

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

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

OFFICIAL USE

Certified Mail Fee $
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) $
☐ Return Receipt (electronic) $
☐ Certified Mail Restricted Delivery $
☐ Adult Signature Required $
☐ Adult Signature Restricted Delivery $
Postage $
Total Postage and Fees $

Postmark Here

Sent To
City of Syracuse Assessor
Street and Apt. No., or PO Box No.
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 — See Reverse for Instructions

BARCLAY DAMON LLP

Susan R. Katzoff
Partner

April 20, 2018

VIA CERTIFIED MAIL
7016 1970 0000 3833 3535

Honorable Benjamin Walsh
Mayor, City of Syracuse
City Hall
233 East Washington Street
Syracuse, New York 13202

VIA CERTIFIED MAIL
7016 1970 0000 3833 3542

Honorable Joanne M. Mahoney
County Executive, Onondaga County
John Mulroy Civic Center, 14th Floor
421 Montgomery Street
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency
Steri-Pharma, LLC Project

Dear Mayor and County Executive:

Enclosed herewith please find the RP-412-a form attendant with the above referenced Project, along with a copy of the PILOT Agreement, which have been sent for filing with City of Syracuse Department of Assessment.

If you have any questions regarding the foregoing, please do not hesitate to contact me.

Very truly yours,

COPY

Susan R. Katzoff

SRK/llm
Enclosure

Barclay Damon Tower – 125 East Jefferson Street – Syracuse, New York 13202 barclaydamon.com
skatzoff@barclaydamon.com Direct: 315.425.2880 Fax: 315.425.8597

cc: ***Via Electronic Mail***
Honora Spillane (without Enclosures)
Judy DeLaney (without Enclosures)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Honorable Benjamin Walsh
Mayor, City of Syracuse
233 East Washington Street
Syracuse, New York 13202

9590 9402 3272 7196 1783 57

2. Article Number (Transfer from service label)

7016 1970 0000 3833 3535

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Lisa A Carmen ☒ Agent ☐ Addressee

B. Received by (Printed Name) MAYOR
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over $500)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☒ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Honorable Joanne M. Mahoney
County Executive, Onondaga County
John Mulroy Civic Center, 14th Floor
421 Montgomery Street
Syracuse, New York 13202

9590 9402 3272 7196 1785 48

2. Article Number (Transfer from service label)

7016 1970 0000 3833 3542

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X MVV ☐ Agent ☐ Addressee

B. Received by (Printed Name)
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over $500)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☒ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

7016 1970 0000 3833 3542

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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For delivery information, visit our website at www.usps.com®.
OFFICIAL USE
Certified Mail Fee $
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) $
☐ Return Receipt (electronic) $
☐ Certified Mail Restricted Delivery $
☐ Adult Signature Required $
☐ Adult Signature Restricted Delivery $
Postage $
Total Postage and Fees $
Sent To County Executive
Street and Apt. No., or PO Box No.
City, State, ZIP+4®
Postmark Here
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7016 1970 0000 3833 3535

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.
OFFICIAL USE
Certified Mail Fee $
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) $
☐ Return Receipt (electronic) $
☐ Certified Mail Restricted Delivery $
☐ Adult Signature Required $
☐ Adult Signature Restricted Delivery $
Postage $
Total Postage and Fees $
Sent To Mayor
Street and Apt. No., or PO Box No.
City, State, ZIP+4®
Postmark Here
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

17

GENERAL CERTIFICATE OF THE

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

This certificate is made in connection with the execution by the City of Syracuse Industrial Development Agency (the "***Agency***") of the Project Agreement, the Company Lease, the Agency Lease, the PILOT Agreement and any other document now or hereafter executed by the Agency (collectively, the "***Agency Documents***") with respect to a project (the "***Project***") undertaken at the request of Steri-Pharma, LLC and Dromik, LLC (collectively, the "***Company***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of Steri-Pharma, LLC or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to certain bills of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

Capitalized terms used herein which are not otherwise defined herein and which are defined in the Agency Lease Agreement dated as of March 1, 2018 (the "***Agency Lease***"), between the Agency and the Company, and shall have the meanings ascribed to such terms in the Agency Lease except that, for purposes of this certificate: (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date; and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.

I, the undersigned Chairman of the Agency, Do Hereby Certify:

1. I am an officer of the Agency and am duly authorized to execute and deliver this certificate in the name of the Agency.

2. The Agency is an industrial development agency duly established under Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended (the "***Enabling Act***") and Chapter 641 of the Laws of 1979 of the State (said Chapter with the Enabling Act, the "***Act***") (a certified copy of Chapter 641 of the Laws of 1979 of the State is attached hereto as **Exhibit "A"**), and it is a corporate governmental agency constituting a public benefit corporation of the State.

3. The Act empowers the Agency, among other things, to acquire, construct reconstruct, lease, improve, maintain, equip, sell and dispose of land and any building or other improvement, and all real and personal property, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the City of Syracuse and the State and to improve their standard of living. The Act further authorizes the Agency to lease any and all of its facilities on such terms and conditions as it deems advisable, to acquire, construct, lease, improve, and equip one or more projects as defined in the Act, to mortgage any or all of its facilities and to pledge the revenues and receipts from the sale or transfer of its facilities.

4. The Agency has full legal power and authority to own its property, conduct its business and execute, deliver, and perform its obligations under the Agency Documents and has taken all actions and obtained all approvals required in connection therewith by the Act and any other applicable laws and regulations, and no legislation has been enacted affecting the powers or authority of the Agency to execute and deliver the Agency Documents, affecting the financing of the Project, or affecting the validity thereof or of the Agency Documents, or contesting the existence and powers of the Agency or the appointment of the members and officers of the Agency to their respective offices.

5. Pursuant to the Act, the governing body of the City of Syracuse, New York, for whose benefit the Agency was established, duly filed or caused to be filed within six (6) months after the effective date of Chapter 641 of the Laws of 1979 of the State in the office of the Secretary of State of the State the Certificate of Establishment of the Agency pursuant to Section 926 of the New York General Municipal Law. The Certificate of Establishment of the Agency described in the preceding sentence also named the members and officers of the Agency as appointed by the Mayor of the City of Syracuse. Attached hereto as **Exhibit "B"** are certified copies of said Certificates of Establishment and copies of the Certificates of Appointment relating to all of the current members of the Agency, who are:

Michael Frame, Chairman
Steven Thompson, Vice Chairman
Rickey Brown, Secretary
Kathleen Murphy, Treasurer
Kenneth Kinsey, Member

6. Attached hereto as **Exhibit "C"** is a true, correct and complete copy of the by-laws of the Agency, together with all amendments thereto or modifications thereof; and said by-laws as so amended and modified are in full force and effect in accordance with their terms as of the date of this certificate.

7. That a resolution determining that the acquisition, construction and equipping of the Project constitutes a Project and describing the financial assistance in connection therewith and authorizing a public hearing (the "***Public Hearing Resolution***") was adopted by the Agency on April 18, 2017 and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the Public Hearing Resolution is attached hereto at **Exhibit "D."**

8. Attached hereto as **Exhibit "E"** is proof of publication of a notice of the public hearing with respect to the Project (the "***Public Hearing Notice***"), required pursuant to Section 859-a of the Act and held on May 16, 2017, and proof of mailing of notice thereof pursuant to Section 859-a of the Act to the chief executive officers of the affected tax jurisdictions (as defined in Section 854(16) of the Act) on May 2, 2017.

9. That a resolution classifying the Project as an Unlisted Action pursuant to SEQRA, declaring the Agency lead agency for purposes of an uncoordinated review thereunder and determining that the Project will not have a significant effect on the environment (the "***SEQRA Resolution***") was adopted by the Agency on May 16, 2017 and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the SEQRA Resolution is attached hereto at **Exhibit "F."**

10. That a resolution approving the undertaking of the acquisition, construction and equipping of the Project, appointing Steri-Pharma, LLC as agent of the Agency for the purpose of the acquisition, construction and equipping of the Project, and authorizing the execution and delivery of an agreement between the Agency and the Company (the "***Inducement Resolution***") was adopted by the Agency on May 16, 2017 and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the Inducement Resolution is attached hereto at **Exhibit "G."**

11. That a resolution approving a payment in lieu of tax schedule and authorizing the execution and delivery of certain documents by the Agency in connection with the Project was adopted by the Agency on May 16, 2017 (the "***PILOT Resolution***") and remained in full force and effect and has not been rescinded, repealed or modified. A copy of the PILOT Inducement Resolution is attached hereto to **Exhibit "H".**

12. That a resolution authorizing the execution and delivery of certain documents by the Agency in connection with the Project was adopted by the Agency on May 16, 2017 (the "***Final Approving Resolution***") and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the Final Approving Resolution is attached hereto at **Exhibit "I"**.

13. By resolutions adopted September 19, 2017, the Agency authorized the temporary appointment of the Company as its agent for purposes of starting construction on the Project and

the execution and delivery of certain an documents in furtherance thereof (the "***Temporary Appointment Resolution***") and same remains in full force and effect and have not been rescinded, repealed or modified. A copy of the Temporary Appointment Resolution is attached hereto at **Exhibit "J".**

14. By resolutions adopted September 19, 2017 and February 20, 2018, the Agency authorized the execution, delivery and extension of an Infrastructure Agreement by the Agency and the Company in connection with certain work to be performed at the Project (collectively, the "***Infrastructure Agreement Resolutions***") and same remain in full force and effect and have not been rescinded, repealed or modified. Copies of the Infrastructure Agreement Resolutions are attached hereto at **Exhibit "K".**

15. The execution, delivery and performance of all Agency Documents, certificates and documents required to be executed, delivered and performed by the Agency in order to carry out, give effect to and consummate the transactions contemplated by the Agency Documents have been duly authorized by all necessary action of the Agency, and the Agency Documents have been duly authorized, executed and delivered. The Agency Documents are in full force and effect on and as of the date hereof, and no authority or proceeding for the execution, delivery or performance of the Agency Documents has been materially amended, repealed, revoked or rescinded; and no event or circumstance has occurred or exists which constitutes, or with the giving of notice or the passage of time would constitute, a default on the part of the Agency under the Agency Documents.

16. The execution, delivery, and performance of the Agency Documents, the consummation of the transactions therein contemplated and compliance with the provisions of each do not and will not: (a) violate the Act or the by-laws of the Agency; (b) require consent (which has not heretofore been received) under or result in a breach or default of any credit agreement, purchase agreement, indenture, deed of trust, commitment, guaranty, lease, or other agreement or instrument to which the Agency is a party or by which the Agency may be bound or affected; or (c) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction, or decree of any government, governmental instrumentality, or court, domestic or foreign, having jurisdiction over the Agency or any of its Property.

17. The Agency has not received written notice that any event of default has occurred and is continuing, or that any event has occurred which with the lapse of time or the giving of notice or both would constitute an event of default by any party to the Agency Documents.

18. There is no action, suit, proceeding or investigation at law or in equity, before or by any court, public board or body of the United States of America or the State of New York, pending or, to the best of my knowledge, threatened against or affecting the Agency (or to my knowledge any basis therefor): (a) wherein an unfavorable decision or finding would adversely affect (i) the Inducement Resolution, the Final Approving Resolution, the Company Lease, the Agency Lease or the other Agency Documents; or (ii) the existence or organization of the Agency; or (iii) restrain or enjoin the financing, acquisition or construction of the Project or the performance by the Agency of the Agency Documents; or (b) in any manner questioning the proceedings or authority of the financing of the Project, or affecting the validity thereof or of the

Agency Documents, or contesting the existence and powers of the Agency or the appointment of the directors and officers of the Agency to their respective offices.

19. March 7, 2018 has been duly designated as the date for the Closing.

20. The Agency has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date.

21. In accordance with the Act, the Agency has determined:

(a) to assist the Company's acquisition, reconstruction, renovation, construction, equipping and completion of the Project Facility;

(b) to grant the Financial Assistance to the Company;

(c) to designate Steri-Pharma, LLC as the Agency's agent for the acquisition, reconstruction, renovation, construction, equipping and completion of the Project Facility and to authorize the Company to appoint additional agents;

(d) that the Project will promote employment opportunities and prevent economic deterioration in the City by the preservation and/or the creation of both full and part-time jobs.

22. That I did officially cause all certificates necessary for the financing and included in the official transcript of closing, to be executed, as required, in the name of the Agency by the signing of each of such certificates with the signature of the Executive Director of the Agency.

23. That I did officially cause the following Agency Documents to be executed in the name of the Agency by the signing of each of such Agency Documents with the signature of the Honora Spillane, Executive Director of the Agency:

(a) a Project Agreement between the Agency and the Company;

(b) a Company Lease from the Company to the Agency pursuant to which the Company agrees to lease the Land and the Facility to the Agency;

(c) an Agency Lease from the Agency to the Company pursuant to which the Agency agrees to sublease the Project Facility to the Company; and

(d) the PILOT Agreement.

24. No member, officer or employee of the Agency having power to: (i) negotiate, prepare, authorize or approve any of the Agency Documents; (ii) audit bills or claims under any of the Agency Documents; or (iii) appoint an officer or employee who has any of the powers or duties set forth in (i) or (ii):

(a) directly or indirectly owns any stock of the Company;

(b) is a partner, director or employee of the Company;

(c) is related to the Company within the meaning of Section 800.3(a) of the New York General Municipal Law.

No member, officer, or employee of the Agency has publicly disclosed, in a writing included as part of the official minutes of the Agency, any Interest (as defined in Section 800.3 of the New York General Municipal Law), direct or indirect, in the Company.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WITNESS, as of the 1st day of March, 2018.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: _____

Honora Spillane, Executive Director

EXHIBIT "A"

CHAPTER 641 OF THE LAWS OF 1979
OF THE STATE OF NEW YORK

LAWS OF NEW YORK, 1979

CHAPTER 641

AN ACT to amend the general municipal law, in relation to creating and establishing for the city of Syracuse industrial development agency and, providing for its functions and duties

Became a law July 11, 1979, with the approval of the Governor. Passed on Home Rule request pursuant to Article IX, section 2 (b) (2) of the Constitution, by a majority vote, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general municipal law is amended by adding a new section nine hundred twenty-six to read as follows:

§ *926. City of Syracuse industrial development agency. (a) For the benefit of the city of Syracuse and the inhabitants thereof, an industrial development agency, to be known as the CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall consist of five members who shall be appointed by the mayor of the city of Syracuse and its chairman shall be designated by such mayor. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies. It shall organize in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. The agency, its members, officers and employees, and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.*

(b) The city shall have the power to make, or contract to make grants or loans, including but not limited to grants or loans of money, to the agency in such amounts, upon such terms and conditions and for such period or periods of time as in the judgment of the city and the agency are necessary or appropriate for the accomplishment of any of the purposes of the agency.

§ 2. This act shall take effect immediately.

CERTIFICATE OF THE CITY OF SYRACUSE
INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law, Lee Alexander, Mayor of the City of Syracuse, certifies as follows:

1) The name of the industrial development agency herein is the City of Syracuse Industrial Development Agency.

2) Chapter 641 of the Laws of 1979, the special act of the New York State Legislature establishing the City of Syracuse Industrial Development Agency, was adopted by the New York State Legislature on June 16, 1979 and signed by the Governor on July 18, 1979.

3) The names of the Chairman and the Members, respectively, of the City of Syracuse Industrial Development Agency and their terms of office are as follows:

(a)	Frank L. Canino	Chairman
	David M. Garber	Member
	David S. Michel	Member
	Erwin G. Schultz	Member
	Irwin L. Davis	Member

(b) The term of office of the Chairman and of the Members of the City of Syracuse Industrial Development Agency is at the pleasure of the Mayor and continues until a successor is appointed and has qualified.

4) The facts establishing the need for the creation of a City of Syracuse Industrial Development Agency are as follows:

Expansion of its industrial-commercial base is essential to the City of Syracuse, especially in a time of mounting economic pressures. To achieve this goal of expansion, the City has designed a comprehensive economic development program, requiring an Industrial Development Agency.

The existing potential for economic development will be augmented by the financial incentives of an Industrial Development Agency. Various City agencies and departments, such as the Department of Community Development and the Office of Federal and State Aid Coordination will interface with the Syracuse Industrial Development Agency to strengthen the business and industrial climate of the community.

Access to the Department of Community Development will make available to the Syracuse Industrial Development Agency an array of staff assistance, technical expertise, and various other development services. The City's Office of Federal and State Aid Coordination will provide assistance to it in locating, analyzing, and obtaining various forms of federal and state assistance and participation.

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JUL 20 1979

Bill Paterson
Secretary of State

The Syracuse Industrial Development Agency, in combination with, and utilizing these and other resources, will greatly enhance the City's ability to compete for, and successfully attract, the commercial and industrial enterprises necessary for continued economic health and growth.

July 20, 1979

Lee Alexander
Mayor

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JUL 20 1979

Secretary of State

EXHIBIT "B"

AGENCY'S CERTIFICATE OF ESTABLISHMENT
AND
CERTIFICATES OF APPOINTMENT OF CURRENT MEMBERS

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the Department of State, at the City of Albany, on April 10, 2018.

Brendan Fitzgerald
Executive Deputy Secretary of State

Rev. 09/16

CERTIFICATE OF THE CITY OF SYRACUSE
INDUSTRIAL DEVELOPMENT AGENCY

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	David M. Garber	Member
	David S. Michel	Member
	Erwin G. Schultz	Member
	Irwin L. Davis	Member

(b) The term of office of the Chairman and of the Members of the City of Syracuse Industrial Development Agency is at the pleasure of the Mayor and continues until a successor is appointed and has qualified.

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Expansion of its industrial-commercial base is essential to the City of Syracuse, especially in a time of mounting economic pressures. To achieve this goal of expansion, the City has designed a comprehensive economic development program, requiring an Industrial Development Agency.

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STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JUL 20 1979
Secretary of State

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July 20, 1979

Lee Alexander
Mayor

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JUL 20 1979

Secretary of State

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the Department of State, at the City of Albany, on April 10, 2018.

Brendan Fitzgerald
Executive Deputy Secretary of State

Rev. 09/16

OFFICE OF THE MAYOR

Ben Walsh, Mayor

FILED
STATE RECORDS
JAN 29 2018
DEPARTMENT OF STATE

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Ben Walsh, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as an Officer of the City of Syracuse Industrial Development Agency:

Mr. Steven P. Thompson - Member/Vice Chair

The following Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Officer of said Agency :

Mr. Steven P. Thompson - Member/Secretary

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 16, 2018.

Ben Walsh
Mayor, City of Syracuse

203 CITY HALL • SYRACUSE, N.Y. 13202-1473 • (315) 448-8005 • FAX: (315) 448-8067
Website: www.SyrGov.net

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the Department of State, at the City of Albany, on April 10, 2018.

Brendan Fitzgerald
Executive Deputy Secretary of State

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STATE RECORDS

JAN 29 2018

DEPARTMENT OF STATE

OFFICE OF THE MAYOR

Ben Walsh, Mayor

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Ben Walsh, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a member of the City of Syracuse Industrial Development Agency:

Mr. Michael Frame - Member/Chair

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency :

Mr. William A. Ryan - Member/Chair

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 16, 2018.

Ben Walsh
Mayor, City of Syracuse

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STATE OF NEW YORK

DEPARTMENT OF STATE

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WITNESS my hand and official seal of the Department of State, at the City of Albany, on April 10, 2018.

Brendan Fitzgerald
Executive Deputy Secretary of State

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STATE RECORDS
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DEPARTMENT OF STATE

OFFICE OF THE MAYOR

Ben Walsh, Mayor

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Ben Walsh, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a member of the City of Syracuse Industrial Development Agency:

Mr. Rickey Brown - Member/Secretary

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency :

Ms. M. Catherine Richardson - Member/Vice-Chair

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 16, 2018.

Ben Walsh
Mayor, City of Syracuse

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Website: www.SyrGov.net

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the Department of State, at the City of Albany, on April 10, 2018.

Brendan Fitzgerald
Executive Deputy Secretary of State

Rev. 09/16

OFFICE OF THE MAYOR

Ben Walsh, Mayor

FILED
STATE RECORDS
JAN 29 2018
DEPARTMENT OF STATE

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Ben Walsh, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a member of the City of Syracuse Industrial Development Agency:

Ms. Kathy Murphy - Member/Treasurer

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

Mr. Donald Schoenwald - Member/Treasurer

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 16, 2018.

Ben Walsh
Mayor, City of Syracuse

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Website: www.SyrGov.net

OFFICE OF THE MAYOR

Stephanie A. Miner, Mayor

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a Member of the City of Syracuse Industrial Development Agency:

Mr. Kenneth Kinsey - Member

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

Ms. Pamela Hunter - Member

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 13, 2016.

Stephanie A. Miner
Mayor, City of Syracuse

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Website: www.SyrGov.net

EXHIBIT "C"

AGENCY'S BY-LAWS

BY-LAWS OF
THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
(as amended August 18, 2009)

Article I

THE AGENCY

Section l. Name

The name of the agency shall be "City of Syracuse Industrial Development Agency", and it shall be referred to in these by-laws as the Agency.

Section 2. Seal

The seal of the Agency shall be in such form as may be determined by the members of the Agency.

Section 3. Office

The principal office of the Agency shall be located in the City of Syracuse, New York, County of Onondaga, and State of New York. The Agency may have such other offices at such other places as the members of the Agency may, from time to time, designate by resolution.

Article II

MEMBERS

Section l. Members

(a) There shall be five members of the Agency. All references in these by-laws to members shall be references to Members of the Agency. The persons designated in the certificates of appointment filed in the office of the Secretary of State as members of the Agency and their successors in office and such other persons as may, from time to time, be appointed as

Members of the Agency by the Mayor of the City of Syracuse, or by special act of the Legislature, shall constitute all the members.

(b) Members shall hold office at the pleasure of the Mayor and shall continue to hold office until his or her successor is appointed and has qualified. The Mayor may remove any Member at his discretion, with or without cause.

(c) Upon the resignation or removal of a Member, a successor shall be selected by the Mayor.

(d) Members may resign at any time by giving written notice to the Mayor and to the Chairman of the Agency. Unless otherwise specified in the notice the resignation shall take effect upon receipt of the notice by the Chairman or the Mayor. Acceptance of the resignation shall not be necessary to make it effective.

Section 2. Meeting of the Members

(a) The Annual Meeting of the members shall be held on such date or dates as shall be fixed, from time to time, by the Members of the Agency. The first Annual Meeting of Members shall be held on a date within twelve (12) months after the filing of the Certificate of the Agency with the Secretary of State as required by General Municipal Law §856 (l) (a). Each successive Annual Meeting of Members shall be held on a date not more than twelve (12) months following the preceding Annual Meeting of Members.

(b) Regular meetings of the Agency may be held at such time and place as, from time to time, may be determined by the Members.

(c) Upon the written request of the Mayor, the Chairman or two (2) Members of the Agency, the Chairman of the Agency shall call a special meeting of the Members. Special meetings may be held on such date or dates as may be fixed in the call for such special meetings.

The call for a special meeting may be personally delivered to each Member of the Agency or may be mailed to the business or home address of such Member. A waiver of notice may be signed by any Member failing to receive a proper notice.

Section 3. Procedure at Meetings of Members

(a) The Chairman shall preside over the meetings of the Agency. In the absence of the Chairman, the Vice-Chairman shall preside. In the absence of both the Chairman and Vice-Chairman, any Member directed by the Chairman may preside.

(b) At all meetings of Members, a majority of the Members of the Agency shall constitute a quorum for the purpose of transacting business. If less than a quorum is present for any meeting, the Members then present may adjourn the meeting to such other time or until a quorum is present. Except to the extent provided for by law, all actions shall be by a majority of the votes cast, provided that the majority of the votes cast shall be at least equal to a quorum.

(c) When determined by the Agency that a matter pending before it is confidential in nature, it may, upon motion, establish an executive session and exclude any non-member from such session.

(d) Order of business

At all meetings of the Agency, the following shall be the order of business:

(1) Roll Call;

(2) Proof of Notice of Meeting;

(3) Reading and approval of the minutes of the previous meeting;

(4) bills and communications;

(5) Report of the Treasurer;

(6) Reports of Committees;

(7) Unfinished business;

(8) New business;

(9) Adjournment.

The order of business may be altered or suspended at any meeting by the Members of the Agency.

(e) All resolutions shall be in writing and shall be recorded in the journal of the proceedings of the Agency.

Article III

OFFICERS AND PERSONNEL

Section 1. Officers

The officers of the Agency shall be Chairman or Co-Chairman, Vice-Chairman, Secretary and Treasurer and such other offices as may be prescribed, from time to time, by the Agency. The Chairman or Co-Chairman and other officers shall be appointed by the Mayor of the City of Syracuse and may be removed with or without cause at his discretion. Each officer shall be a Member of the Agency during his or her term of office.

Section 2. Chairman or Co-Chairmen

The Chairman shall be chief executive officer of the Agency, and shall serve as an ex officio member of all duly constituted committees, shall supervise the general management and the affairs of the Agency, and shall carry out the orders and resolutions of the Agency. Except as otherwise authorized by resolution of the Agency, the Chairman shall execute (manually and by facsimile signature) all agreements, contracts, deeds, bonds, notes or other evidence of indebtedness and any other instruments of the Agency on behalf of the Agency. The Mayor may from time to time appoint two Co-Chairmen in place of the Chairman. During their term of office the Co-

Chairmen shall share equally the duties, rights, powers and responsibilities of the Chairman. The action of either Co-Chairman or execution (manually or by facsimile signature) by either Co-Chairman of any agreement, contract, deed, bond, note or other evidence of indebtedness or any other instrument of the Agency on behalf of the Agency shall have the same force and effect as such action or execution by the Chairman.

Section 3. Vice-Chairman

The Vice-Chairman shall have all the powers and functions of the Chairman or Co-Chairmen in the absence or disability of the Chairman or Co-Chairmen, as the case may be. The Vice-Chairman shall perform such other duties as the Members of the Agency shall prescribe or as delegated by the Chairman or Co-Chairmen.

Section 4. Secretary

The Secretary shall keep the minutes of the Agency, shall have the custody of the seal of the Agency and shall affix and attest the same to documents when duly authorized by the Agency, shall attest to the giving or serving of all notices of the Agency, shall have charge of such books and papers as the Members of the Agency may order, shall attest to such correspondence as may be assigned, and shall perform all the duties incidental to his office.

Section 5. Treasurer

The Treasurer shall have the care and custody of all the funds and securities of the Agency, shall deposit such funds in the name of the Agency, in such bank or trust company as the members of the Agency may elect, shall sign such instrument as may require the Treasurer's signature, but only with the approval of the Chairman or Co-Chairman, as the case may be, shall at all reasonable times exhibit the books and accounts of the Agency to the Mayor or any Member of

the Agency, and at the end of each fiscal year shall present an annual report setting forth in full the financial condition of the Agency.

Section 6. Additional Personnel

The Agency, with the consent of the Mayor, may appoint an Administrative or Executive Director to supervise the administration of the business and affairs of the Agency, subject to the direction of the Agency. The Agency may, from time to time, employ such other personnel as it deems necessary to execute its powers, duties and functions as prescribed by the New York State Industrial Development Agency Act (General Municipal Law, Article 18-A), as amended, and all other laws of the State of New York applicable thereto.

Section 7. Compensation of Chairman, Co-Chairmen, Members, Officers, and Other Personnel

The Chairman, Co-Chairmen, Members and Officers shall receive no compensation for their services but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of their duties. The compensation of other personnel, including the Administrative Director, shall be determined by the Members of the Agency.

Article IV

AMENDMENTS

Section 1. Amendments to By-Laws

These by-laws may be amended or revised, from time to time, by a two-third (2/3) vote of the Agency, but no such amendment or revision shall be adopted unless written notice of the proposed action shall have been given by mail to each Member and the Mayor at least ten (10) days prior to the date of the meeting at which it is proposed that such action be taken; provided, however,

that this provision and other provisions relating to the appointment, renewal and terms of office of Members and officers may be amended only with the prior written approval of the Mayor.

Article V

MISCELLANEOUS

Section 1. Sureties and Bonds

In case the Agency shall so require, any officer, employee or agent of the Agency shall execute to the Agency a bond in such sum and with such surety or sureties as the Agency may direct, conditioned upon the faithful performance of his or her duties to the Agency and including responsibility for negligence and for the accounting for all property, funds or securities of the Agency which may come into the hands of the officer, employee or agent.

Section 2. Indemnification

(a) Upon compliance by a Member or Officer of the Agency (including a former Member or Officer, the estate of a Member or Officer or a judicially appointed personal representative thereof) (referred to in this Section 2 collectively as "Member") with the provisions of subdivision (i) of this Section 2, the Agency shall provide for the defense of the Member in any civil action or proceeding, state or federal, arising out of any alleged act or omission which occurred or allegedly occurred while the Member was acting within the scope of the public employment or duties of such Member. This duty to provide for a defense shall not arise where such civil action or proceeding is brought by or at the behest of the Agency.

(b) Subject to the conditions set forth in paragraph (a) of this subdivision, the Member shall be entitled to be represented by private counsel of the Member's choice in any civil action or proceeding whenever the chief legal officer of the Agency or other counsel designated by the

Agency determines that a conflict of interest exists, or whenever a court, upon appropriate motion or otherwise by a special proceeding, determines that a conflict of interest exists and that the Member is entitled to be represented by counsel of the Member's choice, provided, however, that the chief legal officer or other counsel designated by the Agency may require, as a condition to payment of the fees and expenses of such representation, that appropriate groups of such Members be represented by the same counsel. Reasonable attorneys' fees and litigation expenses shall be paid by the Agency to such private counsel from time to time during the pendency of the civil action or proceeding with the approval of a majority of the Members of the Agency eligible to vote thereon.

(c) Any dispute with respect to representation of multiple Members by a single counsel or the amount of litigation expenses or the reasonableness of attorneys' fees shall be resolved by the court upon motion or by way of a special proceeding.

(d) Where the Member delivers process and a written request for a defense to the Agency under subdivision (i) of this Section 2, the Agency shall take the necessary steps on behalf of the Member to avoid entry of a default judgment pending resolution of any question pertaining to the obligation to provide for a defense.

(e) The Agency shall indemnify and save harmless its Members in the amount of any judgment obtained against such Members in a State or Federal court, or in the amount of any settlement of a claim, provided that the act or omission from which such judgment or claim arose occurred while the Member was acting within the scope of the Member's public employment or duties; provided further that in the case of a settlement, the duty to indemnify and save harmless shall be conditioned upon the approval of the amount of settlement by a majority of the Members of the Agency eligible to vote thereon.

(f) Except as otherwise provided by law, the duty to indemnify and save harmless prescribed by this Section 2 shall not arise where the injury or damage resulted from intentional wrongdoing or recklessness on the part of the Member seeking indemnification.

(g) Nothing in this subdivision shall authorize the Agency to indemnify or save harmless any Member with respect to punitive or exemplary damages, fines or penalties; provided, however, that the Agency shall indemnify and save harmless its Members in the amount of any costs, attorneys' fees, damages, fines or penalties which may be imposed by reason of an adjudication that the Member, acting within the scope of the Member's public employment or duties, has, without willfulness or intent on the Member's part, violated a prior order, judgment, consent decree or stipulation of settlement entered in any court of the State or of the United States.

(h) Upon entry of a final judgment against the Member, or upon the settlement of the claim, the Member shall serve a copy of such judgment or settlement, personally or by certified or registered mail within thirty (30) days of the date of entry or settlement, upon the Chairman and the chief administrative officer of the Agency; and if not inconsistent with the provisions of this Section 2, the amount of such judgment or settlement shall be paid by the Agency.

(i) The duty to defend or indemnify and save harmless prescribed by this Section 2 shall be conditioned upon: (i) delivery by the Member to the Chairman of the Agency and the chief legal officer of the Agency or to its chief administrative officer of a written request to provide for such Member's defense together with the original or a copy of any summons, complaint, process, notice, demand or pleading within ten (10) days after the Member is served with such document, and (ii) the full cooperation of the Member in the defense of such action or

proceeding and in defense of any action or proceeding against the Agency based upon the same act or omission, and in the prosecution of any appeal.

(j) The benefits of this Section shall inure only to Members as defined in subdivision (a) of this Section 2 and shall not enlarge or diminish the rights of any other party.

(k) This Section 2 shall not in any way affect the obligation of any claimant to give notice to the Agency under Section 10 of the Court of Claims Act, Section 880 of the General Municipal Law, or any other provision of law.

(l) The Agency is hereby authorized and empowered to purchase insurance from any insurance company created by or under the laws of the State, or authorized by law to transact business in the State, against any liability imposed by the provisions of this Section 2, or to act as a self-insurer with respect thereto. The provisions of this Section 2 shall not be construed to impair, alter, limit or modify the rights and obligations of any insurer under any policy of insurance.

(m) All payments made under the terms of this Section 2, whether for insurance or otherwise, shall be deemed to be for a public purpose and shall be audited and paid in the same manner as other public charges.

(n) Except as otherwise specifically provided in this Section 2, the provisions of this Section 2 shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity to liability available to or conferred upon any Member of the Agency by, in accordance with, or by reason of, any other provision of State or Federal statutory or common law. The benefits under this Section 2 shall supplement, and be available in addition to, defense or indemnification protection conferred by any law or enactment. This Section 2 is intended to confer upon Members of the Agency all of the benefits of Section 18 of the Public Officers Law

and to impose upon the Agency liability for costs incurred under the provisions hereof and thereof.

Section 3. Fiscal Year

The fiscal year of the Agency shall be fixed by the Members, subject to the applicable law.

Section 4. Powers of the Agency

The Agency shall have all the powers of an Industrial Development Agency authorized by Article 18-A of the General Municipal Law and shall have the power to do all things necessary or convenient to carry out its purposes and exercise the powers authorized herein.

EXHIBIT "D"

PUBLIC HEARING RESOLUTION

RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on April 18, 2017, at 8:30 o'clock a.m. in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Vice-Chairman and, upon the roll being duly called, the following members were:

PRESENT: M. Catherine Richardson, Steven Thompson, Kenneth Kinsey

EXCUSED: Donald Schoenwald, William Ryan

The following persons were **ALSO PRESENT**: Staff: Honora Spillane, Susan Katzoff, Esq., John Vavonese, Debra Ramsey-Burns; Others: Aggie Lane, Ed Riley, Rich Engel, Esq., Sara Stevens; Media: Rick Moriarty, Syracuse Newspapers

The following resolution was offered by Steven Thompson and seconded by Kenneth Kinsey:

RESOLUTION DETERMINING THAT THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EQUIPPING AND COMPLETION OF A COMMERCIAL FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT; DESCRIBING THE FINANCIAL ASSISTANCE IN CONNECTION THEREWITH; AND AUTHORIZING A PUBLIC HEARING

WHEREAS, the City of Syracuse Industrial Development Agency (the "***Agency***") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "***Act***"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, for the purpose of promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant "financial assistance" (as defined in the Act) in connection with the acquisition, reconstruction and equipping of one or more "projects" (as defined in the Act); and

WHEREAS, by application dated April 5, 2017 (the "***Application***"), Steri-Pharma, LLC, a Delaware limited liability company authorized to do business in the State of New York, and/or its subsidiary or an entity to be formed (collectively, the "***Company***"), requested the Agency undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***") consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "***SEQRA***"), the Agency is required to make a determination with respect to the environmental impact of any "action" (as said quoted term is defined in SEQRA) to be taken by the Agency and the approval of the Project constitutes such an action; and

WHEREAS, the Agency has not yet made a determination under SEQRA; and

WHEREAS, the Agency has not approved undertaking the Project or granting the Financial Assistance; and

WHEREAS, the Project will not be used primarily for retail; and

WHEREAS, the grant of Financial Assistance to the Project is subject to, among other things, the Agency finding after a public hearing pursuant to Section 859-a of the Act that the Project will serve the public purposes of the Act by promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State or increasing the overall number of permanent, private sector jobs in the

State.

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, the Agency makes the following findings and determinations:

(A) The Project constitutes a "project" within the meaning of the Act; and

(B) The Financial Assistance contemplated with respect to the Project consists of assistance in the form of exemptions from real property taxes, State and local sales and use taxation and mortgage recording tax.

(C) The Project will not be used primarily for retail; and

(2) The Agency hereby directs that pursuant to Section 859-a of the Act, a public hearing with respect to the Project and Financial Assistance shall be scheduled with notice thereof published, and such notice, as applicable, shall further be sent to affected tax jurisdictions within which the Project is located.

(3) The Secretary or the Executive Director of the Agency is hereby authorized to and may distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(4) A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	AYE	NAY
M. Catherine Richardson	X	
Steven Thompson	X	
Kenneth Kinsey	X	

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) **SS.:**
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "***Agency***") held on April 18, 2017, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 16 day of May, 2017.

City of Syracuse Industrial Development Agency

Steven P. Thompson, Secretary

(S E A L)

13287352.1

EXHIBIT "E"

NOTICE OF PUBLIC HEARING WITH EVIDENCE OF PUBLICATION AND COPIES OF LETTERS TO AFFECTED TAX JURISDICTIONS PURSUANT TO SECTIONS 859-a OF THE ACT

THE POST-STANDARD

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Date	Position	Description	P.O. Number	Ad Size
05/04/2017	Other Legals NY	NOTICE OF PUBLIC HEARING NOTICE IS HEREBY GIVEN that	matter #3086461	1 x 151.00 CL

State of New York, County of Onondaga ss. Pamela Gallagher, of the City of Syracuse, in said County, being duly sworn, doth depose and says: this person is the Principal Clerk in the office of THE POST-STANDARD, a public newspaper, published in the City of Syracuse, Onondaga County, New York and that the notice, is an accurate and true copy of the ad as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following days, viz.:

Post-Standard 05/04/2017

Pamela Gallagher

Pamela Gallagher
Principal Clerk
An Authorized Designee of the President, Timothy R. Kennedy
Subscribed and sworn to before me, this 4th day of May 2017

Karen Bialczak

NOTARY PUBLIC

FOR QUESTIONS CONCERNING THIS AFFIDAVIT,
PLEASE CONTACT PAMELA GALLAGHER AT
(315) 470-2051 OR Legals@Syracuse.com

KAREN M. MILLER BIALCZAK
Notary Public- State of New York
No. 01M16334505
Qualified in Onondaga County
My Commission Expires:
12/21/19

Ad Number:0008165184

Date	Position	Description	P.O. Number	Ad Size
05/04/2017	Other Legals NY	NOTICE OF PUBLIC HEARING NOTICE IS HEREBY GIVEN that a	matter #3086461	1 x 151.00 CL

NOTICE OF PUBLIC HEARING NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 859-a of the New York General Municipal Law, will be held by the City of Syracuse Industrial Development Agency (the "Agency") on the 16th day of May, 2017, at 8:30 o'clock a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter: Steri-Pharma, LLC, a Delaware limited liability company authorized to do business in the State of New York, and/or its subsidiary or an entity to be formed (collectively, the "Company"), requested the Agency undertake a project (the "Project") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "Existing Building") located at 429 South West Street, in the City of Syracuse, New York ("Parcel 1") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("Parcel 2" and together with Parcel 1, collectively the "Land"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "New Building") consisting of improvements to utilities including sliplining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "Facility"); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "Equipment" and together with the Land and the Facility, the "Project Facility"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "Financial Assistance"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement. The Company shall be the initial owner or operator of the Project Facility. The Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the Company, the proposed owner/operator, the location of the Project Facility and the nature of the Project. A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the office of the Agency located at 201 East Washington Street, 7th Floor, Syracuse, New York. Dated: May 2, 2017 CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

BARCLAY DAMON LLP

Susan R. Katzoff
Partner

May 2, 2017

VIA CERTIFIED MAIL
7016 1970 0000 3833 2880

Honorable Stephanie A. Miner
Mayor, City of Syracuse
City Hall
233 East Washington Street
Syracuse, New York 13202

VIA CERTIFIED MAIL
7016 1970 0000 3833 2873

Honorable Joanne M. Mahoney
County Executive, Onondaga County
John Mulroy Civic Center, 14th Floor
421 Montgomery Street
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency (the "***Agency***")
Steri-Pharma, LLC (the "***Company***")
Steri-Pharma Project

Dear Mayor and County Executive:

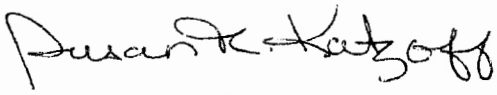
Enclosed herewith please find a Notice of Public Hearing in relation to the above-referenced project. The proposed project (the "***Project***") consists of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***") consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance

in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

General Municipal Law Section 859-a requires that notice of the Public Hearing be given to the chief executive officer of each affected tax jurisdiction in which the Project is located.

As stated in the notice, the public hearing is scheduled for **May 16, 2017** at 8:30 a.m. in the Common Council Chambers at City Hall.

Very truly yours,



Susan R. Katzoff

SRK/llm
Enclosure

cc: Meghan Ryan, Esq., City of Syracuse, via email (w/Enclosure)
Honora Spillane, City of Syracuse Industrial Development Agency, via email (w/Enclosure)
Judy DeLaney, City of Syracuse Industrial Development Agency, via email (w/Enclosure)

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 859-a of the New York General Municipal Law, will be held by the City of Syracuse Industrial Development Agency (the "Agency") on the 16th day of May, 2017, at 8:30 o'clock a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter:

Steri-Pharma, LLC, a Delaware limited liability company authorized to do business in the State of New York, and/or its subsidiary or an entity to be formed (collectively, the "Company"), requested the Agency undertake a project (the "Project") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "Existing Building") located at 429 South West Street, in the City of Syracuse, New York ("Parcel 1") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("Parcel 2" and together with Parcel 1, collectively the "Land"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "New Building") consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "Facility"); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "Equipment" and together with the Land and the Facility, the "Project Facility"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "Financial Assistance"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

The Company shall be the initial owner or operator of the Project Facility.

The Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the Company, the proposed owner/operator, the location of the Project Facility and the nature of the Project.

A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the office of the Agency located at 201 East Washington Street, 7th Floor, Syracuse, New York.

Dated: May 2, 2017

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

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Honorable Stephanie A. Miner
Mayor, City of Syracuse
233 East Washington Street
Syracuse, New York 13202

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2. Article Number *(Transfer from service label)*

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Barclay Damon Tower
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Attn: Susan Katzoff, Esq.

3086461

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1. Honorable Joanne M. Mahoney
County Executive, Onondaga County
John Mulroy Civic Center, 14th Floor
421 Montgomery Street
Syracuse, New York 13202

9590 9402 2491 6306 6672 13

2. Article Number (Transfer from service label)
7016 1970 0000 3833 2873

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Dana Pompo
☑ Agent
☐ Addressee

B. Received by (Printed Name)
Dana Pompo.

C. Date of Delivery
5/4/17

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
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☐ Adult Signature Restricted Delivery
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PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

EXHIBIT "F"

SEQRA RESOLUTION

SEQRA RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on May 16, 2017 at 8:30 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

PRESENT: William Ryan, Steven Thompson, Kenneth Kinsey, Catherine Richardson, Esq.

EXCUSED: Donald Schoenwald

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Honora Spillane, Judith DeLaney, Susan Katzoff, Esq., Debra Ramsey-Burns; Others: Sarah Stevens, Paul Curtain, Brian Sinsabaugh, Lauryn LaBorde, Aggie Lane, Peter King, Larry Lutz, Alexander Marion; Media: Rick Moriarty

The following resolution was offered by M. Catherine Richardson and seconded by Steven Thompson:

RESOLUTION CLASSIFYING A CERTAIN PROJECT AS AN UNLISTED ACTION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT AND DETERMINING THAT THE ACTION WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT

WHEREAS, the City of Syracuse Industrial Development Agency (the "***Agency***") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "***Act***"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, for the purpose of promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, Steri-Pharma, LLC, a Delaware limited liability company authorized to do business in the State of New York, and/or its subsidiary or an entity to be formed (collectively, the "***Company***"), has requested the Agency undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and

together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "***SEQRA***"), the Agency is required to make a determination with respect to the environmental impact of any "action" (as defined by SEQRA) to be taken by the Agency and the Project constitutes such an action; and

WHEREAS, to aid the Agency in determining whether the action described above may have a significant adverse impact upon the environment, an Environmental Assessment Form (the "***EAF***") was prepared by the Company, a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency has examined and reviewed the EAF in order to classify the action and make a determination as to the potential significance of the action pursuant to SEQRA; and

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) Based upon an examination of the materials provided by the Company in furtherance of the Project, the criteria contained in 6 NYCRR §617.7(c), and based further upon the Agency's knowledge of the action and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations pursuant to SEQRA:

(a) The action constitutes an "Unlisted Action" (as said quoted term is defined

in SEQRA);

(b) The Agency declares itself "Lead Agency" (as said quoted term is defined in SEQRA) with respect to an uncoordinated review pursuant to SEQRA;

(c) The action will not have a significant effect on the environment, and the Agency hereby issues a negative declaration pursuant to SEQRA, attached hereto as ***Exhibit A***, which shall be filed in the office of the Agency in a file that is readily accessible to the public.

(2) A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

(3) This Resolution shall take effect immediately. The Secretary of the Agency is hereby authorized and directed to distribute copies of this Resolution and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	AYE	**NAY**
William Ryan	X	
M. Catherine Richardson	X	
Steven Thompson	X	
Kenneth Kinsey	X	

The foregoing resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) **SS.:**
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "***Agency***") held on May 16, 2017, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 20 day of June, 2017.

City of Syracuse Industrial Development Agency

Steven P. Thompson, Secretary

(S E A L)

13400305.1

EXHIBIT "A"

Short Environmental Assessment Form
Part 1 - Project Information

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information

Name of Action or Project:
Steri-Pharma Project

Project Location (describe, and attach a location map):
429 S. West St., Syracuse, NY

Brief Description of Proposed Action:
Steri-Pharma proposes to construct an 18,500 square foot addition and undertake related site improvements at their existing manufacturing facility.

Name of Applicant or Sponsor:	Telephone: 315-473-7180
Steri-Pharma, LLC	E-Mail: amathers@steri-pharma.com

Address:
429 S. West Street

City/PO:	State:	Zip Code:
Syracuse	NY	13202

	NO	YES
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.	☑	☐
2. Does the proposed action require a permit, approval or funding from any other governmental Agency? If Yes, list agency(s) name and permit or approval: City of Syracuse - floodplain development permit, site plan approval; OCDWEP - plumbing control permit; NYSDEC, NYSDOH, USACE	☐	☑

3.a. Total acreage of the site of the proposed action? 3.5 acres
b. Total acreage to be physically disturbed? .04-.05 acres
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? 3.5 acres

4. Check all land uses that occur on, adjoining and near the proposed action.
☑ Urban ☐ Rural (non-agriculture) ☑ Industrial ☐ Commercial ☐ Residential (suburban)
☐ Forest ☐ Agriculture ☐ Aquatic ☐ Other (specify): _____
☐ Parkland

	NO	YES	N/A
5. Is the proposed action,			
a. A permitted use under the zoning regulations?	☐	☐	☑
b. Consistent with the adopted comprehensive plan?	☐	☐	☑

	NO	YES
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	☐	☑
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	☑	☐
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	☑	☐
b. Are public transportation service(s) available at or near the site of the proposed action?	☐	☑
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	☐	☑
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____	☐	☑
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____	☑	☐
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____	☑	☐
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	☑	☐
b. Is the proposed action located in an archeological sensitive area?	☐	☑
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	☐	☑
b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ Retaining wall installation within 100-year flood zone of Onondaga Creek (Disturbance Area: Approx. 1,600 - 2,000 square feet).	☐	☑

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:
☐ Shoreline ☐ Forest ☐ Agricultural/grasslands ☐ Early mid-successional
☐ Wetland ☑ Urban ☐ Suburban

	NO	YES
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	☐	☑
16. Is the project site located in the 100 year flood plain?	☐	☑
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? ☐ NO ☐ YES	☑	☐
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: ☐ NO ☐ YES _____		

	NO	YES
18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size:	✓	
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe:	✓	
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: Adjoining properties to north listed under DEC's Brownfield Cleanup Program database. No historic record of contamination on lot which borders work area to the north. Refer to Project Description and Purpose for additional information.		✓

I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE

Applicant/sponsor name: Andrew J. Mather Date: 02 Feb 2017

Signature: Andy Mather

PRINT FORM

Agency Use Only [If applicable]

Project:

Date:

Short Environmental Assessment Form
Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.
Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	✔	☐
2. Will the proposed action result in a change in the use or intensity of use of land?	✔	☐
3. Will the proposed action impair the character or quality of the existing community?	✔	☐
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	✔	☐
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	✔	☐
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	✔	☐
7. Will the proposed action impact existing: a. public / private water supplies?	✔	☐
b. public / private wastewater treatment utilities?	✔	☐
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	✔	☐
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	✔	☐
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	✔	☐
11. Will the proposed action create a hazard to environmental resources or human health?	✔	☐

PRINT FORM

Agency Use Only [If applicable]

Project:

Date:

Short Environmental Assessment Form
Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.

☑ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

City of Syracuse Industrial Development Agency	5-16-17
Name of Lead Agency	Date
William M. Ryan	
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)

PRINT FORM

EXHIBIT "G"

INDUCEMENT RESOLUTION

INDUCEMENT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on May 16, 2017 at 8:30 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

PRESENT: William Ryan, Steven Thompson, Kenneth Kinsey, Catherine Richardson, Esq.

EXCUSED: Donald Schoenwald

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Honora Spillane, Judith DeLaney, Susan Katzoff, Esq., Debra Ramsey-Burns; Others: Sarah Stevens, Paul Curtain, Brian Sinsabaugh, Lauryn LaBorde, Aggie Lane, Peter King, Larry Lutz, Alexander Marion; Media: Rick Moriarty

The following resolution was offered by M. Catherine Richardson and seconded by Steven Thompson:

RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY

WHEREAS, the City of Syracuse Industrial Development Agency (the "***Agency***") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "***Act***") to promote, develop, encourage and assist in the acquiring, constructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, lease and sell real property and grant financial assistance in connection with one or more "projects" (as defined in the Act); and

WHEREAS, Steri-Pharma, LLC, a Delaware limited liability company authorized to do business in the State of New York, and/or its subsidiary or an entity to be formed, or an entity to be formed (the "***Company***"), by application dated April 5, 2017 (the "***Application***"), requested the Agency undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, as part of the Financial Assistance, the Company requested the Agency consider a payment in lieu of tax ("***PILOT***") schedule in accordance with the Agency's Uniform Tax Exemption Policy ("***UTEP***") established pursuant to General Municipal Law Section 874(4). The Agency has not yet resolved to grant the PILOT as part of the requested Financial Assistance; and

WHEREAS, the Agency adopted a resolution on April 18, 2017, describing the Project and the proposed financial assistance and authorizing a public hearing ("***Public Hearing Resolution***"); and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on May 16, 2017 pursuant to Section 859-a of the Act, notice of which was originally published on May 4, 2017, in the Post-Standard, a newspaper of general circulation in the City of Syracuse, New York and given to the chief executive officers of the

affected tax jurisdictions by letters dated May 2, 2017; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "***SEQRA***"), the Agency is required to make a determination whether the "action" (as said quoted term is defined in SEQRA) to be taken by the Agency may have a "significant impact on the environment" (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, to aid the Agency in determining whether the Project may have a significant impact upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form (the "***EAF***"), a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency examined the EAF in order to classify the Project and determined that the Project constitutes an "Unlisted Action" as defined under SEQRA; and

WHEREAS, by resolution adopted May 16, 2017 (the "***SEQRA Resolution***"), the Agency determined that the Project will not have a significant adverse effect on the environment and issued a negative declaration; and

WHEREAS, the Agency has considered the policy, purposes and requirements of the Act in making its determinations with respect to taking official action regarding the Project; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Syracuse (the "***City***"); (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) the Project will serve the purposes of the Act by advancing job opportunities and the economic welfare of the people of the State and the City and improve their standard of living.

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency as follows:

Section 1. It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to

improve their recreation opportunities, prosperity and standard of living.

Section 2. Based upon the representations and projections made by the Company to the Agency, the Agency hereby and makes the following determinations:

(A) Ratifies the findings in its Public Hearing Resolution and SEQRA Resolution;

(B) The Project constitutes a "*project*" within the meaning of the Act;

(C) The acquisition of a controlling interest in the Project Facility by the Agency and the designation of the Company as the Agency's agent for completion of the Project will be an inducement to the Company to acquire, construct, reconstruct, renovate, equip and complete the Project Facility in the City, and will serve the purposes of the Act by, among other things, advancing job opportunities, the standard of living and economic welfare of the inhabitants of the City;

(D) The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

Section 3. As a condition of the appointment of the Company as the agent of the Agency, and the conference of any approved Financial Assistance, the Company and the Agency shall first execute and deliver a project agreement in substantially the same form used by the Agency in similar transactions (the "***Project Agreement***"). Subject to the due execution and delivery by the Company of the Agreement (as defined herein), the Project Agreement, the satisfaction of the conditions of this Resolution, the Agreement, the Project Agreement and the payment by the Company of any attendant fees, the Company and its designees, are appointed the true and lawful agent of the Agency to proceed with the construction, reconstruction, renovation, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf. The amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **$712,971.52**.

Section 4. As a condition to the extension of State and local sales and use tax exemption benefits, and the Company's appointment as provided herein, the Company agrees to execute an agreement with the Agency setting forth the preliminary undertakings of the Agency and the Company with respect to the Project. The form and substance of the proposed agreement (as set forth as on **Exhibit "A"** attached hereto and presented at this meeting) (the "***Agreement***") are hereby approved. The Chairman or Vice Chairman of the Agency are each hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, in substantially the same form as presented at this meeting and attached hereto as **Exhibit "A"**, with changes in terms and form as shall be consistent with this Resolution and as the Chairman or Vice Chairman

Section 8. The Chairman and/or Vice Chairman of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred herein and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution and the Agreement.

Section 9. The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the Agency's approval of the Financial Assistance and the Company's execution and delivery of, among other things, the Agreement, the Project Agreement and an Environmental Compliance and Indemnification Agreement in favor of the Agency in form and substance acceptable to the Agency and its counsel, in the discretion of the Chairman and/or Vice Chairman of the Agency.

Section 10. No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 11. Should the Agency's participation in the Project, or the appointments made in accordance herewith, be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

Section 12. Counsel to the Agency is hereby authorized to work with the Company and others to prepare for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and consummate the Lease Documents.

Section 13. The Secretary and/or the Executive Director of the Agency are hereby authorized and may distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 14. This Resolution shall take effect immediately. A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	AYE	NAY
William Ryan	X	
M. Catherine Richardson	X	
Steven Thompson	X	
Kenneth Kinsey	X	

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) **SS.:**
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "***Agency***") held on May 16, 2017, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 20 day of June, 2017.

City of Syracuse Industrial Development Agency

Steven P. Thompson, Secretary

(S E A L)

13421552.1

EXHIBIT "A"

AGENCY/COMPANY AGREEMENT

THIS AGREEMENT is between **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the "***Agency***"), with an office at 201 East Washington Street, 7th Floor, Syracuse, New York 13202 and **STERI-PHARMA, LLC**, with a mailing address of 429 South West Street, Syracuse, New York 13202 (the "***Company***").

Article 1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this agreement are the following:

1.01. The Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended, and Chapter 641 of the Laws of 1979 of the State (collectively, the "***Act***") to designate an agent for constructing, renovating and equipping "projects" (as defined in the Act).

1.02. The purposes of the Act are to promote, attract, encourage and develop recreation and economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes, including the power to acquire and dispose of interests in real property and to appoint agents for the purpose of completion of projects undertaken by the Agency.

1.03. The Company, by application dated April 5, 2017 (the "***Application***"), requested the Agency undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance

in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

1.03(a). All documents necessary to effectuate the Agency's undertaking of the Project and the granting of the Financial Assistance between the Agency and the Company, including but not limited to, a project agreement, a company lease, an agency lease, a bill of sale and an environmental compliance and indemnification agreement, shall be collectively referred to herein as the "***Lease Documents***".

1.04. The Company hereby represents to the Agency that undertaking the Project, the designation of the Company as the Agency's agent for the construction, reconstruction, renovation, equipping and completion of the Project Facility, and the use and appointment, as necessary, by the Company of a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***"): (i) will be an inducement to it to construct, reconstruct, renovate and equip the Project Facility in the City of Syracuse (the "***City***"); (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another or in the abandonment of one or more plants or facilities of the Company or of any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project Facility will promote, create and/or preserve private sector jobs in the State. The Company hereby further represents to the Agency that the Project Facility is not primarily used in making retail sales to customers who personally visit the Facility.

1.05. The Agency has determined that the acquisition of a controlling interest in, and the construction, reconstruction, renovation and equipping of the Project Facility and the subleasing of the same to the Company will promote and further the purposes of the Act.

1.06. On May 16, 2017, the Agency adopted a resolution (the "***Inducement Resolution***") agreeing, subject to the satisfaction of all conditions precedent set forth in such Resolution, to designate the Company as the Agency's agent for the acquisition, construction, reconstruction, renovation and equipping of the Project Facility and determining that the leasing of the same to the Company will promote further purposes of the Act. For purposes of that designation, the Agency authorized as part of the approved Financial Assistance, State and local sales and use tax exemption benefits in an amount not exceed **$712,971.52.**

1.07. In the Resolution, subject to the execution of, and compliance with, this Agreement by the Company, the execution and delivery of a project agreement by the Company, and other conditions set forth in the Resolution and herein, the Agency appointed the Company

as its agent for the purposes of construction, reconstruction, renovation and equipping the Project Facility, entering into contracts and doing all things requisite and proper for construction, reconstruction, renovation and equipping the Project Facility.

Article 2. Undertakings on the Part of the Agency. Based upon the statement, representations and undertakings of the Company and subject to the conditions set forth herein, the Agency agrees as follows:

2.01. The Agency confirms that it has authorized and designated, pursuant to the terms hereof, the Company as the Agency's agent for constructing, reconstruction, renovation and equipping the Project Facility.

2.02. The Agency will adopt such proceedings and authorize the execution of such Agency documents as may be necessary or advisable for: (i) acquisition of a controlling interest in the Project Facility; (ii) designation by the Company of Additional Agents for construction, reconstruction, renovation and equipping of the Project Facility subject to the terms hereof; and (iii) the leasing or subleasing of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.

2.03. Nothing contained in this Agreement shall require the Agency to apply its funds to Project costs.

2.04. After satisfying the conditions precedent set forth in the Sections 2.05, 3.06 and 4.02 hereof and in the Inducement Resolution, the Company may proceed with the construction, reconstruction, renovation and equipping of the Project Facility and the utilization of and, as necessary the appointment of, Additional Agents.

2.05. Subject to the execution of the Lease Documents and Section 4.02 hereof, the Company is appointed the true and lawful agent of the Agency: (i) for the construction and equipping of the Project Facility; and (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency, and in general to do all things which may be requisite or proper for the construction, reconstruction, renovation and equipping of the Project Facility, all with the same powers and the same validity as if the Agency were acting in its own behalf.

2.06. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof. The Agency may in accordance with Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "***SEQRA***"), undertake supplemental review of the Project. Such review to be limited to specific significant adverse environmental impacts not addressed or inadequately addressed in the Agency's review under SEQRA that arise from changes in the proposed Project, newly discovered information or a change in the circumstances related to the Project.

Article 3. Undertakings on the Part of the Company. Based upon the statements, representations and undertakings of the Agency and subject to the conditions set forth herein the Company agrees as follows:

3.01. (a) The Company shall indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition of a controlling interest in, and construction, reconstruction, renovation and equipping of the Project Facility (including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether such claims or liabilities arise as a result of the Company or Additional Agents acting as agent for the Agency pursuant to this Agreement or otherwise.

(b) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove, any mechanics' or other liens against the Project Facility for labor or material furnished in connection with the acquisition, construction, reconstruction, renovation and equipping of the Project Facility.

(c) The Company shall indemnify and hold the Agency, its members, officers, employees and agents and anyone for whose acts or omissions the Agency or any one of them may be liable, harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project Facility, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(d) The Company shall defend, indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on the non-disclosure of information, if any, requested by the Company in accordance with Section 4.05 hereof.

(e) The defense and indemnities provided for in this Article 3 shall survive expiration or termination of this Agreement and shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by statutory law.

(f) The Company shall provide and carry: (i) worker's compensation and disability insurance as required by law; and (ii) comprehensive liability and property insurance with such coverages (including without limitation, owner's protective coverage for the benefit of the Agency, naming the Agency as an additional insured on all policies of coverage regarding the Project; providing the coverage with respect to the Agency be primary and non-contributory; and

contractual coverage covering the indemnities herein provided for), with such limits and which such companies as may be approved by the Agency. Upon the request of the Agency, the Company shall provide certificates, endorsements, binders and/or policies of insurance in form satisfactory to the Agency evidencing such insurance.

(g) The Company shall apply and diligently pursue all approvals, permits and consents from the State of New York, the City, the City Planning Commission and any other governmental authority which approvals, permits and consents are required under applicable law for the development, construction, reconstruction, renovation and equipping of the Project and any related site improvements. The Company acknowledges and agrees that the Agency's findings and determinations under SEQRA do not and shall not in and of themselves (except as specifically set forth in SEQRA) satisfy or be deemed to satisfy applicable laws, regulations, rules and procedural requirements applicable to such approvals, permits and consents.

(h) The Company shall complete a Contractor Status Report to be obtained from the City of Syracuse Industrial Development Agency and agrees to utilize, and cause its Additional Agents to utilize, local contractors and suppliers for the construction, reconstruction, renovation, equipping and completion of the Project unless a waiver is received from the Agency in writing. For purposes of this Agency Agreement, the term "***Local***" shall mean Onondaga, Oswego, Oneida, Madison, Cayuga and Cortland Counties. The Company agrees that such Local contractors shall be provided the opportunity to bid on contracts related to the Project Facility.

3.02. The Company agrees that, as agent for the Agency or otherwise, it will comply at the Company's sole cost and expense with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or Company with respect to the Project Facility, the acquisition of a controlling interest therein, construction, reconstruction, renovation and equipping thereof, the operation and maintenance of the Project Facility, supplemental review of adverse environmental impacts in accordance with SEQRA and the financing of the Project. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full, including, but not limited to, Section 875 of the Act; and upon the request of either party, this Agreement shall be amended to specifically set forth any such provision or provisions.

3.03. The Company agrees that, as agent for the Agency or otherwise, to the extent that such provisions of law are in fact applicable (without creating an obligation by contract beyond that which is created by statute) it will comply with the requirements of Section 220 of the Labor Law of the State of New York, as amended.

3.04. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3.05. If it should be determined that any State or local sales or compensatory use taxes are payable with respect to the acquisition, purchase or rental or machinery or equipment, materials or supplies in connection with the Project Facility, or are in any manner otherwise

payable directly or indirectly in connection with the Project Facility, the Company shall pay the same and defend and indemnify the Agency from and against any liability, expenses and penalties arising out of, directly or indirectly, the imposition of any such taxes.

3.06 The Company shall proceed with the acquisition, construction, reconstruction, renovation, equipping and completion of the Project Facility and advance such funds as may be necessary to accomplish such purposes. The Company may appoint Additional Agents as agents of the Agency in furtherance thereof. Any appointment of an Additional Agent is conditioned upon the Company first obtaining and providing the Agency the following:

(1) A written, executed agreement, in form and substance acceptable to the Agency, from each Additional Agent which provides for the assumption by the Additional Agent, for itself, certain of the obligations under this Agreement relative to the appointment, work and purchases done and made by each Additional Agent; (ii) a commitment to utilize local contractors and suppliers for the construction, reconstruction, renovation and equipping of the Project ("local" being defined in Section 3.01(h) hereof); (iii) an acknowledgement that the Additional Agent is obligated, to timely provide the Company with the necessary information to permit the Company, pursuant to General Municipal Law §874(8), to timely file an Annual Statement with the Agency and the New York State Department of Taxation and Finance on "Annual Report of Sales and Use Tax Exemptions" (Form ST-340) regarding the value of sales and use tax exemptions the Additional Agent claimed pursuant to the agency conferred on it by the Company with respect to this Project; (iv) an acknowledgment by the Additional Agent that the failure to comply with the foregoing will result in the loss of the exemption; and (v) such other terms and conditions as the Agency deems necessary; and

(2) A completed "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (Form ST-60) for each Additional Agent appointed within fifteen (15) days of the appointment of each Additional Agent such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment of each such Additional Agent.

Failure of the Company to comply with the foregoing shall nullify the appointment of any Additional Agent and may result in the loss of the Company's exemption with respect to the Project at the sole discretion of the Agency.

The Company acknowledges that the assumption by the Additional Agent in accordance with Section 3.06(1) above, does not relieve the Company of its obligations under those provisions or any other provisions of this Agreement with respect to the Project.

3.07 The Company ratifies and confirms its obligations to pay an annual administrative reporting fee in accordance with the Agency's fee schedule to cover administrative and reporting requirements to comply with New York State reporting regulations on Agency assisted projects.

Article 4. General Provisions.

4.01. This Agreement shall take effect on the date of the execution hereof by the Agency and the Company and, subject to Section 4.04 hereof, shall remain in effect until the Lease Documents become effective. It is the intent of the Agency and the Company that, except as to those provisions that survive, this Agreement be superseded in its entirety by the Lease Documents.

4.02. (a) It is understood and agreed by the Agency and the Company that the grant of Financial Assistance and the execution of the Lease Documents and related documents are subject to: (i) payment by the Company of the Agency's fee and Agency's counsel fees; (ii) obtaining all necessary governmental approvals, permits and consents of any kind required in connection with the Project Facility; (iii) approval by the members of the Agency; (iv) approval by the Company; and (v) the condition that there are no changes in New York State Law, including regulations, which prohibit or limit the Agency from fulfilling its obligations hereunder; (b) the Company, by executing this agreement, acknowledges and agrees to make, or cause its Additional Agents, to make, all records and information regarding State and local sales and use tax exemption benefits given to the Project as part of the Financial Assistance available to the Agency upon request, including but not limited to the Form ST-340 for itself and each Additional Agent; (c) the Company, by executing this Agreement, acknowledges and agrees to the terms and conditions of Section 875(3) of the Act as if such section were fully set forth herein and further agrees to cause all of its Additional Agents to acknowledge, agree and consent to same. Without limiting the scope of the foregoing the Company acknowledges that pursuant to Section 875(3) of the Act, and in accordance with the Agency's Recapture of Benefits Policy, the Agency shall, and in some instances may, recover, recapture, receive or otherwise obtain from the Company some or all of the Financial Assistance (the "***Recapture Amount***") including, but not limited to: (1) (a) that portion of the State and local sales and use tax exemption to which the Company was not entitled, which is in excess of the amount of the State and local sales and use tax exemption authorized by the Agency or which is for property or services not authorized by the Agency; or (b) the full amount of such State and local sales and use tax exemption, if the Company fails to comply with a material term or condition regarding the use of the property or services as represented to the Agency in its Application or otherwise; or (c) the full amount of such State and local sales and use tax exemption in the event the Company fails to execute and deliver the Lease Documents in accordance herewith or fails to complete the Project; and (2) any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise; and (d) the failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds for the Commissioner to collect sales and use taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties. In addition to the foregoing, the Company acknowledges and agrees that for purposes of exemption from New York State (the "***State***") sales and use taxation as part of the Financial Assistance requested, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight. In addition to the foregoing, the Agency may recapture other benefits comprising the Financial Assistance in accordance with the Agency's Recapture Policy (a copy of which is

on the Agency's website).

4.03. The Company agrees that it will, within thirty (30) days of a written request for same, regardless of whether or not this matter closes or the Project Facility is completed: (i) reimburse the Agency for all reasonable and necessary expenses, including without limitation the fees and expenses of counsel to the Agency arising from, out of or in connection with the Project, and/or any documents executed in connection therewith, including, but not limited to any claims or actions taken by the Agency against the Company, Additional Agents or third parties; and (ii) indemnify the Agency from all losses, claims, damages and liabilities, in each case which the Agency may incur as a consequence of executing this Agreement or performing its obligations hereunder, including but not limited to, any obligations related to Additional Agents.

4.04. If for any reason the Lease Documents are not executed and delivered by the Company and the Agency on or before **May 16, 2018**, the provisions of this Agreement (other than the provisions of Articles 1.04, 2.02, 2.04, 3.01, 3.02, 3.03, 3.05, 3.06, 4.02, 4.03, 4.04, 4.05 and 4.06, which shall survive) shall unless extended by agreement of the Agency and the Company, terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

(a) The Company shall pay the Agency for all expenses incurred by the Agency in connection with the acquisition, construction, reconstruction, renovation and equipping of the Project Facility;

(b) The Company shall assume and be responsible for any contracts for the construction or purchase of equipment entered into by the Agency at the request of or as agent for the Company in connection with the Project Facility; and

(c) The Company will pay the out-of-pocket expenses of members of the Agency and counsel for the Agency incurred in connection with the Project Facility and will pay the fees of counsel for the Agency for legal services relating to the Project Facility, Additional Agents or the proposed financing thereof.

4.05. **The Company acknowledges that Section 875(7) of the New York General Municipal Law ("*GML*") requires the Agency to post on its website all resolutions and agreements relating to the Company's appointment as an agent of the Agency or otherwise related to the Project, including this Agreement; and Article 6 of the New York Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Company feels that there are elements of the Project or information about the Company in the Agency's possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Company's competitive position, the Company must identify such elements in writing, supply same to the Agency: (i) with respect to this Agreement, prior to or contemporaneously with the execution hereof; and (ii) with respect to all other agreements executed in connection with the Project, on or before the Closing Date, and request that**

such elements be kept confidential in accordance with Article 6 of the Public Officers Law. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the GML.

4.06 That every controversy, dispute or claim arising out of or relating to this Agreement shall be governed by the laws of the State of New York, without regard to its conflict-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Company irrevocably and expressly submits to the exclusive personal jurisdiction of the Supreme Court of the State of New York and the United States District Court for the Northern District of New York, to the exclusion of all other courts, for the purposes of litigating every controversy, dispute or claim arising out of or relating to this Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the 16th day of May, 2017.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: _____
William M. Ryan, Chairman

STERI-PHARMA, LLC

By: _____
Name: _____
Title: _____

EXHIBIT "H"

PILOT RESOLUTION

PILOT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on May 16, 2017 at 8:30 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

PRESENT: William Ryan, Steven Thompson, Kenneth Kinsey, Catherine Richardson, Esq.

EXCUSED: Donald Schoenwald

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Honora Spillane, Judith DeLaney, Susan Katzoff, Esq., Debra Ramsey-Burns; Others: Sarah Stevens, Paul Curtain, Brian Sinsabaugh, Lauryn LaBorde, Aggie Lane, Peter King, Larry Lutz, Alexander Marion; Media: Rick Moriarty

The following resolution was offered by M. Catherine Richardson and seconded by Steven Thompson:

RESOLUTION APPROVING AN PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PILOT AGREEMENT

WHEREAS, the City of Syracuse Industrial Development Agency (the "***Agency***") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "***Act***") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, lease and sell real property and grant financial assistance in connection with one or more "projects" (as defined in the Act); and by application dated April 5, 2017 (the "***Application***"), Steri-Pharma, LLC, a Delaware limited liability company authorized to do

business in the State of New York, and/or its subsidiary or an entity to be formed (the "***Company***"), requested the Agency undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, to aid the Agency in determining whether the preliminary agreement of the Agency to undertake the Project may have a significant impact upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form (the "***EAF***"), a copy of which is on file at the office of the Agency; and

WHEREAS, by resolution adopted May 16, 2017 (the "***SEQRA Resolution***"), the Agency determined that the Project will not have a significant adverse effect on the environment and issued a negative declaration; and

WHEREAS, on May 16, 2017, the Agency further resolved to take official action toward the acquisition, construction, reconstruction, renovation, equipping and completion of the Project (the "***Inducement Resolution***"); and

WHEREAS, as part of the Financial Assistance, the Company requested the Agency consider a payment in lieu of tax schedule, (the "***PILOT***"), as more fully described on **Exhibit "A"** attached hereto, which schedule falls within the "Priority Industry" category under, and comports with, the Agency's Uniform Tax Exemption Policy ("***UTEP***") established pursuant to General Municipal Law Section 874(4); and

WHEREAS, the Agency has given due consideration to the Application and to

representations by the Company that the proposed PILOT, as part of the Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Syracuse; and (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; (iii) undertaking the Project will advance job opportunities in the State and promote the general prosperity and economic welfare of the inhabitants of the City of Syracuse in furtherance of the purposes of the Act;

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, and the reasons presented by the Company in support of its request for the PILOT schedule, the Agency hereby approves, and the (Vice) Chairman and Secretary, acting individually, are each authorized to execute and deliver, a PILOT agreement in conformity with the Agency's UTEP (the "***PILOT Agreement***") providing for the payment schedule attached as **Exhibit "A"** hereto, all in such form and substance as shall be substantially the same as approved by the Agency for other similar transactions and consistent with this Resolution and as approved by the Chairman or Vice Chairman of the Agency upon the advice of counsel to the Agency.

(2) The Chairman, Vice Chairman and any authorized representative of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any and all such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

(3) No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

(4) The Secretary and/or the Executive Director of the Agency are hereby authorized to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(5) This Resolution shall take effect immediately, but is subject to execution by the Company of a PILOT Agreement and the Agreement (as defined in the Inducement Resolution) and

all other resolutions and other related documents adopted and/or approved by the Agency and/or as set forth herein.

(6) A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing Resolution was duly put to vote on a roll call, which resulted as follows:

	AYE	**NAY**
William Ryan	X	
M. Catherine Richardson	X	
Steven Thompson	X	
Kenneth Kinsey	X	

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) **SS.:**
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "***Agency***") held on May 16, 2017, with the original thereof on file in my office, and that the same (including any and all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 20 day of June, 2017.

City of Syracuse Industrial Development Agency

Steven P. Thompson, Secretary

(S E A L)

13422925.1

EXHIBIT "A"

PROPOSED PILOT SCHEDULE

Year	*Amount*
1	$90,455.46
2	$92,264.57
3	$94,109.86
4	$95,992.06
5	$97,911.90
6	$99,870.14
7	$101,867.54
8	$103,904.89
9	$105,982.99
10	$108,102.65
11	$122,868.60
12	$138,181.95
13	$154,058.69
14	$170,515.22
15	$187,568.39
Total	$1,763,654.92

EXHIBIT "I"

FINAL APPROVING RESOLUTION

FINAL APPROVING RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on May 16, 2017 at 8:30 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

PRESENT: William Ryan, Steven Thompson, Kenneth Kinsey, Catherine Richardson, Esq.

EXCUSED: Donald Schoenwald

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Honora Spillane, Judith DeLaney, Susan Katzoff, Esq., Debra Ramsey-Burns; Others: Sarah Stevens, Paul Curtain, Brian Sinsabaugh, Lauryn LaBorde, Aggie Lane, Peter King, Larry Lutz, Alexander Marion; Media: Rick Moriarty

The following resolution was offered by M. Catherine Richardson and seconded by Steven Thompson:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A COMMERCIAL PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY

WHEREAS, the City of Syracuse Industrial Development Agency (the "***Agency***") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "***Act***"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, for the purpose of promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, Steri-Pharma, LLC, a Delaware limited liability company authorized to do business in the State of New York, and/or its subsidiary or an entity to be formed (the "***Company***"), by application dated April 5, 2017 (the "***Application***"), requested the Agency undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the

"***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on May 16, 2017 pursuant to Section 859-a of the Act, notice of which was originally published on May 4, 2017, in the Post-Standard, a newspaper of general circulation in the City of Syracuse, New York and given to the chief executive officers of the affected tax jurisdictions by letters dated May 2, 2017; and

WHEREAS, pursuant to Article 8 of the State Environmental Conservation Law, as amended and the regulations promulgated thereunder (collectively "***SEQRA***"), the Agency is required to make a determination with respect to the environmental impact of any "action" (as defined by SEQRA) to be taken by the Agency and the approval of the Project and grant of Financial Assistance constitute such an action; and

WHEREAS, the Agency adopted a resolution on May 16, 2017 (the "***SEQRA Resolution***") entitled:

> **RESOLUTION CLASSIFYING A CERTAIN PROJECT AS AN UNLISTED ACTION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT AND DETERMINING THAT THE ACTION WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT**

which resolution is in full force and effect and has not been amended or modified; and

WHEREAS, the Agency adopted a resolution on May 16, 2017 (the "***Inducement***

Resolution") entitled:

> **RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY**

which resolution is in full force and effect and has not been amended or modified; and

WHEREAS, the Agency adopted a resolution on May 16, 2017 (the "***PILOT Resolution***") entitled:

> **RESOLUTION APPROVING AN PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PILOT AGREEMENT**

which resolution is in full force and effect and has not been amended or modified; and

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

Section 1. Based upon the representations made by the Company to the Agency and after consideration of the comments received at the public hearing, if any, the Agency hereby ratifies all of its prior resolutions adopted in conjunction with the Project, including but not limited to the SEQRA Resolution, the Inducement Resolution, the PILOT Resolution and all other action with respect to the Project and Financial Assistance taken by the Agency, and makes the following findings and determinations:

(a) The acquisition of a controlling interest in the Project Facility by the Agency, the granting of the Financial Assistance and the designation of the Company as the Agency's agent for completion of the Project will be an inducement to, and permit, the Company to develop and operate the Project Facility in the City of Syracuse, thus serving the public purposes of Article 18-A of the General Municipal Law of New York State by promoting and preserving the job opportunities, general prosperity, health and economic welfare of the inhabitants of the City of Syracuse (the "***City***") in furtherance of the purposes of the Act.

(b) The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

(c) The commitment of the Agency to provide Financial Assistance to the Company will enable and induce the Company to construct, reconstruct, renovate, equip and complete the Project Facility.

(d) The acquisition, construction, reconstruction, renovation, equipping and completion of the Project Facility and the attendant promotion of the local economy will advance the job opportunities, health, prosperity and economic welfare of the people of the City and the granting of the Financial Assistance is a necessary component to the financing of the Project.

(e) The Project Facility constitutes a "project" within the meaning of the Act.

(f) It is desirable and in the public interest for the Agency to grant Financial Assistance in connection with the Project.

Section 2. It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. The Project will serve the public purposes of Article 18-A of the General Municipal Law of the State of New York by advancing job opportunities and promoting economic development.

Section 3. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

Section 4. Subject to the conditions set forth in this and prior resolutions adopted by the Agency, the Project Agreement, and the Agreement (each as defined in the Inducement Resolution), the Agency will: (A) acquire a controlling interest in the Project Facility; (B) lease the Land and Facility from the Company pursuant to a lease agreement between the Agency and the Company (the "***Company Lease***"); acquire an interest in the Equipment pursuant to a bill of sale from the Company (the "***Bill of Sale***"); and sublease the Project Facility to the Company pursuant to a sublease agreement (the "***Agency Lease***"); (C) secure the Company's borrowings with respect to the Project Facility by joining in one or more construction or permanent mortgages on the Project Facility in favor of the Company's lenders(s); (D) provide the approved Financial Assistance; and (E) execute and deliver any other documents necessary to effectuate the actions contemplated by and consistent with this Resolution upon the advice of counsel to the Agency.

Section 5. The Chairman, Vice Chairman and any authorized representative of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified in Section 4 of this Resolution as well as the Lease Documents (as defined in the Inducement Resolution) and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Section 4 of this Resolution and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

Section 6. The Agency's participation in any of the documents referenced herein and in the Inducement Resolution, or the granting of the approved Financial Assistance, is contingent upon counsel for the Agency's review and the Chairman or Vice Chairman's approval of, all documents requested or required by the Agency in connection with the Project Facility, as well as the Company's execution of the Agreement (as defined in the Inducement Resolution) and all other documents required by the Agency to effectuate the intent of this Resolution and as required in similar transactions.

Section 7. No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 8. Counsel to the Agency is hereby authorized to work with the Company and others to prepare, for submission to the Chairman and/or Vice Chairman, all documents necessary to effect the undertaking of the Project and the grant of Financial Assistance in connection with the Project.

Section 9. The approvals provided for herein are contingent upon the Company's payment of all of the Agency's fees and costs, including but not limited to attorneys fees.

Section 10. The Secretary and/or Executive Director of the Agency is hereby authorized to distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 11. This Resolution shall take effect immediately. A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	AYE	NAY
William Ryan	X	
M. Catherine Richardson	X	
Steven Thompson	X	
Kenneth Kinsey	X	

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) **SS.:**
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "***Agency***") held on May 16, 2017, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 22 day of June, 2017.

City of Syracuse Industrial Development Agency

Steven P. Thompson, Secretary

(S E A L)

13422968.1

EXHIBIT "J"

TEMPORARY APPOINTMENT RESOLUTION

APPROVING RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on September 19, 2017 at 8:30 a.m. in the Common Council's Chambers, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

PRESENT: William M. Ryan, M. Catherine Richardson, Esq., Steven Thompson, Kenneth Kinsey

EXCUSED: Donald Schoenwald, Esq.

The following persons were **ALSO PRESENT**: Staff Present: Honora Spillane, Susan Katzoff, Esq., Judith DeLaney, Debra Ramsey-Burns, John Vavonese, Meghan Ryan, Esq.; Others Present: Lauryn LaBourde, Aggie Lane, Barry Lentz, William Marquardt, Sarah Stephens, William Maxim, Fred Swayze, Richard DeVito, Robert Doucette, Merike Treir; Media: Rick Moriarty

The following resolution was offered by M. Catherine Richardson and seconded by Kenneth Kinsey:

RESOLUTION APPROVING THE ISSUANCE OF A TEMPORARY SALES TAX APPOINTMENT LETTER AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the City of Syracuse Industrial Development Agency (the "***Agency***") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "***Act***"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, for the purpose of promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, Steri-Pharma, LLC, a Delaware limited liability company authorized to do business in the State of New York, and/or its subsidiary or an entity to be formed (the "***Company***"), by application dated April 5, 2017 (the "***Application***"), requested the Agency undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the

"***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on May 16, 2017 pursuant to Section 859-a of the Act, notice of which was originally published on May 4, 2017, in the Post-Standard, a newspaper of general circulation in the City of Syracuse, New York and given to the chief executive officers of the affected tax jurisdictions by letters dated May 2, 2017; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "***SEQRA***"), the Agency is required to make a determination whether the "action" (as said quoted term is defined in SEQRA) to be taken by the Agency may have a "significant impact on the environment" (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, by resolution adopted May 16, 2017 (the "***SEQRA Resolution***"), the Agency determined that the Project will not have a significant effect on the environment; and

WHEREAS, pursuant to the a resolution adopted by the Agency on May 16, 2017 (the "***Inducement Resolution***"), the Agency approved the appointment of the Company as its agent for purposes of completing the Project; and

WHEREAS, the Inducement Resolution authorized State and local sales tax exemptions for the Project in an amount not to exceed **$712,971.52**; and

WHEREAS, by letter dated September 11, 2017, the Company advised that it was in the process of finalizing the necessary contracts for the expansion portion of the Project but needed to undertake the repair work on the retaining wall portion of the Project before winter to ensure the stability of the wall and requested the Agency consider executing and delivering a temporary sales tax exemption prior to the closing on the Lease Documents (as defined in the Agreement (which is defined in the Inducement Resolution)); such that the Company can commence with the repair and remediation work and benefit from the exemption from State and local sales and use taxes while finalizing its financing (the "***Temporary Appointment***"); and

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency as follows:

(1) It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

(2) Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(a) The action taken pursuant to this Resolution will not result in any significant adverse environmental impacts, and the previously adopted negative declaration still applies and does not need to be amended or supplemented.

(b) Pursuant to the terms of the Inducement Resolution the amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved by the Agency for the entire Project shall not exceed **$712,971.52**.

(c) The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Company shall agree to such terms as a condition precedent to the Company's Temporary Appointment as agent of the Agency and to receiving or benefiting from an exemption from State and local sales and use tax exemptions benefits.

(d) The Agency approves the Company's Temporary Appointment and delivery of an appointment letter (the "***Letter***") subject to execution of an associated temporary sales tax appointment agreement and/or project agreement by and between the Company and the Agency (collectively, the "***Project Agreement***") as well as any necessary and related documents, including but not limited to, an Environmental Compliance and Indemnification Agreement,

proof of insurance and a Bill of Sale (collectively with the Letter and the Project Agreement, the "***Temporary Documents***"), all effective through **February 28, 2018** (the "***Temporary Period***").

(e) As a further condition precedent to the Agency's execution and delivery of the Temporary Documents, the Company has, or will: (i) execute and deliver the Agreement (as defined in the Inducement Resolution); (ii) agree to comply with the provisions thereof and of the Act; and (iii) remit to the Agency 25% of the Agency's administrative fee (currently based on the Company's Application) as well as the Agency's legal fees associated with the issuance of the Temporary Documents.

(f) The Chairman and Vice Chairman of the Agency are each hereby authorized, upon review and advice of counsel, on behalf of the Agency, to execute and deliver the Temporary Documents and the Project Agreement, in form and substance similar to other such agreements entered into by the Agency. The execution thereof by the Chairman or Vice Chairman constitutes conclusive evidence of such approval.

(g) The Company may utilize, and is hereby authorized to appoint, subject to the terms and conditions of the Project Agreement (including the execution by the Additional Agent (as defined herein) of a Sub-Agent Agreement (as defined in the Project Agreement)), a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***") to proceed with the construction and equipping of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf provided the Company execute, deliver and comply with the Temporary Documents. The Company shall provide, or cause Additional Agents to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project, and the Company shall, and cause each Additional Agent to, make such records available to the Agency and the State Commissioner of Taxation and Finance (the "***Commissioner***") upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for Project, identifying the Project, along with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Company or Project's receipt of, or benefit from, any State or local sales and use tax exemptions, the Company must acknowledge and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Company, the Agency or its designee upon request.

(h) Counsel to the Agency is hereby authorized to work with the Company and others to prepare the Temporary Documents and all documents necessary to effect the intent of this Resolution.

(i) Should the Agency's participation in the Temporary Documents regarding the Project Facility be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement

of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Letter and Agreement, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

(j) No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

(k) The Secretary of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(l) A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

(m) This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	AYE	**NAY**
William Ryan	X	
M. Catherine Richardson	X	
Steven Thompson	X	
Kenneth Kinsey	X	

The foregoing Approving Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) **SS.:**
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "***Agency***") held on September 19, 2017, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 4TH day of October, 2017.

City of Syracuse Industrial Development Agency

Steven P. Thompson, Secretary

(S E A L)

EXHIBIT "K"

INFRASTRUCTURE AGREEMENT RESOLUTIONS

RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on September 19, 2017 at 8:30 a.m. in the Common Council's Chambers, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

PRESENT: William M. Ryan, M. Catherine Richardson, Esq., Steven Thompson, Kenneth Kinsey

EXCUSED: Donald Schoenwald, Esq.

The following persons were **ALSO PRESENT**: Staff Present: Honora Spillane, Susan Katzoff, Esq., Judith DeLaney, Debra Ramsey-Burns, John Vavonese, Meghan Ryan, Esq.; Others Present: Lauryn LaBourde, Aggie Lane, Barry Lentz, William Marquardt, Sarah Stephens, William Maxim, Fred Swayze, Richard DeVito, Robert Doucette, Merike Treir; Media: Rick Moriarty

The following Resolution was offered by M. Catherine Richarson and seconded by Kenneth Kinsey:

RESOLUTION APPROVING AN INFRASTRUCTURE AGREEMENT WITH STERI-PHARMA, LLC AND THE DEDICATION OF THE AGENCY'S ADMINISTRATIVE FEES IN CONJUNCTION THEREWITH

WHEREAS, the policy of the State of New York (the "***State***") set forth in Title 1 of Article 18-A of the General Municipal Law of the State, as amended (the "***IDA Act***"), is to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation, economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration by the creation of industrial development agencies and to protect and promote the health of the inhabitants of the State; and is the further policy of this state to protect and promote the health of the inhabitants by the conservation, protection and improvement of the natural resources and environment. The use of all such rights and powers is a public purpose essential to the public interest, and for which public funds may be expended; and

WHEREAS, City of Syracuse Industrial Development Agency (the "***Agency***") constitutes an industrial development agency established under the IDA Act and Chapter 641 of the Laws of

1979 of the State of New York, as amended from time to time (together with the IDA Act, the "***Act***") and is thereby authorized and empowered to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, educational or cultural facilities, railroad facilities and certain horse racing facilities, thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to, among other things, make contracts and leases; to use gifts, grants, loans or contributions for any of its corporate purposes; and to all things necessary or convenient to carry out its purposes and exercise the powers expressly given in the IDA Act; and

WHEREAS, at the request of Steri-Pharma, LLC, a Delaware limited liability company authorized to do business in the State of New York, and/or its subsidiary or an entity to be formed (the "***Company***"), on or about May 16, 2017, the Agency resolved (the "***Approving Resolutions***") to undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, at the time of the Approving Resolutions, the Company did not have title to Parcel 2 but agreed to obtain fee title before closing on the lease transaction with the Agency; and

WHEREAS, a portion of Parcel 1, Parcel 2 and the Right of Way (defined below) intersect and form a portion of the retaining wall and is in significant disrepair; and

WHEREAS, the current owners of Parcel 2 are delinquent on their property taxes and not responsive to the City of Syracuse, New York's (the "***City***") demands relative to certain code violations on Parcel 2; and

WHEREAS, on or about September 1, 2017, the City adopted an emergency declaration (the "***Emergency Declaration***") determining that Parcel 2 was unfit for human habitation and dangerous to human life and should be immediately demolished. The Declaration further found that the property constituted an immediate danger to the health, safety and welfare of the general public and ordered its emergency demolition; and

WHEREAS, contemporaneously with the issuance of the Emergency Declaration, the City similarly issued an emergency declaration for Parcel 1 as well with respect to that portion of Parcel 2 that intersects with Parcel 1 and the Right of Way (as defined herein); and

WHEREAS, upon information and belief, as a result of the Emergency Declaration, the City has the authority to permit the Company to undertake the any and all necessary repairs on Parcel 2 to effectuate the repair of hazardous conditions, including but not limited to the retaining wall (which forms a part of the Project); and

WHEREAS, the Company has agreed to undertake the work necessary to repair the retaining wall and the related infrastructure on both Parcel 1, Parcel 2 and in the Right of Way (as defined below) along Onondaga Creek (the "***Infrastructure Work***"); and

WHEREAS, the Infrastructure Work is critical to ensure: (i) that the support for the foundation of the Facility does not collapse thereby jeopardizing the Project and all of the current and proposed jobs resulting from the Facility; and (ii) that the public right of way (the "***Right of Way***") and the continued flow of Onondaga Creek especially during wet weather events is maintained; and

WHEREAS, the Company is requesting the Agency dedicate all or a portion of its administrative fee otherwise earned on the Project to pay for the costs of the Infrastructure Work associated with the foregoing and the Project as more fully set forth herein in an amount equal to the lesser of: (i) the cost of the Infrastructure Work; or (ii) the Agency's administrative fee associated with the Project (the "***Proceeds***") to offset the costs of the Infrastructure Work and facilitate the completion of the Project while at the same time helping preserve that portion of the public right of way and eliminate a hazardous condition; and

WHEREAS, the Project will promote economic development within the City and further the health and welfare of the inhabitants of the City; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "***SEQRA***"), and by resolution adopted on May 16, 2017, the Agency determined that the Project constitutes an Unlisted Action uner SEQRA and will not have a significant effect on the environment, and the Agency hereby issues a negative declaration.

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency as follows:

(1) The action of the Agency with respect to the approval of the Proceeds is not considered a substantial change to the Project that would require further or supplemental review under SEQRA.

(2) Based upon the representations made by the Company to the Agency, the Agency makes the following findings and determinations:

(a) The payment of the Proceeds to the Company for use to pay costs of the Infrastructure Work will: (i) advance job opportunities, health, general prosperity and economic welfare of the people of the City and the State of New York; (ii) improve the prosperity and standard of living of the residents of the City; (iii) help ensure the success of the Project; and (iii) help prevent economic deterioration in the City.

(b) No covenant, stipulation, obligation or agreement contained in this Resolution or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. None of the members or officers of the Agency shall be liable or be subject to any personal liability or accountability by reason of the execution of any document referred to above.

(c) The Agency hereby authorizes the advancement of the Proceeds to undertake the Infrastructure Work in accordance with the terms hereof. The advancement of the Proceeds is further subject to, and conditioned upon, the negotiation of an infrastructure agreement by and between the Agency and the Company upon acceptable terms and conditions to the Agency as approved by the Chairman or Vice Chairman (the "***Infrastructure Agreement***"). Upon the execution and delivery of same by each party, the Agency will disburse the Proceeds in accordance therewith and herewith. However, under no circumstances will the Agency disburse any Proceeds unless and until the Company provides proof, satisfactory to the Agency, of the expenditure and evidence that such expenditure was made for the benefit of the Project. The Chairman, the Executive Director and Vice Chairman of the Agency are each hereby authorized, on behalf of the Agency, to negotiate, execute and deliver the Infrastructure Agreement in accordance with the terms hereof and approve any disbursement of the Proceeds. The execution of the Infrastructure Agreement and/or approval of disbursements by the Chairman, the Executive Director or Vice Chairman shall constitute conclusive evidence of such approval.

(d) Should the Agency's authorization of the Infrastructure Agreement and/or approval of the advancement of the Proceeds be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement of the Agency's counsel, and such indemnity shall be codified in the Infrastructure Agreement. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to provide the advancement of the Proceeds, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

(e) The Secretary of the Agency is hereby authorized to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(f) A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	AYE	**NAY**
William Ryan	X	
M. Catherine Richardson	X	
Steven Thompson	X	
Kenneth Kinsey	X	

The foregoing resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) **SS.:**
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "***Agency***") held on September 19, 2017, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting; (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104; (iii) the meeting was in all respects duly held; and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 4TH day of October, 2017.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Steven P. Thompson, Secretary

(S E A L)

13947054.1

RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on February 20, 2018 at 8:30 a.m. in the Common Council's Chambers, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

PRESENT: Michael Frame, Kenneth Kinsey, Ricky T. Brown

EXCUSED: Kathleen Murphy, Steven Thompson

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Honora Spillane, Susan Katzoff, Esq., Meghan Ryan, Esq., Judith DeLaney, John Vavonese, Others Present: Seth Mulligan, Rod Mayette, Mitch Latimer, Mel Menon, Jim Mason, Lauryn LaBorde, Aggie Lane, Charles McChesney, Peter King

The following resolution was offered by Rickey T. Brown and seconded by Michael Frame:

RESOLUTION APPROVING THE EXTENSION OF AN INFRASTRUCTURE AGREEMENT WITH STERI-PHARMA, LLC UNTIL MARCH 31, 2018

WHEREAS, the policy of the State of New York (the "***State***") set forth in Title 1 of Article 18-A of the General Municipal Law of the State, as amended (the "***IDA Act***"), is to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation, economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration by the creation of industrial development agencies and to protect and promote the health of the inhabitants of the State; and is the further policy of this state to protect and promote the health of the inhabitants by the conservation, protection and improvement of the natural resources and environment. The use of all such rights and powers is a public purpose essential to the public interest, and for which public funds may be expended; and

WHEREAS, City of Syracuse Industrial Development Agency (the "***Agency***") constitutes an industrial development agency established under the IDA Act and Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (together with the IDA Act, the "***Act***") and is thereby authorized and empowered to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, educational or cultural facilities, railroad facilities and certain

horse racing facilities, thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to, among other things, make contracts and leases; to use gifts, grants, loans or contributions for any of its corporate purposes; and to all things necessary or convenient to carry out its purposes and exercise the powers expressly given in the IDA Act; and

WHEREAS, at the request of Steri-Pharma, LLC, a Delaware limited liability company authorized to do business in the State of New York, and/or its subsidiary or an entity to be formed (the "***Company***"), on or about May 16, 2017, the Agency resolved (the "***Approving Resolutions***") to undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, at the time of the Approving Resolutions, the Company did not have title to Parcel 2 but agreed to obtain fee title before closing on the lease transaction with the Agency; and

WHEREAS, a portion of Parcel 1, Parcel 2 and the Right of Way (defined below) intersect and form a portion of the retaining wall and is in significant disrepair; and

WHEREAS, the current owners of Parcel 2 are delinquent on their property taxes and not responsive to the City of Syracuse, New York's (the "***City***") demands relative to certain code violations on Parcel 2; and

WHEREAS, on or about September 1, 2017, the City adopted an emergency declaration (the "***Emergency Declaration***") determining that Parcel 2 was unfit for human habitation and dangerous to human life and should be immediately demolished. The Declaration further found that the property constituted an immediate danger to the health, safety and welfare of the general public and ordered its emergency demolition; and

WHEREAS, upon information and belief, as a result of the Emergency Declaration, the City has the authority to permit the Company to undertake the any and all necessary repairs on Parcel 2 to effectuate the repair of hazardous conditions, including but not limited to the retaining wall (which forms a part of the Project); and

WHEREAS, the Company has agreed to undertake the work necessary to repair the retaining wall and the related infrastructure on both Parcel 1, Parcel 2 and in the Right of Way (as defined below) along Onondaga Creek (the "***Infrastructure Work***"); and

WHEREAS, the Infrastructure Work is critical to ensure: (i) that the support for the foundation of the Facility does not collapse thereby jeopardizing the Project and all of the current and proposed jobs resulting from the Facility; and (ii) that the public right of way (the "***Right of Way***") and the continued flow of Onondaga Creek especially during wet weather events is maintained; and

WHEREAS, the Project will promote economic development within the City and further the health and welfare of the inhabitants of the City; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "***SEQRA***"), and by resolution adopted on May 16, 2017, the Agency determined that the Project constitutes an Unlisted Action under SEQRA and will not have a significant effect on the environment, and the Agency hereby issues a negative declaration; and

WHEREAS, the Agency and the Company executed an Infrastructure Agreement dated as of December 1, 2017 (the "***Infrastructure Agreement***") with respect to the dedication of the Agency's administrative fee towards the cost of the Infrastructure Work. The Infrastructure Agreement is set to terminate , upon the earlier to occur of: (i) February 28, 2018; or (ii) completion of the Infrastructure Work; and

WHEREAS, the City now owns Parcel 2 and has agreed to sell Parcel 2 to the Company; and

WHEREAS, the Agency wishes amend the Infrastructure Agreement to extend the term of the Infrastructure Agreement through and including March 31, 2018 in order to provide the City time to finalize the sale of Parcel 2 to the Company.

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency as follows:

(1) The action of the Agency in amending the term of the Infrastructure Agreement is not considered a substantial change to the Project that would require further or supplemental review under SEQRA.

(2) The term of the Infrastructure Agreement is hereby extended to March 31, 2018. All other terms of the Infrastructure Agreement remain unchanged and are in full force and effect.

(3) No covenant, stipulation, obligation or agreement contained in this Resolution or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. None of the members or officers of the Agency shall be liable or be subject to any personal liability or accountability by reason of the execution of any document referred to above.

(4) The Secretary of the Agency is hereby authorized to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(5) A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	AYE	NAY
Michael Frame	X	
Kenneth Kinsey	X	
Rickey T. Brown	X	

The foregoing resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) **SS.:**
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "***Agency***") held on February 20, 2018, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting; (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104; (iii) the meeting was in all respects duly held; and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 14th day of March, 2018.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Rickey T. Brown, Secretary

(S E A L)

14795671.1

18

GENERAL CERTIFICATE OF

STERI-PHARMA, LLC

This certificate is made in connection with the execution by **STERI-PHARMA, LLC** a Delaware limited liability company duly organized, validly existing and in good standing under the laws of the State of New York and Delaware, with offices at 429 South West Street, Syracuse, New York 13202 ("***Steri-Pharma***") of the Company Lease, the Agency Lease, the Environmental Compliance and Indemnification Agreement and any other document now or hereafter executed by Steri-Pharma in connection with the City of Syracuse Industrial Development Agency (the "***Agency***") agreeing, at the Company's request, to undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "Facility"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

The fee owner of the Project Facility is Domik, LLC ("***Dromik***" and together with Steri-Pharma, collectively, the "***Company***") The Agency will acquire a leasehold interest in the Land and Facility from the Company pursuant to a Company Lease Agreement dated as of March 1, 2018 (the "***Company Lease***"), between the Company and the Agency; and acquire a fee interest in the Equipment pursuant to that certain bill of sale dated as of March 1, 2018 from Dromik (the "***Dromik Bill of Sale***") and that certain bill of sale dated as of March 1, 2018 from Steri-Pharma (the "***Steri-Pharma Bill of Sale***" and together with the Dromik Bill of Sale, the "***Bill of Sale***"). The Agency will sublease the Project Facility back to the Company, pursuant to an Agency Lease Agreement dated as of March 1, 2018 (the "***Agency Lease***") between the Agency and the Company.

Capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed to such terms in the Agency Lease, except that, for purposes of this certificate: (A) all definitions with respect to any document shall be deemed to refer to such document only as

it exists as of the date of this Certificate and not as of any future date; and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.

The undersigned does hereby certify as follows:

1. Attached hereto as **Exhibit "A"** is a true, correct and complete copy of the Certificate of Formation of Steri-Pharma and any amendments thereto filed with the Delaware State Secretary of State with proof of publication thereof attached thereto, which Articles (including any amendments) are in full force and effect on the date hereof.

2. Attached hereto as **Exhibit "B"** is a true, correct and complete copy of the Steri-Pharma's Operating Agreement, and any amendments thereto, and such Operating Agreement, as may have been amended, is in full force and effect on the date hereof..

3. Steri-Pharma is, and at all times will be, a limited liability company, duly organized, validly existing and in good standing under the laws of Delaware State and authorized and licensed under the laws of New York State to transact business as a limited liability company for the purpose of owning and operating the Project Facility. Attached hereto as **Exhibit "C"** is a true and correct copies of a Certificate of Good Standing of Steri-Pharma issued by the Delaware and New York State Secretaries of State.

4. Steri-Pharma has full legal right, power and authority to execute and deliver the Company Documents and to consummate the transactions on the part of Steri-Pharma contemplated by the Company Documents. The Company Documents have been duly authorized, executed, and delivered by the Director, on behalf of Steri-Pharma, as authorized pursuant to the resolution attached hereto at Exhibit D, and are in full force and effect as of the date hereof. Attached hereto as **Exhibit "D"** is a true, correct and complete copy of the authorizing resolution of Steri-Pharma (the "***Resolution***") in respect of the execution, delivery and performance of the Company Documents.

5. Steri-Pharma understands and agrees that, unless a written waiver is first obtained from the Agency, Steri-Pharma and its Additional Agents shall utilize local labor, contractors and suppliers for the construction, renovation, reconstruction and equipping of the Project Facility. The term "***local***" shall mean Onondaga, Oswego, Madison, Cayuga, Oneida and Cortland Counties. Steri-Pharma further understands and agrees that failure to comply with these local labor requirements may result in the revocation or recapture of benefits provided/approved to the Project by the Agency. In furtherance thereof, Appendix I to the Agency's Application entitled "Local Access Agreement" has been completed and is attached hereto as **Exhibit "E"**.

6. Steri-Pharma understands and agrees that it is the preference of the Agency that Steri-Pharma provide opportunities for the purchase of goods and services from: (i) business enterprises located in the City; (ii) certified minority and or women-owned business enterprises; and (iii) business enterprises that employ residents of the City. Steri-Pharma further understands and acknowledges that consideration will be given by the Agency to Steri-Pharma's efforts to

comply, and compliance, with this objective at any time an extension of benefits is sought or involvement by the Agency with the Project is requested by Steri-Pharma.

7. All consents, approvals, authorizations or orders of, notices to, or filings, registrations or declarations with, any court or governmental authority, board, agency, commission or body having jurisdiction which are required on behalf of Steri-Pharma or for the execution and delivery by Steri-Pharma of the Company Documents or the consummation on the part of Steri-Pharma of the transactions contemplated thereby have been obtained.

8. After performing due diligence, there is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) pending or threatened against or affecting Steri-Pharma or, to the knowledge of Steri-Pharma, any basis therefor: (i) in any way affecting the organization, existence or good standing of Steri-Pharma; (ii) contesting or materially affecting the validity or enforceability of the Company Documents; (iii) contesting the powers of Steri-Pharma or its authority with respect to the Company Documents; (iv) contesting the authority of Steri-Pharma to act on behalf of Steri-Pharma or the authority of the representatives of Steri-Pharma to act on behalf of Steri-Pharma; (v) wherein an unfavorable decision, ruling or finding would have a material adverse effect on: (A) the financial condition or operations of Steri-Pharma; or (B) the consummation on the part of Steri-Pharma of the transactions contemplated by any Company Documents.

9. The execution and delivery by Steri-Pharma of the Company Documents and the consummation by Steri-Pharma of the transactions contemplated thereby are not prohibited by, do not violate any provision of, and will not result in a breach of or default under: (i) the organizational documents of Steri-Pharma; (ii) any applicable law, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental body or other requirement to which Steri-Pharma is subject; or (iii) any contract, agreement, mortgage, lease, guaranty, commitment or other obligation or instrument to which Steri-Pharma is a party or by which Steri-Pharma or its properties is bound.

10. All information concerning the Project Facility and Steri-Pharma submitted to the Agency and any Mortgagee by Steri-Pharma is true and correct in all material respects and does not omit to state a material fact necessary to make the statements therein not misleading.

11. Assuming the valid authorization, execution and delivery of the Agency Lease and the other Company Documents by the other parties thereto, the Agency Lease and the other Company Documents are the legal, valid and binding obligations of Steri-Pharma, enforceable against Steri-Pharma in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity. No default by Steri-Pharma or, to the best of knowledge of the undersigned, no event of default on the part of any other party to the Company Documents has occurred or is continuing and no event has occurred which, with the giving of notice or passage of time or both, would be such an event of default. Steri-Pharma has duly authorized the taking of and has taken

all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Company Documents.

12. All permits (including building permits), licenses and authorizations necessary for the construction, ownership and operation of the Project in the manner contemplated by each of the Company Documents have been obtained or will be obtained, and said construction, ownership and operation will not, to the best knowledge of Steri-Pharma, conflict with any zoning or similar ordinance applicable to the Project. To the best of Steri-Pharma's knowledge, the Project conforms to all material environmental regulations.

13. There is no Event of Default or default on the part of Steri-Pharma under the Project Agreement, the Company Lease, the Agency Lease, the Environmental Compliance and Indemnification Agreement or any other Company Document, and no event has occurred and is continuing which, after notice or passage of time or both, would give rise to a default under any thereof.

14. The Project Agreement, the Company Lease, the Agency Lease, the Environmental Compliance and Indemnification Agreement and the other Company Documents are in full force and effect and Steri-Pharma has not assigned or pledged any of its rights under these documents.

15. Steri-Pharma acknowledges and restates all of the obligations, representations and covenants in Sections 2.2, 8.12, 11.12 and 11.14 of the Agency Lease and incorporates same herein by reference as if fully set forth herein.

16. Steri-Pharma further acknowledges its obligation under Section 8.5 of the Agency Lease to provide the additional information as set forth therein and agrees to same.

17. The authorized representatives of Steri-Pharma who, pursuant to the Resolution, are authorized to execute the Company Documents and the office held by each person are as set forth below. The signature set opposite the name of such officer, if any, is a genuine specimen of such officer's signature:

Name	Signature	Office/Title
Vincent Durante		Director

IN WITNESS WHEREOF, I have set my hand and signature as officer of Steri-Pharma as of March 1, 2018.

STERI-PHARMA, LLC

By: _____
Vincent Durante, Director

14775625.2

EXHIBIT "A"

CERTIFICATE OF FORMATION

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS ALBANY, NY 12231-0001

CERTIFICATE OF AUTHORITY UNDER SEC. 805 OF THE LIMITED LIABILITY COMPANY LAW

ENTITY NAME: STERI-PHARMA, LLC

DOCUMENT TYPE: APPLICATION FOR AUTHORITY (FOR LLC) COUNTY: ONON

FILED:09/15/2009 DURATION:********* CASH#:090915000479 FILM #:090915000426

FILER:

COWAN LIEBOWITZ & LATMAN PC
1133 AVENUE OF THE AMERICAS

NEW YORK, NY 10036

EXIST DATE
09/15/2009

ADDRESS FOR PROCESS:

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SERVICE COMPANY: CT CORPORATION SYSTEM - 07 SERVICE CODE: 07

FEES	310.00	PAYMENTS	310.0
FILING	250.00	CASH	0.0
TAX	0.00	CHECK	0.0
CERT	0.00	CHARGE	0.0
COPIES	10.00	DRAWDOWN	310.0
HANDLING	50.00	OPAL	0.0
		REFUND	0.0

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CT-07

APPLICATION FOR AUTHORITY

OF

STERI-PHARMA, LLC

Under Section 802 of the Limited Liability Company Law

FIRST: The name of the limited liability company is Steri-Pharma, LLC

SECOND: The jurisdiction of organization of the limited liability company is: Delaware
The date of its organization is: March 5, 2008

THIRD: The county within this state in which the office, or if more than one office, the principal office of the limited liability company is to be located is: Onondaga

FOURTH: The secretary of state is designated as agent of the limited liability company upon whom process against it may be served. The post office address within this state to which the secretary of state shall mail a copy of any process against him or her is: Robert Giordanella, Cowan, Liebowitz & Latman, P.C. 1133 Avenue of the Americas, New York, NY 10036

FIFTH: The name and street address within this state of the registered agent of the limited liability company upon whom and at which process against the limited liability company can be served is: Robert Giordanella, Cowan, Liebowitz & Latman, P.C. 1133 Avenue of the Americas, New York, NY 10036

SIXTH: The address of the office required to be maintained in the jurisdiction of formation by the laws of the jurisdiction or, if not so required, the address of the principal office of the limited liability company is: Corporation Trust Company 1209 Orange Street, Wilmington DE 19801

SEVENTH: The limited liability company is in existence of its jurisdiction of formation at the time of the filing of this application

EIGHTH: The name and address of the authorized officer in the jurisdiction of formation where a copy of the articles of organization of the limited liability company is filed is: Secretary of State of Delaware, John G. Townsend Building 401 Federal Street, Suite 3, Dover DE 19901

Alessandro Broggi, Authorized Person

17073/014/1129429.1

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "STERI-PHARMA, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TENTH DAY OF SEPTEMBER, A.D. 2009.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Jeffrey W. Bullock, Secretary of State

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AUTHENTICATION: 7518831

DATE: 09-10-09

You may verify this certificate online at corp.delaware.gov/authver.shtml

CT-07

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FILED
2009 SEP 15 AM 12:00

Application of Authority

OF

STERI-PHARMA, LLC

Under Section 802 of the Limited Liability Company Law

1CC

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED SEP 15 2009
TAX $ —
BY: JNR

Filed By: Cowan, Liebowitz & Latman, P.C.
1133 Avenue of the Americas
New York, New York 10036

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Cst ref # 7650812 mg

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2009 SEP 14 PM 4:05
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Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "STERI-PHARMA, LLC", FILED IN THIS OFFICE ON THE FIFTH DAY OF MARCH, A.D. 2008, AT 1:14 O'CLOCK P.M.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4514211 8100

AUTHENTICATION: 6428024

080285073

DATE: 03-05-08

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:40 PM 03/05/2008
FILED 01:14 PM 03/05/2008
SRV 080285073 - 4514211 FILE

CERTIFICATE OF FORMATION

OF

STERI-PHARMA, LLC

Pursuant to Section 18-201 of the
Delaware Limited Liability Company Act

FIRST: The name of the limited liability company is **Steri-Pharma, LLC.**

SECOND: The address of the registered office in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, Steri-Pharma, LLC has caused this Certificate of Formation to be executed this 29th day of February, 2008.

Robert J. Giordanella, Authorized Person

EXHIBIT "B"

OPERATING AGREEMENT

SECOND

AMENDED

OPERATING AGREEMENT

OF

STERI-PHARMA, LLC

SECOND AMENDED OPERATING AGREEMENT

AGREEMENT, made this as of the 5 day of January 2013, between Innova LLC ("Innova") now owned by Pharma-C Inc. D/B/A World Gen LLC with offices located at 120 Route 17 North, Paramus, New Jersey, 07653, Harpgrove Limited ("Harpgrove") with offices located at 7th Floor, Hume House, Ballsbridge, Dublin 4, Ireland, ACS Dobfar S.p.A. ("ACSD") with offices located at Viale Addetta 4/12, 20067 Tribiano, Italy, and Steri-Pharma LLC, ("Steri-Pharma ") with offices located at 120 Route 17N, Paramus, New Jersey.

WHEREAS,Innova and Harpgrove have caused a limited liability company known as Steri-Pharma, LLC to be formed pursuant to the Delaware Limited Liability Company Act; and

WHEREAS, Innova and Harpgrove entered into an operating agreement dated May 1, 2008 ("Original Operating Agreement") which established their respective rights and obligations pursuant to the limited liability company act in connection with such limited liability company; and

WHEREAS, Innova and Harpgrove entered into an amended operating agreement dated as of December 22, 2010 (the "Amended Operating Agreement") whereby ACSD was admitted as a member of the Steri-Pharma and certain other provisions of the Original Operating Agreement were amended; and

WHERAS, Innova, Harpgrove and ACSD wish to amend the Amended Operating Agreement to reflect changes in the ownership of Membership Interests and Capital Accounts.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

ARTICLE I
Definitions

1.1 *Definitions.* In this Agreement, the following terms shall have the meanings set forth below:

(a) *"Capital Account"* as of any date shall mean the Capital Contribution to the Company by a Member, adjusted as of such date pursuant to this Agreement.

(b) *"Capital Contribution"* shall mean any contribution by a Member to the capital of the Company in cash, property or services rendered or a promissory note or other obligation to contribute cash or property or to render services.

(c) *"Certificate of Formation"* shall mean the Certificate of Formation of the Company heretofore filed with the Delaware Secretary of State as may from time to time be amended.

(d) *"Code"* shall mean the Internal Revenue Code of 1986, as amended, or any superseding federal revenue statute.

(e) *"Company"* shall refer to Steri-Pharma, LLC.

(f) *"Distribution"* shall mean any cash and other property paid to a Member by the Company from the operations of the Company.

(g) *"Fiscal Year"* shall mean the fiscal year of the Company, which shall be the year ending December 31.

(h) "*Manager*" or *"Managers*" shall mean each individual listed in the Certificate of Formation or in this Agreement as a manager of the Company or any other individual or individuals who succeeds him as a manager pursuant to this Agreement.

(i) *"Member"* shall mean each Person who or which executes a counterpart of this Agreement as a Member and each Person who or which may hereafter become a party to this Agreement.

(j) *"Membership Interests"* shall mean the ownership interest of the Members as set forth in Schedule A, as may be adjusted from time to time to take into account additional Capital Contributions or transfers of interests.

(k) *"Net Losses"* shall mean the losses of the Company, if any, determined in accordance with generally accepted accounting principles.

(l) "*Net Profits*" shall mean the income of the Company, if any, determined in accordance with generally accepted accounting principles.

(m) "*Delaware Act*" shall mean the Delaware Limited Liability Company Act.

(n) "*Permitted Transferee*" shall mean (a) any holder of an ownership interest in a Member ("Owner"), (b) any entity controlled by a Member and (c) any entity controlled by an Owner. For purposes of this Agreement, control means owning more than a 50% interest in the entity.

(o) "*Person*" shall mean any individual, corporation, governmental authority, limited liability company, partnership, trust, unincorporated association or other entity.

(p) *"Treasury Regulations"* shall mean all proposed, temporary and final regulations promulgated under the Code as from time to time in effect.

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ARTICLE II
Organization

2.1 *Formation.* The Company has been formed as a limited liability company by the preparation, execution and filing of the Certificate of Formation with the Delaware Secretary of State pursuant to the Delaware Act.

2.2 *Name.* The name of the Company is Steri-Pharma, LLC.

2.3 *Principal Place of Business.* The principal place of business of the Company shall be located at 120 Route 17 North, Paramus, New Jersey 07652. The Company may establish any other places of business as the Manager may from time to time deem advisable.

2.4 *Term.* The term of the Company began on the date of filing of the Certificate of Formation with the Delaware Secretary of State, and shall continue until dissolved in accordance with Article X of this Agreement.

2.5 *Purposes.* The purpose of the Company shall be to engage in any lawful act or activity for which limited liability companies may be formed under the Delaware Act and to engage in any and all activities necessary or incidental to the foregoing.

ARTICLE III
Members

3.1 *Names and Addresses.* The names and addresses of the Members are as set forth in Schedule A to this Agreement.

3.2 *Additional Members.* A Person may be admitted as a member after the date of this Agreement upon the affirmative vote or written consent of the holders of all of the Membership Interests.

3.3 *Books and Records.* The Company shall keep books and records of accounts and minutes of all meetings of the Members.

3.4 *Information.* Each Member may inspect, during ordinary business hours and on reasonable notice, the Certificate of Formation, this Operating Agreement, the minutes of any meeting of the Members and any tax returns of the Company for the immediately preceding three Fiscal Years.

3.5 *Limitation of Liability.* Each Member's liability shall be limited as set forth in this Agreement, the Delaware Act and other applicable law. A Member shall not be personally liable for any indebtedness, liability or obligation of the Company, except that such Member shall remain personally liable for the payment of its Capital Contribution and as otherwise set forth in this Agreement, the Delaware Act and any other applicable law.

3.6 *Sale of All Assets.* The Members shall have the right, by the affirmative vote or written consent of the holders representing a majority of the Membership Interests, to approve the sale, lease, exchange or other disposition of all or substantially all of the assets of the Company.

3.7 *Priority and Return of Capital.* No Member shall have priority over any other Member, whether for the return of a Capital Contribution or for Net Profits, Net Losses or a Distribution; provided, however, that this section shall not apply to a loan or other indebtedness (as distinguished from a Capital Contribution) made by a Member to the Company.

3.8 *Liability of a Member to the Company.* A Member who or which rightfully receives the return of any portion of a Capital Contribution is liable to the Company only to the extent now or hereafter provided by the Delaware Act. A Member who or which receives a Distribution made by the Company in violation of this Agreement or made when the Company's liabilities exceed its assets (after giving effect to such Distribution) shall be liable to the Company for the amount of such Distribution.

3.9 *Financial Adjustments.* No Members admitted after the date of this Agreement shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Manager may, at the discretion of the Manager, at the time a Member is admitted, close the books and records of the Company (as though the Fiscal Year had ended) or make pro rata allocations of loss, income and expense deductions to such Member for that portion of the Fiscal Year in which such Member was admitted in accordance with the Code.

3.10 *Contracts with Company.* Members may enter into agreements, instruments or other writings with the Company as counterparty, including but not limited to management and brokerage agreements, with the consent of the Manager.

ARTICLE IV
Management

4.1 *Number, Tenure and Qualifications of Managers.* Initially, there shall be one (1) Manager. The number of Managers of the Company may be amended from time to time by the affirmative vote or written consent of the Members owning a majority of the Membership Interests. Alessandro Broggi is named as the initial Manager of the Company. The Manager shall hold office until the next annual meeting of Members or until a successor shall have been elected and qualified, whichever is later. A Manager does not have to be a resident of the State of Delaware or be a Member.

4.2 *Powers of Manager.* Except as set forth in this Agreement, the Manager shall have power and authority, on behalf of the Company, to (a) purchase, lease or otherwise acquire any property (for consideration not to exceed $2,000,000) from, or sell, lease or otherwise dispose of any property to, any Person, (b) open bank accounts and otherwise

invest the funds of the Company, (c) purchase insurance on the business and assets of the Company, (d) commence lawsuits and other proceedings, (e) enter into any agreement, instrument or other writing, (f) retain accountants, attorneys or other agents and (g) take any other lawful action that the Manager consider necessary, convenient or advisable in connection with any business of the Company. If there is more than one Manager, unanimous vote of the Managers shall be required for all material decisions relating to the management and control of the business and operations of the Company.

4.3 *Binding Authority.* Unless authorized to do so by this Agreement or the Manager, no Person shall have any power or authority to bind the Company. No Person shall have any power or authority to bind the Company unless such Person has been authorized by the Manager to act on behalf of the Company in accordance with the immediately preceding sentence.

4.4 *Liability for Certain Acts.* The Manager shall perform his duties in good faith, in a manner he reasonably believes to be in the best interests of the Company and with such care as an ordinarily prudent person in a similar position would use under similar circumstances. A Manager who so performs such duties shall not have any liability by reason of being or having been a Manager. A Manager shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member unless the loss or damage shall have been the result of the gross negligence or willful misconduct of such Manager. Without limiting the generality of the preceding sentence, a Manager does not in any way guaranty the return of any Capital Contribution to a Member nor a profit for the Members from the operations of the Company.

4.5 *No Exclusive Duty to Company.* The Manager shall not be required to manage the Company as his sole and exclusive function and he may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right pursuant to this Agreement to share or participate in such other business interests or activities or to the income or proceeds derived therefrom. No Manager shall incur any liability to the Company or to any Member as a result of engaging in any other business interests or activities.

4.6 *Indemnification.* The Company shall indemnify and hold harmless the Manager from and against all claims and demands to the maximum extent permitted under the Delaware Act.

4.7 *Resignation.* A Manager may resign at any time by giving written notice to the Company. The resignation of a Manager shall take effect upon receipt of such notice or at any later time specified in such notice. Unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective. The resignation of a Manager who is also a Member shall not affect such Manager's rights as a Member and shall not constitute a withdrawal as a Member.

4.8 *Removal.* Any Manager maybe removed or replaced with or without cause by the affirmative vote or written consent of the Members owning a majority of the Membership

Interests. The removal of a Manager who is also a Member shall not affect such Manager's rights as a Member and shall not constitute a withdrawal of such Member as a Member.

4.9 *Vacancies.* Any vacancy occurring for any reason in the position of Manager shall be filled by the affirmative vote or written consent of the Members owning a majority of the Membership Interests. A Manager elected to fill a vacancy shall be elected for the unexpired term of the Manager's predecessor in office and shall hold office until the expiration of such term and until the Manager's successor has been elected and qualified. A Manager chosen to fill a position resulting from an increase in the number of Managers shall hold office until the next annual meeting of Members and until a successor has been elected and qualified.

4.10 *Salaries.* The salaries and other compensation of the Manager shall be fixed from time to time by the affirmative vote or written consent of the holders representing a majority of the Membership Interests. No Manager shall be prevented from receiving such a salary or other compensation because such Manager is also a Member.

4.11 *Officers.* The Manager may designate one or more individuals as officers of the Company, who shall have such titles and exercise and perform such powers and duties as shall be assigned to them from time to time by the Manager. Any officer may be removed by the Manager at any time, with or without cause. Each officer shall hold office until such officer's successor is elected and qualified. Any number of offices may be held by the same individual. The salaries and other compensation of the officers shall be fixed by the Manager. An individual designated as a "Director" or "Managing Director" shall be considered an officer of the Company.

ARTICLE V
Meetings of Members

5.1 *Annual Meeting.* The annual meeting of the Members shall be held on the first day of July, or at such other time as shall be determined by the affirmative vote or written consent of the holders of all of the Membership Interests, for the purpose of the transaction of any business as may come before such meeting.

5.2 *Special Meetings.* Special meetings of the Members, for any purpose or purposes, may be called by Members holding not less than twenty-five (25%) percent of the Membership Interests.

5.3 *Place of Meetings.* Meetings of the Members may be held at any place, within or outside the State of Delaware, as may be designated in any notice of such meeting. If no such designation is made, the place of any such meeting shall be the principal office of the Company as set forth in the Articles of Organization then in effect.

5.4 *Notice of Meetings.* Written notice stating the place, day and hour of the meeting, indicating that it is being issued by or at the direction of the person or persons

calling the meeting, and stating the purpose or purposes for which the meeting is called shall be delivered no fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

5.5 *Record Date.* For the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any adjournment of such meeting, or Members entitled to receive payment of any Distribution, or to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring Distribution is adopted, as the case may be, shall be the record date for making such a determination. When a determination of Members entitled to vote at any meeting of Members has been made pursuant to this section, the determination shall apply to any adjournment of the meeting.

5.6 *Quorum.* All Members, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any meeting of Members, fifty percent (50%) of the Membership Interests so represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at such meeting. At an adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed. The Members present at a meeting may continue to transact business until adjournment, notwithstanding the withdrawal during the meeting of Membership Interests whose absence results in less than a quorum being present.

5.7 *Manner of Acting.* The affirmative vote or written consent of the holders representing a majority of the Membership Interests shall be the act of the Members.

5.8 *Proxies.*

(a) A Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact.

(b) Every proxy must be signed by the Member or a duly authorized attorney- in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it, except as otherwise provided in this section.

(c) The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the Member who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by any Manager.

(d) A proxy may be revoked, notwithstanding a provision making it irrevocable, by a purchaser of a Membership Interest without knowledge of the existence of such proxy.

5.9 *Action by Members Without a Meeting.*

(a) Whenever the Members of the Company are required or permitted to take any action by vote, such action may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken shall be signed by the Members holding voting interests having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all of the Members entitled to vote therein were present and voted and shall be delivered to a Manager or an employee or agent of the Company having custody of the records of the Company. Delivery made to a Manager or an employee or agent of the Company having custody of the records of the Company shall be by hand or by certified or registered mail, return receipt requested, facsimile or email communication.

(b) Every written consent shall bear the date of signature of each Member who signs the consent and no written consent shall be effective to take the action referred to therein unless, within ninety (90) days of the earliest dated consent delivered in the manner required by this section to the Company, written consents signed by a sufficient number of Members to take the action are delivered to a Manager or an employee or agent of the Company having custody of the records of the Company. Delivery made to a Manager or an employee or agent having custody of the records of the Company shall be by hand or by certified or registered mail, return receipt requested, facsimile or email communication.

(c) *Waiver of Notice.* Notice of a meeting need not be given to any Member who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any Member at a meeting, in person or by proxy, without protesting the lack of notice of such meeting prior to the conclusion of the meeting, shall constitute a waiver of notice by such Member.

5.10 *Actions Requiring Member Consent.* The written consent of the Members owning a majority of the Membership Interests is required to (i) purchase, lease or otherwise acquire any property for consideration in excess of $2,000,000, (ii) make any capital improvements to Company assets in excess of $2,000,000, or (iii) purchase substantially all of the assets or stock of another Person. If needed additional funds to face the above transactions, (iv) the Unanimous written consent of the Members is required to increase the capital contributions, (v) each Members is free to support the Company through a loan or any other way different from a capital contribution.

ARTICLE VI
Capital Contributions

6.1 *Capital Contributions.* Each Member's Capital Contribution to the Company and Membership Interest is set forth in Schedule A to this Agreement.

6.2 *Additional Contributions.* Except as set forth in Section 6.1 of this Agreement, no Member shall be required to make any Capital Contribution.

6.3 *Capital Accounts.* A Capital Account shall be maintained for each Member. Each Member's Capital Account shall be increased by the value of each Capital Contribution made by the Member, allocations to such Member of the Net Profits and any other allocations to such Member of income pursuant to the Code. Each Member's Capital Account will be decreased by the value of each Distribution made to the Member by the Company, allocations to such Member of Net Losses and other allocations to such Member pursuant to the Code.

6.4 *Transfers.* Upon a permitted sale or other transfer of a Membership Interest in the Company, the Capital Account of the Member transferring its Membership Interests shall become the Capital Account of the Person to which or whom such Membership Interest is sold or transferred in accordance with Section 1.704-1(b) (2) (iv) of the Treasury Regulations.

6.5 *Modifications. The* manner in which Capital Accounts are to be maintained pursuant to this section is intended to comply with the requirements of Section 704(b) of the Code. If in the opinion of the Manager the manner in which Capital Accounts are to be maintained pursuant to this Agreement should be modified to comply with Section 704(b) of the Code, then the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

6.6 *Deficit Capital Account.* Except as otherwise required in the Delaware Act or this Agreement, no Member shall have any liability to restore all or any portion of a deficit balance in a Capital Account.

6.7 *Withdrawal or Reduction of Capital Contributions.* A Member shall not receive from the Company any portion of a Capital Contribution until all indebtedness and liabilities of the Company, except any indebtedness, liabilities and obligations to Members on account of their Capital Contributions, have been paid or there remains property of the Company, in the sole discretion of the Manager, sufficient to pay them. A Member, irrespective of the nature of the Capital Contribution of such Member, has only the right to demand and receive cash in return for such Capital Contribution.

ARTICLE VII
Allocations and Distributions

7.1 *Allocations of Profits and Losses.* The Net Profits and the Net Losses for each Fiscal Year shall be allocated to each Member in accordance with each Member's Membership Interest.

7.2 *Distributions.* Subject to the limitations set forth in paragraph 7.4 of this Agreement, the Manager may from time to time, in the discretion of the Manager, make Distributions to the Members, provided, however, that no Distribution shall be made that will cause the Company to violate any net worth covenant or other provision contained in any

lending or financing agreement in which the Company is a party. All Distributions shall be made to the Members pro rata in proportion to their Membership Interests as of the record date set for such Distribution.

7.3 *Offset.* The Company may offset all amounts owing to the Company by a Member against any Distribution to be made to such Member.

7.4 *Limitation Upon Distributions.* No Distribution shall be declared and paid until (i) any and all loans (and accrued interest thereon) made by Members to the Company have been repaid in full, and (ii) after such Distribution is made, the assets of the Company are in excess of all liabilities of the Company. Notwithstanding anything contained in this paragraph 7.4 to the contrary, on or before April 1 of each year, the Manager shall make an annual Distribution to each Member, or in the case of a foreign Member, withhold and remit to the Internal Revenue Service, an amount equal to Forty Five Percent (45%) of the prior Fiscal Year's net profits allocated to such Member to cover the income taxes imposed on such net profits.

7.5 *Interest on and Return of Capital Contributions.* No Member shall be entitled to interest on such Member's Capital Contribution or to a return of such Member's Capital Contribution, except as specifically set forth in this Agreement.

7.6 *Accounting Period.* The accounting period of the Company shall be the Fiscal Year.

ARTICLE VIII
Taxes

8.1 *Tax Returns.* The Manager shall cause to be prepared and filed all necessary federal and state income tax returns for the Company. Each Member shall furnish to the Manager all pertinent information in such Member's possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

8.2 *Tax Elections.* The Company shall make the following elections on the appropriate tax returns:

(a) To adopt the calendar year as the Fiscal Year;

(b) If a Distribution as described in Section 734 of the Code occurs or if a transfer of a Membership Interest described in Section 743 of the Code occurs, upon the written request of any Member, to elect to adjust the basis of the property of the Company pursuant to Section 754 of the Code;

(c) To elect to amortize the organizational expenses of the Company and the start-up expenditures of the Company under Section 195 of the Code ratably over a period of sixty (60) months as permitted by Section 709(b) of the Code; and

(d) Any other election that the Manager may deem appropriate and in the best interests of the Members.

Neither the Company nor any Member may make an election for the Company to be excluded from the application of Subchapter K of Chapter I of Subtitle A of the Code or any similar provisions of applicable state law, and no provisions of this Agreement shall be interpreted to authorize any such election.

8.3 *Tax Matters Partner.* Members appoint Alario & Associates CPA's PLLC as the "tax matters partner" of the Company until a successor is designated. Pursuant to Section 6231(a)(7) of the Code, the "tax matters partner" shall take any action as may be necessary to cause each other Member to become a "notice partner" within the meaning of section 6223 of the Code.

ARTICLE IX
Transferability

9.1 *Member Transfers in General.* No Member shall transfer, mortgage, pledge, hypothecate or in any way dispose of or encumber (collectively "Transfer") any or all of his Membership Interest in the Company except as herein provided.

9.2 *Transfers to Permitted Transferees.* Any Member may Transfer, all or a part of its Membership Interest it may own in the Company to a Permitted Transferee provided the Permitted Transferee, or his, her or its legal representative, executes a counterpart of this Agreement and agrees to be bound by all of the terms and provisions hereof.

9.3 *Prohibition of Transfers to Non-Permitted Transferees.* In the event any Member should desire to transfer all or part of his Membership Interest (the "Withdrawing Member") to a person who is not a Permited Transferee, (the "Offeror"), it shall first deliver to the other Members (the "Offeree Members") and the Company a written notice in which the Withdrawing Member shall (i) state its intention to transfer all or part of its Membership Interest (the "Offered Interest"), (ii) state the price and terms of the best bona fide offer (the "Offer") the Withdrawing Member has received for the Offered Interest, including the identity of the Offeror, and grant the Offeree Members and the Company a twenty (20) day option (the "Option") to purchase the Withdrawing Member's Offered Interest on the same terms and conditions set forth in the Offer. If the Option is not exercised in full by the Offeree Members or the Company within the twenty (20) day period, the Withdrawing Member may Transfer the Offered Interest (or the portion not acquired by the Offeree Members or the Company) to the original Offeror; provided that the sale is on the same terms as those in the Offer, and the Offeror becomes a party to this Operating Agreement. Any other offers received by any Member must undergo the same procedure set forth in this Operating Agreement.

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The priority of rights to purchase the Offered Interest shall be as follows:

(i) Each Offeree Member shall have the first right to acquire the Offered Interest in proportion to the interest of all Offeree Members who wish to acquire the Offered Interest. Any interest not so acquired by a Member may be acquired by the other Offeree Members.

(ii) Any interest not acquired by Offeree Members may be acquired by the Company. The Withdrawing Member shall have no vote on the resolution to or not to acquire the Offered Interest and the vote to acquire the Offered Interest shall require the unanimous vote of the other Voting Members.

9.4 *General Restrictions on Transfers*. Notwithstanding anything to the contrary contained in this Agreement,

(a) No sale or exchange of a Membership Interest in the Company may be made if the Membership Interest sought to be sold or exchanged, when added to the total of all other Membership Interests sold or exchanged within the period of twelve (12) consecutive months prior thereto, could result in the termination of the Company under Section 708 of the Code.

(b) No Membership Interest in the Company has been registered under the Securities Act of 1933. Therefore, no Membership Interest may be sold or exchanged unless the registration provisions of said act have been complied with or unless, in the opinion of counsel, satisfactory to the Company, compliance with such provisions is not required.

(c) Notwithstanding any other provision contained herein, no assignee or other transferee shall become substituted as a Member in the Company unless and until it, he or she shall have evidenced, its, his or her consent and agreement to be bound by all of the terms and provisions of this Agreement, and to assume, as a substituted Member its, his or her pro rata share hereunder of the obligations of its, his or her transferor as a Member. Such assignee shall execute and acknowledge a counterpart of an amendment of this Agreement and an amendment to the Certificate, each of which shall appropriately reflect its, his or her admission to the Company and its, his or her capital contribution, and such other documents reasonably required by the Manager.

9.5 *Option to Purchase*. At any time during the term of this Agreement, any Member ("Offeror Member") can offer to purchase all of the other Member's Membership Interest in the Company by making an offer in writing and delivering it to the other Member. The other Member has thirty (30) days from receipt of said offer to accept or reject it. If the other Member does not notify the Offeror Member in writing of its acceptance of said offer within the thirty (30) day period, said offer shall be deemed to have been rejected.

9.6 *Withdrawal*. No Member shall have the right or power to voluntarily withdraw from the Company.

9.7 *Notice of Transfer.* The Manager must be given written notice of any proposed Transfer of a Membership Interest at least 5 business days prior to the date of the actual Transfer.

ARTICLE X
Dissolution

10.1 *Dissolution.* The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following:

(a) The latest date on which the Company is to dissolve, if any, as set forth in the Certificate of Formation;

(b) The affirmative vote or written consent of the holders of all of the Membership Interests; or

(c) The bankruptcy, dissolution, expulsion or withdrawal of any Member or the occurrence of any other event that terminates the continued membership of any Member, unless within the latter of (x) one hundred eighty (180) days after such event, or (y) the date that the Company purchases the said Member's interest, the Company is continued by the affirmative vote or written consent of the holders of all of the Membership Interests.

10.2 *Winding Up.* Upon the dissolution of the Company the Manager may, in the name of and for and on behalf of the Company, prosecute and defend suits, whether civil, criminal or administrative, sell and close the Company's business, dispose of and convey the Company's property, discharge the Company's liabilities and distribute to the Members any remaining assets of the Company, all without affecting the liability of the Members. Upon winding up of the Company, the assets shall be distributed as follows:

(a) To creditors, including any Member who is a creditor, to the extent permitted by law, in satisfaction of liabilities of the Company, whether by payment or by establishment of adequate reserves, other than liabilities for Distributions to Members,

(b) To Members and former Members in satisfaction of liabilities for Distributions; and

(c) To Members first for the return of their Capital Contributions, to the extent not previously returned, and second, with respect to Membership Interests, in the proportions in which the Members share in Distributions in accordance with this Agreement.

10.3 *Articles of Dissolution.* Within ninety (90) days following the dissolution and the commencement of winding up of the Company, or at any other time there are no Members, articles of dissolution shall be filed with the Delaware Secretary of State pursuant to the Delaware Act.

10.4 *Deficit Capital Account.* Upon a liquidation of the Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a Deficit Capital Account (after giving effect to all contributions, distributions, allocations and other adjustments for all Fiscal Years, including the Fiscal Year in which such liquidation occurs) , the Member shall have no obligation to make any Capital Contribution, and the negative balance of any Capital Account shall not be considered a debt owed by the Member to the Company or to any other Person for any purpose.

10.5 *Nonrecourse to Other Members.* Except as provided by applicable law or as expressly provided in this Agreement, upon dissolution, each Member shall receive a return of such Member's Capital Contribution solely from the assets of the Company. If the assets of the Company remaining after the payment or discharge of the debts and liabilities of the company is insufficient to return any Capital Contribution of any Member, such Member shall have no recourse against any other Member.

10.6 *Termination.* Upon completion of the dissolution, winding up, liquidation, and distribution of the assets of the Company, the Company shall be deemed terminated.

ARTICLE XI
General Provisions

11.1 *Notices.* Any notice, demand or other communication required or permitted to be given pursuant to this Agreement shall have been sufficiently given for all purposes if (a) delivered personally to the party to whom such notice, demand or other communication is directed or (b) sent by registered or certified mail, postage prepaid, addressed to the Member or the Company at the address set forth in this Agreement. Except as otherwise provided in this Agreement, any such notice shall be deemed to be given ten (10) business days after the date on which it was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as set forth in this section.

11.2 *Amendments.* This Agreement contains the entire agreement among the Members with respect to the subject matter of this Agreement, and supersedes each course of conduct previously pursued or acquiesced in, and each oral agreement and representation previously made, by the Members with respect thereto, whether or not relied or acted upon. No course of performance or other conduct subsequently pursued or acquiesced in, and no oral agreement or representation subsequently made, by the Members, whether or not relied or acted upon, and no usage of trade, whether or not relied or acted upon, shall amend this Agreement or impair or otherwise affect any Member's obligations pursuant to this Agreement or any rights and remedies of a Member pursuant to this Agreement. No amendment to this Agreement shall be effective unless made in a writing duly executed by all Members and specifically referring to each provision of this Agreement being amended.

11.3 *Construction.* Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

11.4 *Headings.* The headings in this Agreement are for convenience only and shall not be used to interpret or construe any provision of this Agreement.

11.5 *Waiver.* No failure of a Member to exercise, and no delay by a Member in exercising, any right or remedy under this Agreement shall constitute a waiver of such right or remedy, except as herein specifically provided. No waiver by a Member of any such right or remedy under this Agreement shall be effective unless made in a writing duly executed by all Members and specifically referring to each such right or remedy being waived, except as herein specifically provided.

11.6 *Severability.* Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. However, if any provision of this Agreement shall be prohibited by or invalid under such law, it shall be deemed modified to conform to the minimum requirements of such law or, if for any reason it is not deemed so modified, it shall be prohibited or invalid only to the extent of such prohibition or invalidity without the remainder thereof or any other such provision being prohibited or invalid.

11.7 *Binding.* This Agreement shall be binding upon and inure to the benefit of all Members, and each of the successors and assignees or the Members, except that no right or obligation of a Member under this Agreement may be assigned by such Member to another Person without first obtaining the written consent of all other Members.

11.8 *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

11.9 *Governing Law.* This Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of Delaware, without regard to principles of conflict of laws.

11.10 *Agreement to Arbitrate Controversies.* Unless expressly prohibited by state or federal law, the parties hereto agree that any dispute, claim or controversy between them, or their respective successors and assigns, arising from or in any way related to this Agreement or the obligations to be performed hereunder shall be submitted to arbitration to be conducted in accordance with the Commercial Dispute Resolution Procedures of the American Arbitration Association ("AAA") then in effect. Arbitration shall be commenced when any party to this Agreement, or its successor or assign serves upon the other party by certified mail at the address provided for notice in Section 11.1 hereof a notice of intention to arbitrate, a copy of which shall be served by mail upon AAA's New York, New York Regional Office. The arbitration shall be conducted in New York by a single arbitrator. If the parties have not agreed to a mutually acceptable arbitrator within thirty (30) days of the date of the notice of intention to arbitrate, the arbitrator shall be selected by the AAA from its regularly maintained list of commercial law arbitrators. The decision of the arbitrator shall be binding and final, and may be entered as a judgment in any state or federal court having jurisdiction thereof. It is expressly agreed that each party will bear its own attorney fees and costs related to any such arbitration.

IN WITNESS WHEREOF, the undersigned signing this Agreement below conclusively evidence their agreement to the terms and conditions of this Agreement by so signing this Agreement.

INNOVA, LLC

By: PHARMA-C Inc D/B/A WORLD GEN LLC
its sole member

By:_____
Name:
Title: Sr. Vice President / Sec-Treasurer

HARPGROVE LIMITED

By:_____
Name: GIUGLIANO BIAGIO
Title: DIRECTOR

ACS DOBFAR S.p.A

By:_____
Name: VERGANI CARLO
Title: CONSIGLIERE DELEGATO

STERI-PHARMA, LLC

By:_____
Name: Alessandro Broggi
Title: Manager

SCHEDULE A

Members

NAME	ADDRESS	MEMBERSHIP INTEREST/ CAPITAL CONTRIBUTION
Innova, LLC	120 Route 17 North, Paramus, New Jersey 07653,	35% - $7,000,000.00
Harpgrove Limited	7TH Floor Hume House, Ballsbridge, Dublin 4, Ireland	49% - $9,800,000.00
ACS Dobfar S.p.A	Viale Addetta 4/12 20067 Tribiano Italy	16.% - $3,200,000.00

FIRST AMENDMENT TO SECOND AMENDED OPERATING AGREEMENT

This FIRST AMENDMENT to the SECOND AMENDED OPERATING AGREEMENT dated as of January 5, 2013 entered into this 23 day of February, 2016 by and between Innova LLC ("Innova") with offices located at 120 Route 17 North, Paramus, New Jersey, 07653, Harpgrove Limited ("Harpgrove") with offices located at 7th Floor, Hume House, Ballsbridge, Dublin 4, Ireland, ACS Dobfar S.p.A. ("ACSD") with offices located at Viale Addetta 4/12, 20067 Tribiano, Italy, and Steri-Pharma LLC, ("Steri-Pharma ") with offices located at 120 Route 17N, Paramus, New Jersey (the "Amendment").

WITNESSETH

WHEREAS, Innova and Harpgrove entered into an operating agreement dated May 1, 2008 ("Original Operating Agreement") which established their respective rights and obligations pursuant to the limited liability company act in connection with such limited liability company; and

WHEREAS, Innova and Harpgrove entered into an amended operating agreement dated as of December 22, 2010 (the "Amended Operating Agreement") whereby ACSD was admitted as a member of the Steri-Pharma and certain other provisions of the Original Operating Agreement were amended; and

WHEREAS, Innova, Harpgrove and ACSD entered into a second amended operating agreement dated as of January 5, 2013 (the "Second Amended Operating Agreement") whereby the Amended Operating Agreement was amended to reflect changes in the ownership of Membership Interests and Capital Accounts.; and

WHERAS, Innova, Harpgrove and ACSD wish to amend the Second Amended Operating Agreement to change the tax matters partner.

NOW, THEREFORE, the parties do hereby agree as follows:

1. Section 8.3 of the Second Amended Operating Agreement is deleted in its entirety and replaced by the following new Section 8.3

8.3 *Tax Matters Representative.* The Managers shall agree upon a Tax Matters Representative for the Company. Pursuant to Section 6231(a)(7) of the Code, the "tax matters representative" shall take any action as may be necessary to cause each other Member to become a "notice representative" within the meaning of section 6223 of the Code.

2. Except as set forth in this First Amendment, all of the terms and provisions of the Second Amended Operating Agreement shall remain unmodified and in full force and effect.

IT WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

INNOVA, LLC

By: _____
Name: _____
Title: Sr. Vice President / Sec-Treasurer

HARPGROVE LIMITED

By: _____
Name: BIANCO GIUGLIANO
Title: DIRECTOR

ACS DOBFAR S.p.A

By: _____
Name: CARLO VERGANI
Title: MANAGING DIRECTOR

STERI-PHARMA, LLC

By: _____
Name: Alessandro Broggi
Title: Manager

OFFICER'S CERTIFICATE
OF
STERI-PHARMA, LLC

The undersigned hereby certifies, on behalf of Steri-Pharma, LLC, a Delaware limited liability company, (the "Company"), as follows:

1. The undersigned is the Managing Director of the Company. This Certificate is being furnished pursuant to Section 11(b)(D) of that certain Asset Purchase Agreement dated as of August 11, 2009 (the "Agreement"), by and among the Company, G. C. Hanford Manufacturing Company ("Hanford") and Sycamore Holdings, LLC ("Sycamore"). All capitalized terms used but not defined in this Certificate shall have the respective meanings given to them in the Agreement.

2. Attached hereto as Exhibit A is a true and complete copy of the resolution duly adopted by the Members of the Company authorizing, approving and ratifying the purchase of assets from Hanford and Sycamore as set forth in and in accordance with the terms of the Agreement and the performance of the transactions contemplated thereunder. The Member resolution is in full force and effect, has not been modified, amended, revoked or rescinded as of the date hereof and is the only resolution of the Members of the Company relating to the Agreement.

The foregoing is evidenced by the signature given as of September 23, 2009.

STERI-PHARMA, LLC

By: _____
Name: Alessandro Broggi
Title: Managing Director

ACTION BY WRITTEN CONSENT

OF THE MEMBERS

OF

STERI-PHARMA, LLC

The undersigned, constituting all of members of STERI-PHARMA, LLC, a Delaware limited liability company (the "Company"), do hereby adopt by unanimous written consent the following resolutions, effective as of the date hereof:

RESOLVED, that the execution and delivery in the name and on behalf of the Company by Alessandro Broggi, as Managing Director of the Company of that certain Asset Purchase Agreement dated August 11, 2009 by and among G. C. Hanford Manufacturing Company ("Hanford") and Sycamore Holdings, LLC ("Sycamore"), as sellers and the Company as buyer (the "Agreement"), a copy of which is annexed hereto, in which the Company agreed to purchase certain assets of Hanford and Sycamore upon satisfaction of certain terms and conditions, is hereby ratified, authorized and approved and be it further

RESOLVED, that the Company is authorized to effectuate the purchase of certain assets of G. C. Hanford Manufacturing Company ("Hanford")and Sycamore Holdings, LLC as set forth in and in accordance with the Agreement, and it is further

RESOLVED, that upon satisfaction of the conditions set forth in the Agreement, Alessandro Broggi, as Managing Director of the Company, be and is, hereby authorized and directed to execute and deliver such further documents and take such further actions as may be necessary or desirable to effectuate the aforesaid purchase of assets from Hanford and Sycamore

and take all other steps as are necessary to effectuate the resolutions and actions herein authorized, and be it further

RESOLVED, that Alessandro Broggi, as Managing Director of the Company is authorized to certify and deliver to Hanford and Sycamore copies of these resolutions, and be it further

RESOLVED, that title to the Real Property (as such term is defined in the Agreement) shall be held in the name of Dromik, LLC, a New York State limited liability company wholly owned by the Company.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Dated September __, 2009

MEMBERS

Harpgrove, Limited

By: _____

Name: _____

Title: Authorized Representative

Innova, LLC

By: _____

Name: _____

Title: Authorized Representative

EXHIBIT "C"

GOOD STANDING CERTIFICATES (DE & NY)

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "STERI-PHARMA, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SIXTEENTH DAY OF MARCH, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "STERI-PHARMA, LLC" WAS FORMED ON THE FIFTH DAY OF MARCH, A.D. 2008.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Jeffrey W. Bullock, Secretary of State

4514211 8300

SR# 20181977623

Authentication: 202335675

Date: 03-16-18

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of New York
Department of State } ss:

I hereby certify, that STERI-PHARMA, LLC a DELAWARE Limited Liability Company filed an Application for Authority pursuant to the Limited Liability Company Law on 09/15/2009. I further certify that so far as shown by the records of this Department, such Limited Liability Company is still authorized to do business in the State of New York. I further certify the following:

A Certificate of Publication of STERI-PHARMA, LLC was filed on 03/05/2010.

A Biennial Statement was filed 03/12/2018.

I further certify, that no other documents have been filed by such Limited Liability Company.

***

Witness my hand and the official seal of the Department of State at the City of Albany, this 12th day of March two thousand and eighteen.

Brendan W. Fitzgerald
Executive Deputy Secretary of State

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EXHIBIT "D"

RESOLUTION

CERTIFICATE OF MEMBERS OF

STERI-PHARMA, LLC

The undersigned, being all the members of **STERI-PHARMA, LLC**, a Delaware limited liability company (the "LLC"), do hereby certify that Exhibit "A" attached hereto is a true, complete and correct copy of resolutions adopted by the LLC at the meeting of the LLC held on February 21, 2018, which meeting was duly called and convened and at which all members participated throughout, and we do hereby

FURTHER CERTIFY, that the undersigned are the only members of the LLC, that the attached resolutions are entered in the minutes of the proceedings of the LLC, that the attached resolutions are in full force and effect and have not been superseded, modified or amended, and that the attached resolutions are not in conflict with or contrary to any resolution or other agreement of the LLC.

IN WITNESS WHEREOF, the undersigned have executed this certificate this 16th day of March, 2018.

MEMBERS:

INNOVA, LLC

By:

HARPGROVE LIMITED

By: BIAGIO GUGLIANO

ACS DOBFAR S.P.A.

By: CARLO VERGANI

EXHIBIT "A"

RESOLUTIONS OF MEMBERS OF STERI-PHARMA, LLC

RESOLVED, that **STERI-PHARMA, LLC** (the "LLC") is authorized to enter into a Project Agreement with the City of Syracuse Industrial Development Agency (the "Agency") for the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax with respect to the Project more fully described herein; and be it further

RESOLVED, that the LLC is authorized to undertake a project (the "Project") consisting of: the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); and be it further

RESOLVED, that the LLC is authorized to enter into a Project Agreement with the Agency to be dated as of March 11, 2018; and be it further

RESOLVED, that the LLC is authorized to enter into an Infrastructure Agreement with the Agency to be dated as of March 1, 2018; and be it further

RESOLVED, that the LLC is authorized to enter into a Company Lease with the Agency to be dated as of March 1, 2018; and be it further

RESOLVED, that the LLC is authorized to enter into an Agency Lease with the Agency to be dated as of March 1, 2018; and be it further

RESOLVED, that the LLC is authorized to enter into a PILOT Agreement with the Agency to be dated as of March 1, 2018; and be it further

RESOLVED, that the LLC shall transfer its interest in the furniture, fixtures and equipment to be installed in the Facility to the Agency pursuant to a bill of sale to be dated as of March 16, 2018; and be it further

RESOLVED, that the LLC will execute and deliver any and all documents otherwise necessary or appropriate to accomplish the same; and be it further

RESOLVED, that in connection with the foregoing transaction, **VINCENT DURANTE**, Director, be, and hereby is, authorized, directed and empowered, in the name and on behalf of the LLC, to execute and deliver all necessary and proper documents reasonably required by the Agency, each such document to be in such form and substance as he may approve, such approval to be conclusively evidenced by his execution and delivery thereof and as so executed shall be binding upon the LLC; and be it further

RESOLVED, that **VINCENT DURANTE**, Director, be, and hereby is, authorized, directed and empowered, in the name and on behalf of the LLC, to take all such other actions which in his judgment may be necessary or appropriate in connection with the foregoing transaction; and be it further

RESOLVED, that all prior actions of the LLC with respect to the Agency and the project are hereby ratified.

EXHIBIT "E"

LOCAL ACCESS AGREEMENT

City of Syracuse

Industrial Development Agency

Local Access Agreement

Steri-Pharma LLC (the Company) understands and agrees that local labor, contractors and suppliers will be used for the construction, renovation, reconstruction and equipping of the Project unless a written waiver is first received from the Agency, and agrees to provide the information requested below as a way to provide access for local participation.

Company	Steri-Pharma, LLC				**General Contractor**	Le Chase Construction Services			
Representative for Contract Bids and Awards	Andrew Mather				**Contact**	Gary Soule			
Address	429 S. West Street				**Address**	609 Erie Blvd. West			
City	Syracuse	**ST**	NY	**Zip** 13202	**City**	Syracuse	**ST**	NY	**Zip** 13204
Phone	315-473-7180	**Fax**			**Phone**	315-423-0015	**Fax**		
Email	amather@steri-pharma.com				**Email**	gary.soule@lechase.com			
Project Address	429 S. West Street				**Construction Start Date**	10/1/2017			
City	Syracuse	**ST**	NY	**Zip** 13202	**Occupancy Date**	2021			

Project Components – Indicate those for which bids will be sought:

Item	Estimated Value	Bid Date	Contact
Site work/Demolition	1,952,118		
Foundation and footings	1,681,411		
Building	0		
Masonry	598,570		
Metals	910,995		
Wood/casework	12,464		
Thermal/moisture proof	322,526		
Doors, windows, glazing	154,462		
Finishes	3,684,848		
Electrical	1,144,853		
HVAC	2,297,839		
Plumbing	2,696,896		
Specialties	1,428,063		
Machinery & Equipment	0		
Furniture and Fixtures	0		
Utilities	7,360,032		
Paving	79,051		
Landscaping	15,069		
Other (identify)	4,340,922		

Date: 3/16/2018 **Company:** Steri-Pharma LLC

Signature: **Name:** Vincent Durante

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City of Syracuse

Industrial Development Agency

Local Access Agreement

Steri-Pharma LLC. (the Company) understands and agrees that local labor, contractors and suppliers will be used for the construction, renovation, reconstruction and equipping of the Project unless a written waiver is first received from the Agency, and agrees to provide the information requested below as a way to provide access for local participation.

Company	Steri-Pharma, LLC					**General Contractor**	LeChase Construction Services, LLC				
Representative for Contract Bids and Awards	Andrew Mather					**Contact**	Gary Soule				
Address	429 S. West Street					**Address**	609 Erie Blvd. West				
City	Syracuse	**ST**	NY	**Zip**	13202	**City**	Syracuse	**ST**	NY	**Zip**	13204
Phone	315-473-7180	**Fax**				**Phone**	315-423-0015	**Fax**			
Email	amather@steri-pharma.com					**Email**	gary.soule@lechase.com				
Project Address	429 S. West Street					**Construction Start Date**	10/1/2017				
City	Syracuse	**ST**	NY	**Zip**	13202	**Occupancy Date**	2021				

Project Components – Indicate those for which bids will be sought:

Item	Estimated Value	Bid Date	Contact
Site work/Demolition	$1,952,118		
Foundation and footings	$1,681,411		
Building	$0		
Masonry	$598,570		
Metals	$910,995		
Wood/casework	$12,464		
Thermal/moisture proof	$322,526		
Doors, windows, glazing	$154,462		
Finishes	$3,684,848		
Electrical	$1,144,853		
HVAC	$2,297,839		
Plumbing	$2,696,896		
Specialties	$1,428,063		
Machinery & Equipment			
Furniture and Fixtures	$0.00		
Utilities	$7,360,032		
Paving	$79,051		
Landscaping	$15,069		
Other (identify) General Conditions	$4,340,922		

Date: 3/16/2018 **Company:** Steri-Pharma LLC.

Signature: **Name:** Vincent Durante

8957616.1

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GENERAL CERTIFICATE OF

DROMIK, LLC

This certificate is made in connection with the execution by **DROMIK, LLC** a New York limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 429 South West Street, Syracuse, New York 13202 ("***Dromik***") of the Company Lease, the Agency Lease, the Environmental Compliance and Indemnification Agreement, the PILOT Agreement and any other document now or hereafter executed by Dromik in connection with the City of Syracuse Industrial Development Agency (the "***Agency***") agreeing, at the Company's request, to undertake a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "Facility"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

Dromik is the fee owner of the Land and Facility and Steri-Pharma, LLC ("***Steri-Pharma, LLC***" and together with Dromik, collectively, the "***Company***") is the operating company of the Project Facility. The Agency will acquire a leasehold interest in the Land and Facility from the Company pursuant to a Company Lease Agreement dated as of March 1, 2018 (the "***Company Lease***"), between the Company and the Agency; and acquire a fee interest in the Equipment pursuant to the bill of sale dated as of March 1, 2018 from Dromik (the "***Dromik Bill of Sale***") and the bill of Sale dated as of March 1, 2018 from Steri-Pharma (the "***Steri-Pharma Bill of Sale***" and together with the Dromik Bill of Sale, the "***Bill of Sale***"). The Agency will sublease the Project Facility back to the Company, pursuant to an Agency Lease Agreement dated as of March 1, 2018 (the "***Agency Lease***") between the Agency and the Company.

Capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed to such terms in the Agency Lease, except that, for purposes of this certificate: (A) all definitions with respect to any document shall be deemed to refer to such document only as

it exists as of the date of this Certificate and not as of any future date; and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.

The undersigned does hereby certify as follows:

1. Attached hereto as **Exhibit "A"** is a true, correct and complete copy of the Articles of Organization of Dromik and any amendments thereto filed with the New York State Secretary of State with proof of publication thereof attached thereto, which Articles (including any amendments) are in full force and effect on the date hereof.

2. Attached hereto as **Exhibit "B"** is a true, correct and complete copy of the Dromik's Operating Agreement, and any amendments thereto, and such Operating Agreement, as may have been amended, is in full force and effect on the date hereof..

3. Dromik is, and at all times will be, a limited liability company, duly organized, validly existing and in good standing under the laws of New York State and authorized and licensed under the laws of New York State to transact business as a limited liability company for the purpose of owning and operating the Project Facility. Attached hereto as **Exhibit "C"** is a true and correct copies of a Certificate of Good Standing of Dromik issued by the New York State Secretary of State.

4. Dromik has full legal right, power and authority to execute and deliver the Company Documents and to consummate the transactions on the part of Dromik contemplated by the Company Documents. The Company Documents have been duly authorized, executed, and delivered by the Director, on behalf of Dromik, as authorized pursuant to the resolution attached hereto at Exhibit D, and are in full force and effect as of the date hereof. Attached hereto as **Exhibit "D"** is a true, correct and complete copy of the authorizing resolution of Dromik (the "***Resolution***") in respect of the execution, delivery and performance of the Company Documents.

5. All consents, approvals, authorizations or orders of, notices to, or filings, registrations or declarations with, any court or governmental authority, board, agency, commission or body having jurisdiction which are required on behalf of Dromik or for the execution and delivery by Dromik of the Company Documents or the consummation on the part of Dromik of the transactions contemplated thereby have been obtained.

6. After performing due diligence, there is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) pending or threatened against or affecting Dromik or, to the knowledge of Dromik, any basis therefor: (i) in any way affecting the organization, existence or good standing of Dromik; (ii) contesting or materially affecting the validity or enforceability of the Company Documents; (iii) contesting the powers of Dromik or its authority with respect to the Company Documents; (iv) contesting the authority of Dromik to act on behalf of Dromik or the authority of the representatives of Dromik to act on behalf of Dromik; (v) wherein an unfavorable decision, ruling or finding would have a material adverse effect on: (A) the financial

condition or operations of Dromik; or (B) the consummation on the part of Dromik of the transactions contemplated by any Company Documents.

7. The execution and delivery by Dromik of the Company Documents and the consummation by Dromik of the transactions contemplated thereby are not prohibited by, do not violate any provision of, and will not result in a breach of or default under: (i) the organizational documents of Dromik; (ii) any applicable law, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental body or other requirement to which Dromik is subject; or (iii) any contract, agreement, mortgage, lease, guaranty, commitment or other obligation or instrument to which Dromik is a party or by which Dromik or its properties is bound.

8. All information concerning the Project Facility and Dromik submitted to the Agency and any Mortgagee by Dromik is true and correct in all material respects and does not omit to state a material fact necessary to make the statements therein not misleading.

9. Assuming the valid authorization, execution and delivery of the Agency Lease and the other Company Documents by the other parties thereto, the Agency Lease and the other Company Documents are the legal, valid and binding obligations of Dromik, enforceable against Dromik in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity. No default by Dromik or, to the best of knowledge of the undersigned, no event of default on the part of any other party to the Company Documents has occurred or is continuing and no event has occurred which, with the giving of notice or passage of time or both, would be such an event of default. Dromik has duly authorized the taking of and has taken all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Company Documents.

10. All permits (including building permits), licenses and authorizations necessary for the construction, ownership and operation of the Project in the manner contemplated by each of the Company Documents have been obtained or will be obtained, and said construction, ownership and operation will not, to the best knowledge of Dromik, conflict with any zoning or similar ordinance applicable to the Project. To the best of Dromik's knowledge, the Project conforms to all material environmental regulations.

11. There is no Event of Default or default on the part of Dromik under the Project Agreement, the Company Lease, the Agency Lease, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement or any other Company Document, and no event has occurred and is continuing which, after notice or passage of time or both, would give rise to a default under any thereof.

12. The Project Agreement, the Company Lease, the Agency Lease, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the other Company Documents are in full force and effect and Dromik has not assigned or pledged any of its rights under these documents.

13. Dromik acknowledges and restates all of the obligations, representations and covenants in Sections 2.2, 8.12, 11.12 and 11.14 of the Agency Lease and incorporates same herein by reference as if fully set forth herein.

14. Dromik further acknowledges its obligation under Section 8.5 of the Agency Lease to provide the additional information as set forth therein and agrees to same.

15. The authorized representatives of Dromik who, pursuant to the Resolution, are authorized to execute the Company Documents and the office held by each person are as set forth below. The signature set opposite the name of such officer, if any, is a genuine specimen of such officer's signature:

Name	Signature	Office/Title
Vincent Durante		Sole Member

IN WITNESS WHEREOF, I have set my hand and signature as officer of Dromik as of March 1, 2018.

DROMIK, LLC

By: _____
Vincent Durante, Sole Member

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EXHIBIT "A"

ARTICLES OF ORGANIZATION

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME: DROMIK, LLC

DOCUMENT TYPE: ARTICLES OF ORGANIZATION (DOM LLC) COUNTY: ONON

FILED:09/11/2009 DURATION:********* CASH#:090911000012 FILM #:090911000008

FILER:

COWAN LIEBOWITZ & LATMAN PC
1133 AVE OF THE AMERICAS

NEW YORK, NY 10036-6799

EXIST DATE
09/11/2009

ADDRESS FOR PROCESS:

ROBERT J GIORDANELLA C/O COWAN LIEBOWITZ & LATMAN PC
1133 AVE OF THE AMERICAS
NEW YORK, NY 10036

REGISTERED AGENT:

SERVICE COMPANY: CT CORPORATION SYSTEM - 07 SERVICE CODE: 07 *

FEES	235.00	PAYMENTS	235.00
FILING	200.00	CASH	0.00
TAX	0.00	CHECK	0.00
CERT	0.00	CHARGE	0.00
COPIES	10.00	DRAWDOWN	235.00
HANDLING	25.00	OPAL	0.00
		REFUND	0.00

7649638MC DOS-1025 (04/2007)

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the Department of State, at the City of Albany, on September 15, 2009.

Daniel E. Shapiro
First Deputy Secretary of State

Rev. 06/07

CT-07

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ARTICLES OF ORGANIZATION

OF

DROMIK, LLC

Under Section 203 of the Limited Liability Company Law

The undersigned, being authorized to execute and file these Articles, hereby certifies that:

FIRST: The name of the limited liability company (hereinafter referred to as the "Company") is Dromik, LLC.

SECOND: The County of the office of the Company in this State is Onondaga.

THIRD: The Company does not have a specific date of dissolution in addition to the events of dissolution set forth by law.

FOURTH: The Secretary of State is designated as agent of the Company upon whom process against the company may be served. The Post Office address to which the Secretary of State shall mail a copy of any process against the Company is Robert J. Giordanella c/o Cowan, Liebowitz& Latman, P.C., 1133 Avenue of the Americas, New York NY 10036

FIFTH: The Company will not have a registered agent.

SIXTH: The Company is to be managed by one or more managers. A manager may, but need not, be a member of the Company.

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IN WITNESS WHEREOF, these Articles of Organization have been signed this 8th day of September, 2009 by the undersigned who affirms that the statements made herein are true under penalties of perjury.

Robert J. Giordanella

Robert J. Giordanella - Organizer
c/o Cowan, Liebowitz & Latman, P.C.
1133 Avenue of the Americas
New York, New York 10036

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ARTICLES OF ORGANIZATION

OF

DROMIK, LLC

(Under Section 203 of the Limited Liability Company Law)

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED

SEP 11 2009

TAX $

BY:

FILED
2009 SEP 11 PM 8:20

Filed By:

Cowan, Liebowitz & Latman, P.C.
1133 Avenue of the Americas
New York, New York 10036-6799

cst ref#
7649638mc

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EXHIBIT "B"

OPERATING AGREEMENT

OPERATING AGREEMENT

OF

DROMIK, LLC

A New York Limited Liability Company

DROMIK, LLC

OPERATING AGREEMENT

AGREEMENT, made as of this 12th day of September 2009, between Steri-Pharma LLC ("Steri-Pharma"), and Dromik, LLC, ("Dromik") both with offices located at c/o Interchem Corp., 120 Route 17 North, Paramus, New York, 07653.

WHEREAS, Steri-Pharma has caused a limited liability company known as Dromik, LLC to be formed pursuant to the New York Limited Liability Company Law of the State of New York; and

WHEREAS, Steri-Pharma desires to establish the governing rules for and its rights and obligations pursuant to the limited liability company act in connection with such limited liability company;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

ARTICLE I
Definitions

1.1 *Definitions.* In this Agreement, the following terms shall have the meanings set forth below:

(a) *"Capital Account"* as of any date shall mean the Capital Contribution to the Company by a Member, adjusted as of such date pursuant to this Agreement.

(b) *"Capital Contribution"* shall mean any contribution by a Member to the capital of the Company in cash, property or services rendered or a promissory note or other obligation to contribute cash or property or to render services.

(c) *"Certificate of Organization"* shall mean the Certificate of Organization of the Company heretofore filed with the New York Secretary of State on September 11, 2009 as may from time to time be amended.

(d) *"Code"* shall mean the Internal Revenue Code of 1986, as amended, or any superseding federal revenue statute.

(e) *"Company"* shall refer to Dromik, LLC.

(f) *"Distribution"* shall mean any cash and other property paid to a Member by the Company from the operations of the Company.

(g) *"Fiscal Year"* shall mean the fiscal year of the Company, which shall be the year ending December 31.

(h) "*Manager*" or "*Managers*" shall mean each individual listed in the Certificate of Organization or in this Agreement as a manager of the Company or any other individual or individuals who succeeds him as a manager pursuant to this Agreement.

(i) "*Member*" shall mean each Person who or which executes a counterpart of this Agreement as a Member and each Person who or which may hereafter become a party to this Agreement.

(j) "*Membership Interests*" shall mean

(i) with respect to the Company, the value of all Capital Accounts of the Members; and

(ii) with respect to any Member, the percentage based upon the value that the Capital Account of such Member at a given time bears to the aggregate value of all Capital Accounts.

(k) "*Net Losses*" shall mean the losses of the Company, if any, determined in accordance with generally accepted accounting principles.

(l) "*Net Profits*" shall mean the income of the Company, if any, determined in accordance with generally accepted accounting principles.

(m) "*New York Law*" shall mean the New York Limited Liability Company Law.

(n) "*Permitted Transferee*" shall mean (a) any existing Member, (b) any individual who is either a child, grandchild or sibling of any Member, (c) any trust created for the benefit of a child, grandchild or sibling of any Member or (d) any entity controlled by a Member. For purposes of this Agreement, control means owning more than a 50% interest in the entity.

(o) "*Person*" shall mean any individual, corporation, governmental authority, limited liability company, partnership, trust, unincorporated association or other entity.

(p) "*Treasury Regulations*" shall mean all proposed, temporary and final regulations promulgated under the Code as from time to time in effect.

ARTICLE II
Organization

2.1 *Formation.* The Company was formed as a limited liability company by the preparation, execution and filing of the Certificate of Organization with the New York Secretary of State pursuant to the New York Law on September 11, 2009.

2.2 *Name*. The name of the Company is Dromik, LLC.

2.3 *Principal Place of Business.* The principal place of business of the Company within the State of New York shall be 429 S. West Street, Syracuse, New York. The Company may establish any other places of business as the Managers may from time to time deem advisable.

2.4 *Term.* The term of the Company shall begin upon the filing of the Certificate of Organization with the New York Secretary of State, and shall continue until dissolved in accordance with Article X of this Agreement.

2.5 *Purposes.* The purpose of the Company shall be to engage in any lawful act or activity for which limited liability companies may be formed under the New York Law and to engage in any and all activities necessary or incidental to the foregoing.

ARTICLE III
Members

3.1 *Names and Addresses.* The names and addresses of the Members are as set forth in Schedule A to this Agreement.

3.2 *Additional Members.* A Person may be admitted as a member after the date of this Agreement upon the affirmative vote or written consent of the holders of all of the Membership Interests.

3.3 *Books and Records.* The Company shall keep books and records of accounts and minutes of all meetings of the Members.

3.4 *Information.* Each Member may inspect, during ordinary business hours and on reasonable notice, the Certificate of Organization, this Operating Agreement, the minutes of any meeting of the Members and any tax returns of the Company for the immediately preceding three Fiscal Years.

3.5 *Limitation of Liability.* Each Member's liability shall be limited as set forth in this Agreement, the New York Law and other applicable law. A Member shall not be personally liable for any indebtedness, liability or obligation of the Company, except that such Member shall remain personally liable for the payment of its Capital Contribution and as otherwise set forth in this Agreement, the New York Law and any other applicable law.

3.6 *Sale of All Assets.* The Members shall have the right, by the affirmative vote or written consent of the holders representing a majority of the Membership Interests, to approve the sale, lease, exchange or other disposition of all or substantially all of the assets of the Company.

3.7 *Priority and Return of Capital.* No Member shall have priority over any other Member, whether for the return of a Capital Contribution or for Net Profits, Net Losses or a

Distribution; provided, however, that this section shall not apply to a loan or other indebtedness (as distinguished from a Capital Contribution) made by a Member to the Company.

3.8 *Liability of a Member to the Company.* A Member who or which rightfully receives the return of any portion of a Capital Contribution is liable to the Company only to the extent now or hereafter provided by the New York Law. A Member who or which receives a Distribution made by the Company in violation of this Agreement or made when the Company's liabilities exceed its assets (after giving effect to such Distribution) shall be liable to the Company for the amount of such Distribution.

3.9 *Financial Adjustments.* No Members admitted after the date of this Agreement shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Managers may, at the discretion of the Managers, at the time a Member is admitted, close the books and records of the Company (as though the Fiscal Year had ended) or make pro rata allocations of loss, income and expense deductions to such Member for that portion of the Fiscal Year in which such Member was admitted in accordance with the Code.

3.10 *Contracts with Company.* Members may enter into agreements, instruments or other writings with the Company as counterparty, including but not limited to management and brokerage agreements, with the consent of the Managers.

ARTICLE IV
Management

4.1 *Number, Tenure and Qualifications of Managers.* The initial Manager/Director of the Company (herein "Managers") is Alessandro Broggi. The number of Managers of the Company may be amended from time to time by the affirmative vote or written consent of the holders of all of the Membership Interests. Each Manager shall hold office until the next annual meeting of Members or until a successor shall have been elected and qualified, whichever is later. Managers shall be elected by the affirmative vote or written consent of the holders representing a majority of the Membership Interests. A Manager does not have to be a resident of the State of New York.

4.2 *Powers of Managers.* Except as set forth in this Agreement, the Managers shall have power and authority, on behalf of the Company, to (a) purchase, lease or otherwise acquire any property from, or sell, lease or otherwise dispose of any property to, any Person any property, (b) open bank accounts and otherwise invest the funds of the Company, (c) purchase insurance on the business and assets of the Company, (d) commence lawsuits and other proceedings, (e) enter into any agreement, instrument or other writing, (f) retain accountants, attorneys or other agents and (g) take any other lawful action that the Managers consider necessary, convenient or advisable in connection with any business of the Company. Unanimous vote of the Managers shall be required for all material decisions relating to the management and control of the business and operations of the Company

provided, however, a third party may rely on the authority of any single Manager to carry out any authority granted in this Operating Agreement.

4.3 *Binding Authority.* Unless authorized to do so by this Agreement or a Manager, no Person shall have any power or authority to bind the Company. No Person shall have any power or authority to bind the Company unless such Person has been authorized by a Manager to act on behalf of the Company in accordance with the immediately preceding sentence.

4.4 *Liability for Certain Acts.* The Managers shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Company and with such care as an ordinarily prudent person in a similar position would use under similar circumstances. A Manager who so performs such duties shall not have any liability by reason of being or having been a Manager. A Manager shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member unless the loss or damage shall have been the result of the gross negligence or willful misconduct of such Manager. Without limiting the generality of the preceding sentence, a Manager does not in any way guaranty the return of any Capital Contribution to a Member nor a profit for the Members from the operations of the Company.

4.5 *No Exclusive Duty to Company.* The Managers shall not be required to manage the Company as their sole and exclusive function and they may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right pursuant to this Agreement to share or participate in such other business interests or activities or to the income or proceeds derived therefrom. No Manager shall incur any liability to the Company or to any Member as a result of engaging in any other business interests or activities.

4.6 *Indemnification.* The Company shall indemnify and hold harmless the Managers from and against all claims and demands to the maximum extent permitted under the New York Law.

4.7 *Resignation.* A Manager may resign at any time by giving written notice to the Company. The resignation of a Manager shall take effect upon receipt of such notice or at any later time specified in such notice. Unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective. The resignation of a Manager who is also a Member shall not affect such Manager's rights as a Member and shall not constitute a withdrawal as a Member.

4.8 *Removal.* Any Manager maybe removed or replaced with or without cause by the affirmative vote or written consent of the holders of all of the Membership Interests. The removal of a Manager who is also a Member shall not affect such Manager's rights as a Member and shall not constitute a withdrawal of such Member as a Member.

4.9 *Vacancies.* Any vacancy occurring for any reason in the position of Manager shall be filled by the affirmative vote or written consent of the holders representing a majority of the Membership Interests.

4.10 *Salaries.* The salaries and other compensation of the Managers shall be fixed from time to time by the affirmative vote or written consent of the holders representing a majority of the Membership Interests. No Manager shall be prevented from receiving such a salary or other compensation because such Manager is also a Member.

4.11 *Officers.* The Managers may designate one or more individuals as officers of the Company, who shall have such titles and exercise and perform such powers and duties as shall be assigned to them from time to time by the Managers. Any officer may be removed by the Managers at any time, with or without cause. Each officer shall hold office until such officer's successor is elected and qualified. Any number of offices may be held by the same individual. The salaries and other compensation of the officers shall be fixed by the Managers.

ARTICLE V
Meetings of Members

5.1 *Annual Meeting.* The annual meeting of the Members shall be held on the first day of July, or at such other time as shall be determined by the affirmative vote or written consent of the holders of all of the Membership Interests, for the purpose of the transaction of any business as may come before such meeting.

5.2 *Special Meetings.* Special meetings of the Members, for any purpose or purposes, may be called by Members holding not less than twenty-five (25%) percent of the Membership Interests.

5.3 *Place of Meetings.* Meetings of the Members may be held at any place, within or outside the State of New York, as may be designated in any notice of such meeting. If no such designation is made, the place of any such meeting shall be the principal office of the Company as set forth in the Articles of Organization then in effect.

5.4 *Notice of Meetings.* Written notice stating the place, day and hour of the meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting, and stating the purpose or purposes for which the meeting is called shall be delivered no fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

5.5 *Record Date.* For the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any adjournment of such meeting, or Members entitled to receive payment of any Distribution, or to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring Distribution is adopted, as the case may be, shall be the record date for

making such a determination. When a determination of Members entitled to vote at any meeting of Members has been made pursuant to this section, the determination shall apply to any adjournment of the meeting.

5.6 *Quorum.* All Members, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any meeting of Members, fifty percent (50%) of the Membership Interests so represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at such meeting. At an adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed. The Members present at a meeting may continue to transact business until adjournment, notwithstanding the withdrawal during the meeting of Membership Interests whose absence results in less than a quorum being present.

5.7 *Manner of Acting.* The affirmative vote or written consent of the holders representing a majority of the Membership Interests shall be the act of the Members.

5.8 *Proxies.*

(a) A Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact.

(b) Every proxy must be signed by the Member or a duly authorized attorney- in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it, except as otherwise provided in this section.

(c) The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the Member who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by any Manager.

(d) A proxy may be revoked, notwithstanding a provision making it irrevocable, by a purchaser of a Membership Interest without knowledge of the existence of such proxy.

5.9 *Action by Members Without a Meeting.*

(a) Whenever the Members of the Company are required or permitted to take any action by vote, such action may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken shall be signed by the Members holding voting interests having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all of the Members entitled to vote therein were present and voted and shall be delivered to a

Manager or an employee or agent of the Company having custody of the records of the Company. Delivery made to a Manager or an employee or agent of the Company having custody of the records of the Company shall be by hand or by certified or registered mail, return receipt requested.

(b) Every written consent shall bear the date of signature of each Member who signs the consent and no written consent shall be effective to take the action referred to therein unless, within ninety (90) days of the earliest dated consent delivered in the manner required by this section to the Company, written consents signed by a sufficient number of Members to take the action are delivered to a Manager or an employee or agent of the Company having custody of the records of the Company. Delivery made to a Manager or an employee or agent having custody of the records of the Company shall be by hand or by certified or registered mail, return receipt requested.

(c) *Waiver of Notice.* Notice of a meeting need not be given to any Member who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any Member at a meeting, in person or by proxy, without protesting the lack of notice of such meeting prior to the conclusion of the meeting, shall constitute a waiver of notice by such Member.

ARTICLE VI
Capital Contributions

6.1 *Capital Contributions.* Each Member's Capital Contribution to the Company and Membership Interest is set forth in Schedule A to this Agreement.

6.2 *Additional Contributions.* Except as set forth in Section 6.1 of this Agreement, no Member shall be required to make any Capital Contribution.

6.3 *Capital Accounts.* A Capital Account shall be maintained for each Member. Each Member's Capital Account shall be increased by the value of each Capital Contribution made by the Member, allocations to such Member of the Net Profits and any other allocations to such Member of income pursuant to the Code. Each Member's Capital Account will be decreased by the value of each Distribution made to the Member by the Company, allocations to such Member of Net Losses and other allocations to such Member pursuant to the Code.

6.4 *Transfers.* Upon a permitted sale or other transfer of a Membership Interest in the Company, the Capital Account of the Member transferring its Membership Interests shall become the Capital Account of the Person to which or whom such Membership Interest is sold or transferred in accordance with Section 1.704-1(b) (2) (iv) of the Treasury Regulations.

6.5 *Modifications. The* manner in which Capital Accounts are to be maintained pursuant to this section is intended to comply with the requirements of Section 704(b) of the

Code. If in the opinion of the Managers the manner in which Capital Accounts are to be maintained pursuant to this Agreement should be modified to comply with Section 704(b) of the Code, then the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

6.6 *Deficit Capital Account.* Except as otherwise required in the New York Law or this Agreement, no Member shall have any liability to restore all or any portion of a deficit balance in a Capital Account.

6.7 *Withdrawal or Reduction of Capital Contributions.* A Member shall not receive from the Company any portion of a Capital Contribution until all indebtedness and liabilities of the Company, except any indebtedness, liabilities and obligations to Members on account of their Capital Contributions, have been paid or there remains property of the Company, in the sole discretion of the Managers, sufficient to pay them. A Member, irrespective of the nature of the Capital Contribution of such Member, has only the right to demand and receive cash in return for such Capital Contribution.

ARTICLE VII
Allocations and Distributions

7.1 *Allocations of Profits and Losses.* The Net Profits and the Net Losses for each Fiscal Year shall be allocated to each Member in accordance with each Member's Membership Interest.

7.2 *Distributions. The* Managers may from time to time, in the discretion of the Managers, make Distributions to the Members. All Distributions shall be made to the Members pro rata in proportion to their Membership Interests as of the record date set for such Distribution.

7.3 *Offset.* The Company may offset all amounts owing to the Company by a Member against any Distribution to be made to such Member.

7.4 *Limitation Upon Distributions.* No Distribution shall be declared and paid unless, after such Distribution is made, the assets of the Company are in excess of all liabilities of the Company.

7.5 *Interest on and Return of Capital Contributions.* No Member shall be entitled to interest on such Member's Capital Contribution or to a return of such Member's Capital Contribution, except as specifically set forth in this Agreement.

7.6 *Accounting Period.* The accounting period of the Company shall be the Fiscal Year.

ARTICLE VIII
Taxes

8.1 *Tax Returns.* The Managers shall cause to be prepared and filed all necessary federal and state income tax returns for the Company. Each Member shall furnish to the Managers all pertinent information in such Member's possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

8.2 *Tax Elections.* The Company shall make the following elections on the appropriate tax returns:

(a) To adopt the calendar year as the Fiscal Year;

(b) If a Distribution as described in Section 734 of the Code occurs or if a transfer of a Membership Interest described in Section 743 of the Code occurs, upon the written request of any Member, to elect to adjust the basis of the property of the Company pursuant to Section 754 of the Code;

(c) To elect to amortize the organizational expenses of the Company and the start-up expenditures of the Company under Section 195 of the Code ratably over a period of sixty (60) months as permitted by Section 709(b) of the Code; and

(d) Any other election that the Managers may deem appropriate and in the best interests of the Members.

Neither the Company nor any Member may make an election for the Company to be excluded from the application of Subchapter K of Chapter I of Subtitle A of the Code or any similar provisions of applicable state law, and no provisions of this Agreement shall be interpreted to authorize any such election.

8.3 *Tax Matters Partner.* Alessandro Broggi shall be the "tax matters partner" of the Company. Pursuant to Section 6231(a)(7) of the Code, the "tax matters partner" shall take any action as may be necessary to cause each other Member to become a "notice partner" within the meaning of section 6223 of the Code.

ARTICLE IX
Transferability

9.1 *Member Transfers in General.* No Member shall transfer, mortgage, pledge, hypothecate or in any way dispose of or encumber (collectively "Transfer") any or all of his Membership Interest in the Company except as herein provided.

9.2 *Transfers to Permitted Transferees.* Any Member may Transfer, all or a part of its Membership Interest it may own in the Company to a Permitted Transferee provided

the Permitted Transferee, or his, her or its legal representative, executes a counterpart of this Agreement and agrees to be bound by all of the terms and provisions hereof.

9.3 *Prohibition of Transfers to Non-Permitted Transferees.* In the event any Member should desire to transfer all or part of his Membership Interest (the "Withdrawing Member") to a person who is not a Permited Transferee, (the "Offeror"), it shall first deliver to the other Members (the "Offeree Members") and the Company a written notice in which the Withdrawing Member shall (i) state its intention to transfer all or part of its Membership Interest (the "Offered Interest"), (ii) state the price and terms of the best bona fide offer (the "Offer") the Withdrawing Member has received for the Offered Interest, including the identity of the Offeror, and grant the Offeree Members and the Company a twenty (20) day option (the "Option") to purchase the Withdrawing Member's Offered Interest on the same terms and conditions set forth in the Offer. If the Option is not exercised in full by the Offeree Members or the Company within the twenty (20) day period, the Withdrawing Member may Transfer the Offered Interest (or the portion not acquired by the Offeree Members or the Company) to the original Offeror; provided that the sale is on the same terms as those in the Offer, and the Offeror becomes a party to this Operating Agreement. Any other offers received by any Member must undergo the same procedure set forth in this Operating Agreement.

The priority of rights to purchase the Offered Interest shall be as follows:

(i) Each Offeree Member shall have the first right to acquire the Offered Interest in proportion to the interest of all Offeree Members who wish to acquire the Offered Interest. Any interest not so acquired by a Member may be acquired by the other Offeree Members.

(ii) Any interest not acquired by Offeree Members may be acquired by the Company. The Withdrawing Member shall have no vote on the resolution to or not to acquire the Offered Interest and the vote to acquire the Offered Interest shall require the unanimous vote of the other Voting Members.

9.4 *General Restrictions on Transfers.* Notwithstanding anything to the contrary contained in this Agreement,

(a) No sale or exchange of a Membership Interest in the Company may be made if the Membership Interest sought to be sold or exchanged, when added to the total of all other Membership Interests sold or exchanged within the period of twelve (12) consecutive months prior thereto, could result in the termination of the Company under Section 708 of the Code.

(b) No Membership Interest in the Company has been registered under the Securities Act of 1933. Therefore, no Membership Interest may be sold or exchanged unless the registration provisions of said act have been complied with or unless, in the opinion of counsel, satisfactory to the Company, compliance with such provisions is not required.

(c) Notwithstanding any other provision contained herein, no assignee or other transferee shall become substituted as a Member in the Company unless and until it, he or she shall have evidenced, its, his or her consent and agreement to be bound by all of the terms and provisions of this Agreement, and to assume, as a substituted Member its, his or her pro rata share hereunder of the obligations of its, his or her transferor as a Member. Such assignee shall execute and acknowledge a counterpart of an amendment of this Agreement and an amendment to the Certificate, each of which shall appropriately reflect its, his or her admission to the Company and its, his or her capital contribution, and such other documents reasonably required by the Managers.

9.5 *Withdrawal.* No Member shall have the right or power to voluntarily withdraw from the Company.

9.6 *Notice of Transfer.* The Managers must be given written notice of any proposed Transfer of a Membership Interest at least 5 business days prior to the date of the actual Transfer.

ARTICLE X
Dissolution

10.1 *Dissolution.* The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following:

(a) The latest date on which the Company is to dissolve, if any, as set forth in the Articles of Organization;

(b) The affirmative vote or written consent of the holders of all of the Membership Interests; or

(c) The bankruptcy, dissolution, expulsion or withdrawal of any Member or the occurrence of any other event that terminates the continued membership of any Member, unless within the latter of (x) one hundred eighty (180) days after such event, or (y) the date that the Company purchases the said Member's interest, the Company is continued by the affirmative vote or written consent of the holders of all of the Membership Interests.

10.2 *Winding Up.* Upon the dissolution of the Company the Managers may, in the name of and for and on behalf of the Company, prosecute and defend suits, whether civil, criminal or administrative, sell and close the Company's business, dispose of and convey the Company's property, discharge the Company's liabilities and distribute to the Members any remaining assets of the Company, all without affecting the liability of the Members. Upon winding up of the Company, the assets shall be distributed as follows:

(a) To creditors, including any Member who is a creditor, to the extent permitted by law, in satisfaction of liabilities of the Company, whether by payment or by establishment of adequate reserves, other than liabilities for Distributions to Members,

(b) To Members and former Members in satisfaction of liabilities for Distributions; and

(c) To Members first for the return of their Capital Contributions, to the extent not previously returned, and second, with respect to Membership Interests, in the proportions in which the Members share in Distributions in accordance with this Agreement.

10.3 *Articles of Dissolution.* Within ninety (90) days following the dissolution and the commencement of winding up of the Company, or at any other time there are no Members, articles of dissolution shall be filed with the New York Secretary of State pursuant to the New York Law.

10.4 *Deficit Capital Account.* Upon a liquidation of the Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a Deficit Capital Account (after giving effect to all contributions, distributions, allocations and other adjustments for all Fiscal Years, including the Fiscal Year in which such liquidation occurs) , the Member shall have no obligation to make any Capital Contribution, and the negative balance of any Capital Account shall not be considered a debt owed by the Member to the Company or to any other Person for any purpose.

10.5 *Nonrecourse to Other Members.* Except as provided by applicable law or as expressly provided in this Agreement, upon dissolution, each Member shall receive a return of such Member's Capital Contribution solely from the assets of the Company. If the assets of the Company remaining after the payment or discharge of the debts and liabilities of the company is insufficient to return any Capital Contribution of any Member, such Member shall have no recourse against any other Member.

10.6 *Termination.* Upon completion of the dissolution, winding up, liquidation, and distribution of the assets of the Company, the Company shall be deemed terminated.

ARTICLE XI
General Provisions

11.1 *Notices.* Any notice, demand or other communication required or permitted to be given pursuant to this Agreement shall have been sufficiently given for all purposes if (a) delivered personally to the party to whom such notice, demand or other communication is directed or (b) sent by registered or certified mail, postage prepaid, addressed to the Member or the Company at the address set forth in this Agreement. Except as otherwise provided in this Agreement, any such notice shall be deemed to be given ten (10) business days after the date on which it was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as set forth in this section.

11.2 *Amendments.* This Agreement contains the entire agreement among the Members with respect to the subject matter of this Agreement, and supersedes each course of conduct previously pursued or acquiesced in, and each oral agreement and representation

previously made, by the Members with respect thereto, whether or not relied or acted upon. No course of performance or other conduct subsequently pursued or acquiesced in, and no oral agreement or representation subsequently made, by the Members, whether or not relied or acted upon, and no usage of trade, whether or not relied or acted upon, shall amend this Agreement or impair or otherwise affect any Member's obligations pursuant to this Agreement or any rights and remedies of a Member pursuant to this Agreement. No amendment to this Agreement shall be effective unless made in a writing duly executed by all Members and specifically referring to each provision of this Agreement being amended.

11.3 *Construction.* Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

11.4 *Headings.* The headings in this Agreement are for convenience only and shall not be used to interpret or construe any provision of this Agreement.

11.5 *Waiver.* No failure of a Member to exercise, and no delay by a Member in exercising, any right or remedy under this Agreement shall constitute a waiver of such right or remedy, except as herein specifically provided. No waiver by a Member of any such right or remedy under this Agreement shall be effective unless made in a writing duly executed by all Members and specifically referring to each such right or remedy being waived, except as herein specifically provided.

11.6 *Severability.* Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. However, if any provision of this Agreement shall be prohibited by or invalid under such law, it shall be deemed modified to conform to the minimum requirements of such law or, if for any reason it is not deemed so modified, it shall be prohibited or invalid only to the extent of such prohibition or invalidity without the remainder thereof or any other such provision being prohibited or invalid.

11.7 *Binding.* This Agreement shall be binding upon and inure to the benefit of all Members, and each of the successors and assignees or the Members, except that no right or obligation of a Member under this Agreement may be assigned by such Member to another Person without first obtaining the written consent of all other Members.

11.8 *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

11.9 *Governing Law.* This Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of New York, without regard to principles of conflict of laws.

11.10 *Agreement to Arbitrate Controversies.* Unless expressly prohibited by state or federal law, the parties hereto agree that any dispute, claim or controversy between them, or their respective successors and assigns, arising from or in any way related to this Agreement

or the obligations to be performed hereunder shall be submitted to arbitration to be conducted in accordance with the Commercial Dispute Resolution Procedures of the American Arbitration Association ("AAA") then in effect. Arbitration shall be commenced when any party to this Agreement, or its successor or assign serves upon the other party by certified mail at the address provided for notice in Section 11.1 hereof a notice of intention to arbitrate, a copy of which shall be served by mail upon AAA's New York, New York Regional Office. The arbitration shall be conducted in New York by a single arbitrator. If the parties have not agreed to a mutually acceptable arbitrator within thirty (30) days of the date of the notice of intention to arbitrate, the arbitrator shall be selected by the AAA from its regularly maintained list of commercial law arbitrators. The decision of the arbitrator shall be binding and final, and may be entered as a judgment in any state or federal court having jurisdiction thereof. It is expressly agreed that each party will bear its own attorney fees and costs related to any such arbitration.

IN WITNESS WHEREOF, the individuals signing this Agreement below conclusively evidence their agreement to the terms and conditions of this Agreement by so signing this Agreement.

STERI-PHARMA LLC

By:_____
Name: Alessandro Broggi
Title: Managing Director

DROMIK LLC

By:_____
Name: Alessandro Broggi
Title: Managing Director

EXHIBIT "C"

GOOD STANDING CERTIFICATE

State of New York
Department of State } ss:

I hereby certify, that DROMIK, LLC a NEW YORK Limited Liability Company filed Articles of Organization pursuant to the Limited Liability Company Law on 09/11/2009, and that the Limited Liability Company is existing so far as shown by the records of the Department. I further certify the following:

A Certificate of Publication of DROMIK, LLC was filed on 03/05/2010.

A Biennial Statement was filed 03/12/2018.

I further certify, that no other documents have been filed by such Limited Liability Company.

***

Witness my hand and the official seal of the Department of State at the City of Albany, this 12th day of March two thousand and eighteen.

Brendan W. Fitzgerald
Executive Deputy Secretary of State

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EXHIBIT "D"

RESOLUTION

CERTIFICATE OF SOLE MEMBER OF

DROMIK, LLC

The undersigned, being the sole member of **DROMIK, LLC**, a New York limited liability company (the "LLC"), does hereby certify that Exhibit "A" attached hereto is a true, complete and correct copy of resolutions adopted by the LLC at the meeting of the LLC held on February 21, 2018, and does hereby

FURTHER CERTIFY, that the undersigned is the sole member of the LLC, that the attached resolutions are entered in the minutes of the proceedings of the LLC, that the attached resolutions are in full force and effect and have not been superseded, modified or amended, and that the attached resolutions are not in conflict with or contrary to any resolution or other agreement of the LLC.

IN WITNESS WHEREOF, the undersigned has executed this certificate this 16th day of March, 2018.

MEMBER:

STERI-PHARMA, LLC

By: Vincent Durante, Director

EXHIBIT "A"

RESOLUTIONS OF SOLE MEMBER OF DROMICK, LLC

RESOLVED, that **DROMICK, LLC** (the "LLC") is authorized to enter into a Project Agreement with the City of Syracuse Industrial Development Agency (the "Agency") for the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax with respect to the Project more fully described herein; and be it further

RESOLVED, that the LLC is authorized to undertake a project (the "Project") consisting of: the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); and be it further

RESOLVED, that the LLC is authorized to enter into a Project Agreement with the Agency to be dated as of March 1, 2018; and be it further

RESOLVED, that the LLC is authorized to enter into an Infrastructure Agreement with the Agency to be dated as of March 1, 2018; and be it further

RESOLVED, that the LLC is authorized to enter into a Company Lease with the Agency to be dated as of March 1, 2018; and be it further

RESOLVED, that the LLC is authorized to enter into an Agency Lease with the Agency to be dated as of March 1, 2018; and be it further

RESOLVED, that the LLC is authorized to enter into a PILOT Agreement with the Agency to be dated as of March 1, 2018; and be it further

RESOLVED, that the LLC shall transfer its interest in the furniture, fixtures and equipment to be installed in the Facility to the Agency pursuant to a bill of sale to be dated as of March 1, 2018; and be it further

RESOLVED, that the LLC will execute and deliver any and all documents otherwise necessary or appropriate to accomplish the same; and be it further

RESOLVED, that in connection with the foregoing transaction, **VINCENT DURANTE** be, and hereby is, authorized, directed and empowered, in the name and on behalf of the LLC, to execute and deliver all necessary and proper documents reasonably required by the Agency, each such document to be in such form and substance as he may approve, such approval to be conclusively evidenced by his execution and delivery thereof and as so executed shall be binding upon the LLC; and be it further

RESOLVED, that **VINCENT DURANTE**, be, and hereby is, authorized, directed and empowered, in the name and on behalf of the LLC, to take all such other actions which in his

judgment may be necessary or appropriate in connection with the foregoing transaction; and be it further

RESOLVED, that all prior actions of the LLC with respect to the Agency and the project are hereby ratified.

EXHIBIT "E"
Local Access Agreement

City of Syracuse

Industrial Development Agency

Local Access Agreement

Steri-Pharma, LLC. (the Company) understands and agrees that local labor, contractors and suppliers will be used for the construction, renovation, reconstruction and equipping of the Project unless a written waiver is first received from the Agency, and agrees to provide the information requested below as a way to provide access for local participation.

Company	Steri-Pharma, LLC					**General Contractor**	LeChase Construction Services, LLC				
Representative for Contract Bids and Awards	Andrew Mather					**Contact**	Gary Soule				
Address	429 S. West Street					**Address**	609 Erie Blvd. West				
City	Syracuse	**ST**	NY	**Zip**	13202	**City**	Syracuse	**ST**	NY	**Zip**	13204
Phone	315-473-7180		**Fax**			**Phone**	315-423-0015		**Fax**		
Email	amather@steri-pharma.com					**Email**	gary.soule@lechase.com				
Project Address	429 S. West Street					**Construction Start Date**	10/1/2017				
City	Syracuse	**ST**	NY	**Zip**	13202	**Occupancy Date**	2021				

Project Components – Indicate those for which bids will be sought:

Item	Estimated Value	Bid Date	Contact
Site work/Demolition	$1,952,118		
Foundation and footings	$1,681,411		
Building	$0		
Masonry	$598,570		
Metals	$910,995		
Wood/casework	$12,464		
Thermal/moisture proof	$322,526		
Doors, windows, glazing	$154,462		
Finishes	$3,684,848		
Electrical	$1,144,853		
HVAC	$2,297,839		
Plumbing	$2,696,896		
Specialties	$1,428,063		
Machinery & Equipment	$16,848,199		
Furniture and Fixtures	$0.00		
Utilities	$7,360,032		
Paving	$79,051		
Landscaping	$15,069		
Other (identify) General Conditions	$4,340,922		

Date: _____ **Company:** Steri-Pharma, LLC.

Signature: _____ **Name:** Vincent Durante

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BARCLAY DAMON LLP

March 16, 2018

City of Syracuse Industrial Development Agency
City Hall Commons, 7th Floor
201 East Washington Street
Syracuse, New York 13202

Steri-Pharma, LLC
429 South West Street
Syracuse, New York 13202

Dromik, LLC
429 South West Street
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency
Lease/Leaseback Transaction
Steri-Pharma, LLC Project

Ladies and Gentlemen:

We have acted as counsel to the City of Syracuse Industrial Development Agency (the "***Agency***") in connection with a project (the "***Project***") undertaken by the Agency at the request of Steri-Pharma (the "***Company***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the

"***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement

The Company has also requested that the Agency grant the Financial Assistance to the Project. The Agency and the Company will enter into a Payment in Lieu of Taxes Agreement dated as of March 1, 2018 (the "***PILOT Agreement***") with respect to the Project. Capitalized terms used herein which are not otherwise defined shall have the meanings ascribed to them in the Agency Lease.

As counsel to the Agency, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates, and documents as we have deemed necessary or appropriate for the purposes of the opinion expressed below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies, and have assumed the accuracy and truthfulness of the factual information, expectations, conclusions, representations, warranties, covenants and opinions of the Company and its counsel and representatives as set forth in the various documents executed and delivered by them or any of them and identified in the Closing Memorandum in connection with the Project.

We are of the opinion that:

1. The Agency is a duly organized and existing corporate governmental agency constituting a public benefit corporation of the State of New York.

2. The Agency is duly authorized and empowered by law to acquire, reconstruct, renovate and equip the Project, to lease the Land and the Facility from the Company pursuant to the Company Lease; to accept an interest in the Equipment pursuant to the Bill of Sale; to sublease the Project Facility back to the Company pursuant to the Agency Lease and to appoint the Company as its agent for completion of the Project.

3. The Agency Documents have been authorized by and lawfully executed and delivered by the Agency and (assuming the authorization, execution, and delivery by the other respective parties thereto) are valid and legally binding obligations enforceable against the Agency in accordance with their respective terms.

In rendering this opinion, we advise you of the following:

The enforceability of the Agency Documents may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law or enactment now or hereafter enacted by the State of New York or the Federal government affecting the enforcement

of creditors' rights generally and the general principles of equity, including limitations on the availability of the remedy of specific performance which is subject to discretion of the court.

This opinion is rendered to the addressees named above and their successors and/or assigns, and may not be relied upon by any other person without our prior, express written consent.

Very truly yours,

BARCLAY DAMON LLP

Barclay Damon LLP

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Carol C. Olech, Special Counsel
Jonathan P. McSherry, Special Counsel, CPA
Kevin P. Ryan, Special Counsel

* Also admitted in Texas
** Also admitted in Massachusetts
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March 16, 2018

Steri-Pharma, LLC
429 South West Street
Syracuse, New York 13202

Dromik, LLC
429 South West Street
Syracuse, New York 13202

City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency
Lease/Leaseback Transaction
Steri-Pharma, LLC Project

Ladies and Gentlemen:

We have acted as counsel to Steri-Pharma, LLC ("***Steri-Pharma***") and Dromik, LLC ("***Dromik***" and collectively with Steri-Pharma, the "***Company***") in connection with a certain project (the "***Project***") undertaken by the City of Syracuse Industrial Development Agency (the "***Agency***") at the Company's request. The Project consists of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft. of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain

financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement

The Agency has acquired an interest in the Project Facility pursuant to that certain Company Lease Agreement dated as of March 1, 2018 (the "***Company Lease***") and an interest in the Equipment pursuant to a bill of sale dated as of March 1, 2018 (the "***Bill of Sale***") and the Agency will sublease the Project Facility back to the Company pursuant to an Agency Lease Agreement dated as of March 1, 2018 (the "***Agency Lease***"). Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Agency Lease.

The Company has also requested that the Agency grant the Financial Assistance to the Project. The Agency and the Company entered into a Payment in Lieu of Taxes Agreement dated March 1, 2018 (the "***PILOT Agreement***") with respect to the Project.

In that regard, we have examined Project Agreement[1], the Company Lease, the Agency Lease, the Bill of Sale, the Environmental Compliance, the Indemnification Agreement, the PILOT Agreement and all other documents both identified in the Closing Memorandum, defined in the Agency Lease and to which the Company is a party in connection with the Project (collectively, the "***Company Documents***").

We have also examined corporate documents and records of each Steri-Pharma and Dromik and made such investigation of law and/or fact that we deem necessary or advisable in order to render this opinion. For purposes of such examination, we have assumed the genuineness of all certificates and the authenticity of all documents submitted to us as original counterparts or as certified or photostatic copies; the genuineness of all signatures of all parties to the Company Documents other than on behalf of the Company; and the due authorization, execution and delivery of the Company Documents by and the enforceability thereof against all parties thereto other than the Company.

As to questions of fact material to our opinion, we have relied upon the representations and warranties made by the Company in the Company Documents and upon one or more certificates of officers of the Company. Whenever the phrase "to the best of our knowledge" is used in this opinion, it refers to actual knowledge of members of this firm obtained from our representation of the Company and inquiries of responsible officers of the Company made in connection with this opinion, but no further investigation or review has been conducted.

---

[1] Terms used herein but not otherwise defined shall have the meanings ascribed thereto in the Agency Lease.

Based upon the foregoing, it is our opinion that:

1. Steri-Pharma is a validly existing Delaware limited liability company, authorized to do business in the State of New York and possesses full corporate power and authority to own its property, to conduct its business, to execute and deliver the Company Documents, and to carry out and perform its obligations thereunder.

2. Dromik is a validly existing New York limited liability company and possesses full corporate power and authority to own its property, to conduct its business, to execute and deliver the Company Documents, and to carry out and perform its obligations thereunder.

3. The execution, delivery and performance of the Company Documents have been duly authorized by each Steri-Pharma and Dromik and the Company Documents have been duly executed and delivered by an Authorized Representative of the respective Company.

4. The Company Documents constitute the legal, valid and binding obligations of the respective Company, enforceable against the Company in accordance with their terms, except as enforceability may be limited by applicable bankruptcy and insolvency laws and laws affecting creditors' rights generally and to the extent that the availability of the remedy of specific performance or injunctive relief or other equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

5. To the best of our knowledge, in reliance on the certificates and opinions specified herein, the execution and delivery by the respective Company of the Company Documents, the execution and compliance with the provisions of each and the consummation of the transactions contemplated therein do not and will not constitute a breach of, or default under the Company's Articles of Organization, Operating Agreements or any indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Company or any of its Property may be bound, for which a valid consent has not been secured; nor is any approval or any action by any governmental authority required in connection with the execution, delivery and performance thereof by the Company.

5. To the best of our knowledge, in reliance on the certificates and opinions specified herein, there is no action, suit, proceeding or investigation at law of in equity before or by any court, public board or body, pending or threatened against, or affecting either Company wherein an unfavorable decision, ruling or finding would in any way adversely affect in a material fashion the validity or enforceability of the Company Documents.

Our examination of law relevant to matters herein is limited to the laws of the State of New York and also the Federal law, where appropriate, and we express no opinion as to matters governed by the laws of any other state or jurisdiction.

This opinion is only for the benefit of and may be relied upon only by the Agency, its successors and assigns. The opinions set forth in this letter are limited to those expressly stated and no other opinion may be inferred nor is any implied. No other use of this opinion may be made without prior written consent. This opinion is given as of the date hereof and we undertake no obligation, and hereby disclaim any obligation, to update or supplement this opinion in response to a subsequent change in the law or future events affecting the documents identified in this letter.

Very truly yours,

COSTELLO, COONEY & FEARON, PLLC

Wendy S. Lougnot

WSL/

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CLOSING MEMORANDUM

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

STERI-PHARMA, LLC PROJECT

DATE AND TIME OF CLOSING: March 7, 2018
9:00 a.m.

PLACE OF CLOSING: Barclay Damon LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, New York 13202

I. Action Taken Prior to Closing

At the request of Steri-Pharma, LLC ("***Steri-Pharma***") and Dromik, LLC ("***Dromik***" and together with Steri-Pharma, collectively, the "***Company***"), the City of Syracuse Industrial Development Agency (the "***Agency***"), a public benefit corporation organized under the laws of the State of New York, has undertaken a project (the "***Project***") consisting of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "***Existing Building***") located at 429 South West Street, in the City of Syracuse, New York ("***Parcel 1***") and approximately 8,100 sq. ft of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("***Parcel 2***" and together with Parcel 1, collectively the "***Land***"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "***New Building***"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "***Facility***"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "***Equipment***" and together with the Land and the Facility, the "***Project Facility***"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "***Financial Assistance***"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, reconstruction, equipping and completion of the Project Facility; and (D) the lease

of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement..

The Company also requested that the Agency appoint the Company as its agent for purposes of completing the Project and the granting of certain Financial Assistance.

Steri-Pharma is, or will be at the time of closing, the operating company of the Project Facility.

Dromik is, or will be at the time of closing, the fee owner of the Project Facility.

The Agency will acquire a leasehold interest in the Land and Facility from the Company pursuant to a Company Lease Agreement dated as of March 1, 2018 (the "***Company Lease***"), between the Company, as landlord and the Agency, as tenant; and an interest in the Equipment pursuant to a bill of sale from the Company dated as of March 1, 2018 (the "***Bill of Sale***"). The Agency will sublease the Project Facility back to the Company, pursuant to an Agency Lease Agreement dated as of March 1, 2018 (the "***Agency Lease***") between the Agency, as sublessor and the Company, as sublessee. Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in Exhibit "C" to the Agency Lease.

Among the actions taken by the Agency with respect to the Project prior to Closing were the following:

April 10, 2017	The Company submitted an application for financial assistance for the project.
April 18, 2017	A resolution determining that the acquisition, construction, reconstruction, equipping and completion of a commercial facility constitutes a project; describing the financial assistance in connection therewith; and authorizing a public hearing (the "***Public Hearing Resolution***").
May 2, 2017	Notice of the Public Hearing was mailed to the chief executive officers of the affected tax jurisdictions pursuant to Section 859-a of the Act.
May 4, 2017	Notice of the Public Hearing was published in the Post-Standard pursuant to Section 859-a of the Act.
May 16, 2017	The Agency conducted the Public Hearing pursuant to Section 859-a of the Act.
May 16, 2017	A resolution classifying a certain project as an Unlisted Action pursuant to the State Environmental Quality Review Act and

	determining that the Project will not have a significant effect on the environment.
May 16, 2017	A resolution authorizing the undertaking of the acquisition, construction, reconstruction, equipping and completion of a project; appointing the Company agent of the Agency for the purpose of the acquisition, construction, reconstruction, equipping and completion of the Project; and authorizing the execution and delivery of an agreement between the Agency and the Company (the "***Inducement Resolution***").
May 16, 2017	A resolution approving a payment in lieu of tax schedule and authorizing the execution and delivery of certain documents by the Agency in connection with the Project (the "***PILOT Resolution***").
May 16, 2017	A resolution authorizing the execution and delivery of certain documents by the agency at the request of the Company (the "***Final Approving Resolution***").
September 19, 2017	A resolution approving the issuance of a temporary sales tax appointment letter and agreement and the execution and delivery of certain documents in connection therewith (the "***Temporary Sales Tax Appointment Resolution***").
September 19, 2017	A resolution approving an Infrastructure Agreement with Steri-Pharma, LLC and the dedication of the Agency's administrative fee in conjunction therewith (the "***Infrastructure Agreement Resolution***").
February 20, 2018	A resolution approving the extension of the Infrastructure Agreement until March 31, 2018; and authorizing the execution of any and all necessary documents (the "***Infrastructure Agreement Extension Resolution***").

II. Action To Be Taken At Closing

The following documents, or copies thereof, are to be delivered (except as indicated) to the Agency (A), Agency's Counsel (AC), the Company (C), Company's Counsel (CC), Lender's Counsel (LC) as follows:

A. Basic Documents	Responsible Party	Signatories
1. Agreement of Lease and First Amendment of Lease	CC	Steri-Pharma, Dromik
2. Project Agreement	AC	Steri-Pharma, Dromik, A
3. Company Lease Agreement	AC	Steri-Pharma, Dromik, A
4. Memorandum of Company Lease Agreement with TP-584	AC	Steri-Pharma, Dromik, A
5. Steri-Pharma Bill of Sale	AC	Steri-Pharma
6. Dromik Bill of Sale	AC	Dromik
7. Agency Lease Agreement	AC	Steri-Pharma, Dromik, A
8. Memorandum of Agency Lease Agreement with Form TP-584	AC	Steri-Pharma, Dromik, A
9. Company Certification re: Local Labor Policy	AC	Steri-Pharma, Dromik
10. Certificates of casualty, liability, workers' compensation and other required insurance	AC	
11. Environmental Compliance and Indemnification Agreement	AC	Steri-Pharma, Dromik
12. Closing Receipt	AC	Steri-Pharma, Dromik, A
13. Sales Tax Exemption Letter	AC	A
14. Form ST-60 indicating appointment of the Company to act as the agent of the Agency	AC	A
15. PILOT Agreement	CC	A, Dromik
16. 412 a	CC	A

B. Items To Be Delivered By The Agency

1. General Certificate of the Agency relating to incumbency and signatures of officers, execution and delivery of Agency Documents to which it is a party, no litigation and continued existence, with the following items included as exhibits:	AC	A
Exhibit "A" - Chapter 641 of the Laws of 1979 of the State of New York, as amended	A	
Exhibit "B" - Certificate of Establishment of the Agency and Certificates of appointment of current members	A	
Exhibit "C" - By-laws	A	
Exhibit "D" - Public Hearing Resolution	AC	
Exhibit "E" - Notice of Public Hearing with evidence of publication and copies of letters to affected tax jurisdictions	AC	
Exhibit "F" - SEQRA Resolution	AC	
Exhibit "G" - Inducement Resolution	AC	
Exhibit "H"- PILOT Resolution		
Exhibit "I" - Final Approving Resolution	AC	
Exhibit "J" – Temporary Sales Tax Appointment Resolution	AC	
Exhibit "K" – Infrastructure Agreement Resolutions	AC	

C. Items To Be Delivered By The Company

1. General Certificate of Steri-Pharma relating to capacity and signatures of officers, execution and delivery of the Documents to which it is a party, no litigation and approval, with the following items included as exhibits:	AC	C
Exhibit "A" – Certificate of Formation	C	
Exhibit "B" - Operating Agreement	C	C

Exhibit "C" - Certificates of Good Standing (DE and NY)	C	
Exhibit "D" - Company Resolution	C	
Exhibit "E" - Local Access Agreement	C	
2. General Certificate of Dromik, LLC relating to capacity and signatures of officers, execution and delivery of the Documents to which it is a party, no litigation and approval, with the following items included as exhibits:		
Exhibit "A" – Articles of Organization		
Exhibit "B" - Operating Agreement		
Exhibit "C" - Certificates of Good Standing (NY)		
Exhibit "D" - Company Resolution		
Exhibit "E" - Local Access Agreement		
D. Opinions of Counsel	C	
1. Opinion of Barclay Damon, LLP, counsel to the Agency, addressed to the Company and the Agency	AC	AC
2. Opinion of .Costello, Cooney & Fearon, PLLC, counsel to the Company, addressed to the Agency and the Company.	AC	CC

III. Action To Be Required Concurrently With Or After Closing

Memorandum of Company Lease Agreement and Memorandum of Agency Lease Agreement are to be filed with the Onondaga County Clerk

Application on Form 412A is to be filed with the City of Syracuse Tax Assessor.

IV. Post-Closing

Scan copy of Local Access Agreement to SIDA.

SCHEDULE "A"

PERSONS APPEARING

For the Agency:	City of Syracuse Industrial Development Agency Honora Spillane, Executive Director
For Steri-Pharma, LLC:	Vincent Durante, Director
For Dromik, LLC	Vincent Durante, Sole Member
Company Counsel:	Costello, Cooney & Fearon, PLLC Wendy S. Lougnot, Esq.
Agency's Counsel:	Barclay Damon LLP Susan R. Katzoff, Esq.