



# Massachusetts Cannabis Control Commission

## Marijuana Retailer

### General Information:

**License Number:** MR283065  
**Original Issued Date:** 10/01/2020  
**Issued Date:** 09/17/2021  
**Expiration Date:** 10/01/2022

## ABOUT THE MARIJUANA ESTABLISHMENT

**Business Legal Name:** New England Treatment Access, LLC.

**Phone Number:** 508-615-6761      **Email Address:** smurphy@netacare.org

**Business Address 1:** 5 Forge Parkway      **Business Address 2:**

**Business City:** Franklin      **Business State:** MA      **Business Zip Code:** 02038

**Mailing Address 1:** 5 Forge Parkway      **Mailing Address 2:**

**Mailing City:** Franklin      **Mailing State:** MA      **Mailing Zip Code:** 02038

## CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

**Certified Disadvantaged Business Enterprises (DBEs):** Not a DBE

## PRIORITY APPLICANT

**Priority Applicant:** yes

**Priority Applicant Type:** RMD Priority

**Economic Empowerment Applicant Certification Number:**

**RMD Priority Certification Number:** RP201822

## RMD INFORMATION

**Name of RMD:** New England Treatment Access, LLC.

**Department of Public Health RMD Registration Number:** 002 (RMD125-R), 006 (RMD185-R)

**Operational and Registration Status:** Obtained Final Certificate of Registration and is open for business in Massachusetts

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

**If no, describe the circumstances below:**

## PERSONS WITH DIRECT OR INDIRECT AUTHORITY

**Person with Direct or Indirect Authority 1**

**Percentage Of Ownership:** 5.73      **Percentage Of Control:** 5.73

**Role:** Owner / Partner      **Other Role:**

**First Name:** Kevin      **Last Name:** Fisher      **Suffix:**

Gender: Male User Defined Gender:  
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)  
Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 20.7 Percentage Of Control: 20.7  
Role: Owner / Partner Other Role:  
First Name: William Last Name: Wrigley Suffix: Jr  
Gender: Male User Defined Gender:  
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)  
Specify Race or Ethnicity:

Person with Direct or Indirect Authority 3

Percentage Of Ownership: 1.42 Percentage Of Control: 1.42  
Role: Owner / Partner Other Role:  
First Name: James Last Name: Whitcomb Suffix:  
Gender: Male User Defined Gender:  
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)  
Specify Race or Ethnicity:

Person with Direct or Indirect Authority 4

Percentage Of Ownership: 0.28 Percentage Of Control: 0.28  
Role: Owner / Partner Other Role:  
First Name: James Last Name: Holmes Suffix:  
Gender: Male User Defined Gender:  
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)  
Specify Race or Ethnicity:

Person with Direct or Indirect Authority 5

Percentage Of Ownership: 0.01 Percentage Of Control: 0.01  
Role: Owner / Partner Other Role:  
First Name: Jason Last Name: Becker Suffix:  
Gender: Male User Defined Gender:  
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)  
Specify Race or Ethnicity:

Person with Direct or Indirect Authority 6

Percentage Of Ownership: Percentage Of Control:  
Role: Owner / Partner Other Role:  
First Name: Michael Last Name: Zinsky Suffix:  
Gender: Male User Defined Gender:  
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French), Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)  
Specify Race or Ethnicity:

Person with Direct or Indirect Authority 7

Percentage Of Ownership: 0.21 Percentage Of Control: 0.21

Role: Owner / Partner                      Other Role:  
First Name: Charles                      Last Name: May                      Suffix:  
Gender: Male                                      User Defined Gender:  
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)  
Specify Race or Ethnicity:

**ENTITIES WITH DIRECT OR INDIRECT AUTHORITY**

Entity with Direct or Indirect Authority 1

Percentage of Control: 100                      Percentage of Ownership: 100  
Entity Legal Name: SH Parent, Inc.                      Entity DBA:                      DBA City:

**Entity Description:** The entity is the parent company that owns and acts as the sole Manager of New England Treatment Access, LLC directly or indirectly (through 100% ownership of CBPB Holdings, Inc., an entity that currently owns interests in New England Treatment Access, LLC). In addition to the equity of New England Treatment Access, LLC and CBPB Holdings, Inc. the only other assets the entity owns are Molecular Infusions, LLC and Surterra Holdings, Inc. (and all subsidiaries of Surterra Holdings, Inc.). The entity's role is to hold securities in CBPB Holdings, Inc., New England Treatment Access, LLC, Surterra Holdings, Inc., and Molecular Infusions, Inc. and to manage the businesses of Surterra Holdings, Inc., New England Treatment Access, LLC and Molecular Infusions, LLC. The entity will own 100% of New England Treatment Access, LLC through both direct ownership and 100% ownership of CBPB Holdings, Inc., an entity that currently owns interests in New England Treatment Access, LLC.

**Foreign Subsidiary Narrative:**

Entity Phone:                      Entity Email:                      Entity Website:  
Entity Address 1:                      Entity Address 2:  
Entity City:                      Entity State:                      Entity Zip Code:  
Entity Mailing Address 1:                      Entity Mailing Address 2:  
Entity Mailing City:                      Entity Mailing State:                      Entity Mailing Zip Code:

**Relationship Description:** The entity owns 100% of New England Treatment Access, LLC through both direct ownership and 100% ownership of CBPB Holdings, Inc., an entity that currently owns interests in New England Treatment Access, LLC. The entity's role is to hold securities in CBPB Holdings, Inc., New England Treatment Access, LLC, Surterra Holdings, Inc., and Molecular Infusions, LLC and to manage the businesses of Surterra Holdings, Inc., New England Treatment Access, LLC and Molecular Infusions, LLC.

Entity with Direct or Indirect Authority 2

Percentage of Control: 15.46                      Percentage of Ownership: 15.46  
Entity Legal Name: Green Health Endeavors, LLC                      Entity DBA:                      DBA City:

**Entity Description:** The entity owns 15.46% of New England Treatment Access, LLC through its ownership interest in SH Parent, Inc. The entity is managed by a trust (Trust #101) whose Trustee and sole beneficiary is the Chairman of SH Parent, Inc.'s Board of Directors and Chief Executive Officer, William Wrigley, Jr.

**Foreign Subsidiary Narrative:**

Entity Phone:                      Entity Email:                      Entity Website:  
Entity Address 1:                      Entity Address 2:  
Entity City:                      Entity State:                      Entity Zip Code:  
Entity Mailing Address 1:                      Entity Mailing Address 2:  
Entity Mailing City:                      Entity Mailing State:                      Entity Mailing Zip Code:

**Relationship Description:** The entity's only business is to own an interest in SH Parent, Inc. The entity's sole role is to hold securities in SH Parent, Inc. The entity will own 15.46% of New England Treatment Access, LLC (through its ownership interest in SH Parent, Inc.)

### Entity with Direct or Indirect Authority 3

Percentage of Control: 15.46

Percentage of Ownership:

15.46

Entity Legal Name: Trust #101

Entity DBA:

DBA City:

Worcester

**Entity Description:** The entity owns 15.46% of New England Treatment Access, LLC through its ownership interest in Green Health Endeavors, LLC, which owns 14.7% of SH Parent, Inc. The entity's sole role is to act as Manager of Green Health Endeavors, LLC.

#### Foreign Subsidiary Narrative:

Entity Phone:

Entity Email:

Entity Website:

Entity Address 1:

Entity Address 2:

Entity City:

Entity State:

Entity Zip Code:

Entity Mailing Address 1:

Entity Mailing Address 2:

Entity Mailing City:

Entity Mailing State:

Entity Mailing Zip Code:

**Relationship Description:** The Trust ultimately holds a variety of assets in various classes including marketable securities, real estate, art, and other investments. The entity's sole role is to act as Manager of Green Health Endeavors, LLC, which owns 15.46% of SH Parent, Inc.

### CLOSE ASSOCIATES AND MEMBERS

No records found

### CAPITAL RESOURCES - INDIVIDUALS

No records found

### CAPITAL RESOURCES - ENTITIES

#### Entity Contributing Capital 1

Entity Legal Name: New England Treatment Access, LLC

Entity DBA:

Email: mconnolly@netacare.org Phone: 508-528-0093

Address 1: 5 Forge Parkway

Address 2:

City: Franklin

State: MA

Zip Code: 02038

Types of Capital: Monetary/  
Equity

Other Type of Capital:

Total Value of Capital Provided:  
\$10258747.32

Percentage of Initial Capital:  
100

Capital Attestation: Yes

### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

#### Business Interest in Other State 1

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

Owner First Name:

Owner Last Name:

Owner Suffix:

Entity Legal Name: Surterra Florida, LLC

Entity DBA:

**Entity Description:** Surterra Florida, LLC, a wholly-owned subsidiary of Surterra Holdings, Inc. (which is a wholly-owned subsidiary of SH Parent, Inc.), operates 30+ medical-use dispensaries in the state of Florida pursuant to a management agreement with Alpha Foliage, Inc. ("Alpha Foliage"), which is a Medical Marijuana Treatment Center (license number MMTC-2015-0004), licensed by the Florida Department of Health ("FDOH"). Alpha Foliage's license allows it to cultivate, produce, distribute, and dispense cannabis for medical use throughout the state of Florida. Alpha Foliage is owned by Chuck Buster (25%), Margi Buster (25%), the John DeMott Trust (25%), and the Carolyn DeMott Trust (25%). Each owner has no other relationship, contractual or otherwise, with the SH Parent, Inc. or any of its subsidiaries. Alpha Foliage and Surterra Florida, LLC entered into a Management Agreement dated June 26, 2015. Under the terms of the Management Agreement, Surterra Florida operates the day-to-day activities of retail stores under the licenses issued to Alpha Foliage by FDOH, without further authorization or oversight. The Management Agreement is known to and complies with all regulations of Florida authorities, including FDOH. The Management Agreement is for a term of 20 years, with automatic 5-year renewals, in perpetuity, at the option of

Surterra Florida. The parties to the Management Agreement share the net profits on an agreed basis.

**Entity Phone:** 404-771-5914      **Entity Email:** tkrol@liveparallel.com      **Entity Website:**  
**Entity Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900      **Entity Address 2:**  
**Entity City:** Atlanta      **Entity State:** GA      **Entity Zip Code:** 30308      **Entity Country:** United States  
**Entity Mailing Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900      **Entity Mailing Address 2:**  
**Entity Mailing City:** Atlanta      **Entity Mailing State:** GA      **Entity Mailing Zip Code:** 30308      **Entity Mailing Country:** United States

**Business Interest in Other State 2**

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

**Owner First Name:**      **Owner Last Name:**      **Owner Suffix:**  
**Entity Legal Name:** Surterra Texas, LLC      **Entity DBA:**  
**Entity Description:** Surterra Texas, LLC holds a medical-use license, #0006, in Texas. Surterra Holdings, Inc. (which is a wholly-owned subsidiary of SH Parent, Inc.), owns 87.5% of Surterra Texas, LLC. The remaining 12.5% of Surterra Texas, LLC is owned by Thomas Craddick of Austin, Texas. Mr. Craddick has no other relationship, contractual or otherwise, with the SH Parent, Inc. or any of its subsidiaries.

**Entity Phone:** 404-771-5914      **Entity Email:** tkrol@liveparallel.com      **Entity Website:**  
**Entity Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900      **Entity Address 2:**  
**Entity City:** Atlanta      **Entity State:** GA      **Entity Zip Code:** 30308      **Entity Country:** United States  
**Entity Mailing Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900      **Entity Mailing Address 2:**  
**Entity Mailing City:** Atlanta      **Entity Mailing State:** GA      **Entity Mailing Zip Code:** 30308      **Entity Mailing Country:** United States

**Business Interest in Other State 3**

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

**Owner First Name:**      **Owner Last Name:**      **Owner Suffix:**  
**Entity Legal Name:** DH Aldebaran, Inc.      **Entity DBA:**  
**Entity Description:** Surterra Holdings, Inc. (which is a wholly-owned subsidiary of SH Parent, Inc.), owns 100% of the equity of DH Aldebaran, Inc. which is located in Las Vegas, Nevada, and holds the following licenses for retail sales: 04584977759671021505 (recreational cultivation); 6761869836095912433 (transportation); 85580772744623674122 (recreational processing); 19938993413842066821 (medical processing); and 66181862498961066796 (medical cultivation).

**Entity Phone:** 404-771-5914      **Entity Email:** tkrol@liveparallel.com      **Entity Website:**  
**Entity Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900      **Entity Address 2:**  
**Entity City:** Atlanta      **Entity State:** GA      **Entity Zip Code:** 30308      **Entity Country:** United States  
**Entity Mailing Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900      **Entity Mailing Address 2:**  
**Entity Mailing City:** Atlanta      **Entity Mailing State:** GA      **Entity Mailing Zip Code:** 30308      **Entity Mailing Country:** United States

**Business Interest in Other State 4**

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

**Owner First Name:**      **Owner Last Name:**      **Owner Suffix:**  
**Entity Legal Name:** DH Flamingo, Inc.      **Entity DBA:**  
**Entity Description:** Surterra Holdings, Inc. (which is a a wholly-owned subsidiary of SH Parent, Inc.), owns 100% of the equity of DH Flamingo, Inc. which is located in Las Vegas, Nevada, and holds the following licenses for retail sales: 10749329530975088571

(medical dispensary) and 01359449685112111637 (recreational dispensary).

**Entity Phone:** 404-771-5914      **Entity Email:** tkrol@liveparallel.com      **Entity Website:**  
**Entity Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900      **Entity Address 2:**  
**Entity City:** Atlanta      **Entity State:** GA      **Entity Zip Code:** 30308      **Entity Country:** United States  
**Entity Mailing Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900      **Entity Mailing Address 2:**  
**Entity Mailing City:** Atlanta      **Entity Mailing State:** GA      **Entity Mailing Zip Code:** 30308      **Entity Mailing Country:** United States

#### Business Interest in Other State 5

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

**Owner First Name:**      **Owner Last Name:**      **Owner Suffix:**  
**Entity Legal Name:** Elefante Inc.      **Entity DBA:**

**Entity Description:** Elefante Inc. was formed in 2017 to conduct distribution, non-storefront retail (home delivery) and manufacturing of cannabis products in San Francisco, California. Elefante Inc. currently holds the following licenses: CDPH-10002404 (Level 6 Manufacturing, adult use/medicinal), issued by the CA Department of Public Health; C9-18-0000141-APP (non-storefront retail, adult use/medicinal), issued by CA Bureau of Cannabis Control; C11-0000519-LIC-BCC Provisional (Distribution, adult use/medicinal) issued by CA Bureau of Cannabis Control; Cert. 1078588-1166357-11-171, Licenses TO125NS (cannabis delivery-only retailer), TO124DF (cannabis distributor) and TO123MF (cannabis manufacturing facility [non-volatile]), all issued by the City and County of San Francisco, Office of Cannabis. Surterra Holdings, Inc. (which is a wholly-owned subsidiary of SH Parent, Inc.), through its wholly-owned subsidiary Surterra California, LLC, owns approximately 10.1% of the equity interest of Elefante, Inc.

**Entity Phone:** 832-969-8191      **Entity Email:** jt@elefanteinc.com      **Entity Website:**  
**Entity Address 1:** 472 Tehama St.      **Entity Address 2:**  
**Entity City:** San Francisco      **Entity State:** CA      **Entity Zip Code:** 94103      **Entity Country:** United States  
**Entity Mailing Address 1:** 472 Tehama St.      **Entity Mailing Address 2:**  
**Entity Mailing City:** San Francisco      **Entity Mailing State:** CA      **Entity Mailing Zip Code:** 94103      **Entity Mailing Country:** United States

#### Business Interest in Other State 6

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

**Owner First Name:**      **Owner Last Name:**      **Owner Suffix:**  
**Entity Legal Name:** Surterra California, LLC      **Entity DBA:**

**Entity Description:** Surterra California, LLC, a wholly owned subsidiary of Surterra Holdings, Inc. (which is a wholly-owned subsidiary of SH Parent, Inc.), owns approximately 10.1% of the equity interest of Elefante, Inc.

**Entity Phone:** 404-771-5914      **Entity Email:** tkrol@liveparallel.com      **Entity Website:**  
**Entity Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900      **Entity Address 2:**  
**Entity City:** Atlanta      **Entity State:** GA      **Entity Zip Code:** 30308      **Entity Country:** United States  
**Entity Mailing Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900      **Entity Mailing Address 2:**  
**Entity Mailing City:** Atlanta      **Entity Mailing State:** GA      **Entity Mailing Zip Code:** 30308      **Entity Mailing Country:** United State

#### Business Interest in Other State 7

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

**Owner First Name:**      **Owner Last Name:**      **Owner Suffix:**  
**Entity Legal Name:** Goodblend Pennsylvania LLC      **Entity DBA:**

**Entity Description:** Medical marijuana cultivation and retail stores

**Entity Phone:** 404-771-5914    **Entity Email:** tkrol@liveparallel.com    **Entity Website:**

**Entity Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900    **Entity Address 2:**

**Entity City:** Atlanta    **Entity State:** GA    **Entity Zip Code:** 30308    **Entity Country:** United States

**Entity Mailing Address 1:** 55 Ivan Allen Jr. Blvd. NW, Suite 900    **Entity Mailing Address 2:**

**Entity Mailing City:** Atlanta    **Entity Mailing State:** GA    **Entity Mailing Zip Code:** 30308    **Entity Mailing Country:** United States

### DISCLOSURE OF INDIVIDUAL INTERESTS

#### Individual 1

**First Name:** Individual Owners of New England Treatment Access, LLC    **Last Name:** Individual Owners of New England Treatment Access, LLC    **Suffix:**

**Marijuana Establishment Name:** New England Treatment Access, LLC    **Business Type:** Other

**Marijuana Establishment City:** Franklin, Northampton, Brookline    **Marijuana Establishment State:** MA

### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

**Establishment Address 1:** 162 Grove Street

**Establishment Address 2:**

**Establishment City:** Franklin    **Establishment Zip Code:** 02038

**Approximate square footage of the establishment:** 2200    **How many abutters does this property have?:** 12

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

### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	Host Community Agreement Certification Form.pdf	pdf	5db9e93390352a2b339aea7e	10/30/2019
Plan to Remain Compliant with Local Zoning	Local Compliance Plans.pdf	pdf	5db9ec2a6b4e192b1d2739f8	10/30/2019
Community Outreach Meeting Documentation	RFI_NETA Community Outreach Meeting Documentation_Redacted.pdf	pdf	5eda7a3df5e90617d832c11b	06/05/2020

**Total amount of financial benefits accruing to the municipality as a result of the host community agreement. If the total amount is zero, please enter zero and provide documentation explaining this number.:** \$300000

### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Plan for Areas of Disproportionate Impact_RFI.pdf	pdf	5e74cf082eba6d38ef16254e	03/20/2020

### ADDITIONAL INFORMATION NOTIFICATION

**Notification:** I understand



**ENTITY BACKGROUND CHECK INFORMATION**

## Entity Background Check Information 1

Role: Parent Company

Other Role:

Entity Legal Name: Green Health Endeavors, LLC

Entity DBA:

**Entity Description:** The entity owns 15.46% of New England Treatment Access, LLC through its ownership interest in SH Parent, Inc. The entity is managed by a trust (Trust #101) whose Trustee and sole beneficiary is the Chairman of SH Parent, Inc.'s Board of Directors and Chief Executive Officer, William Wrigley, Jr.

Phone: 312-832-6100

Email: mzinsky@wmiteam.com

Primary Business Address 1: 10435 Riverside Dr., Suite 105

Primary Business

Address 2:

Primary Business City: Palm Beach Gardens

Primary Business State: FL

Principal

Business Zip

Code: 33410

Additional Information:

## Entity Background Check Information 2

Role: Parent Company

Other Role:

Entity Legal Name: Trust #101

Entity DBA:

**Entity Description:** The entity owns 15.46% of New England Treatment Access, LLC through its ownership interest in Green Health Endeavors, LLC, which owns 16.7% of SH Parent, Inc. The entity's sole role is to act as Manager of Green Health Endeavors, LLC.

Phone: 312-832-6100

Email: ip@wmiteam.com

Primary Business Address 1: 101 N Clematis St., Suite 200

Primary Business Address

2:

Primary Business City: West Palm Beach

Primary Business State: FL

Principal Business

Zip Code: 33401

Additional Information:

## Entity Background Check Information 3

Role: Parent Company

Other Role:

Entity Legal Name: SH Parent, Inc.

Entity DBA:

**Entity Description:** The entity is the parent company that owns and acts as the sole Manager of New England Treatment Access, LLC directly or indirectly (through 100% ownership of CBPB Holdings, Inc., an entity that currently owns interests in New England Treatment Access, LLC). In addition to the equity of New England Treatment Access, LLC and CBPB Holdings, Inc. the only other assets the entity owns are Molecular Infusions, LLC and Surterra Holdings, Inc. (and all subsidiaries of Surterra Holdings, Inc.). The entity's role is to hold securities in CBPB Holdings, Inc., New England Treatment Access, LLC, Surterra Holdings, Inc., and Molecular Infusions, Inc. and to manage the businesses of Surterra Holdings, Inc., New England Treatment Access, LLC and Molecular Infusions, LLC. The entity will own 100% of New England Treatment Access, LLC through both direct ownership and 100% ownership of CBPB Holdings, Inc., an entity that currently owns interests in New England Treatment Access, LLC.

Phone: 404-984-9827

Email: llinder@liveparallel.com

Primary Business Address 1: 55 Ivan Allen Blvd. NW, Suite 900

Primary Business

Address 2:

Primary Business City: Atlanta

Primary Business State: GA

Principal

Business Zip

Code: 30308

Additional Information: Civil Actions:

I. License 1237, Inc. v. Surterra Holdings, Inc.

Case No.: 19-CA-7535

Circuit Court of the Thirteenth Judicial Circuit, Hillsborough County, Florida.

On July 18, 2019, License 1237, Inc. filed a civil complaint against Surterra Holdings, Inc. alleging breach of contract. On August 26, 2019, the court denied License 1237, Inc.'s motion seeking emergency injunctive relief. The parties have since agreed to settle the dispute and expect to be executing a settlement agreement imminently.

II. Yakov Sherman vs. Surterra Wellness & Peter Nelson (Surterra employee)

Case No.: 11-2019-SC-002513-0001

Small Claims Court, Collier County, Florida

On September 10, 2019, a customer filed a civil complaint against Surterra Wellness and an employee alleging false advertising and discrimination related to an advertisement offering a 50% discount on one product. The plaintiff alleged he was entitled to a 50% discount on his entire purchase. Trial is set for January 8, 2020.

III. D.H. FLAMINGO, INC., d/b/a THE APOTHECARY SHOPPE; SURTERRA HOLDINGS, INC. ET AL v. STATE EX REL. DEPARTMENT OF TAXATION ET AL

Case No.: A-19-787035-C

District Court, Clark County, Nevada

On September 6, 2019, D.H. Flamingo, Inc. ("Applicant"), together with certain other petitioners, filed a civil complaint against the Nevada Department of Taxation ("Department") and certain other defendants seeking: (1) judicial Review of the Department's denial of Applicant's administrative appeal challenging the Department's denial of Applicant's September 2018 marijuana license applications; (2) a Writ of Certiorari regarding the Department's review, scoring, and ranking of Applicant's marijuana license applications; (3) a Writ of Mandamus compelling the Department to re-administer the September 2018 application cycle; a (4) a Writ of Prohibition preventing the Department from issuing any licenses from the September 2018 application cycle. On October 3, 2019, MM Development Company, Inc. and LivFree Wellness, LLC d/b/a The Dispensary filed a counterclaim against the Applicant, Surterra Holdings, Inc. and Nicholas Spiritos (a former owner of the Applicant) alleging tortious interference with prospective economic advantage based on statements made by one Nicholas Spiritos. The Applicant has filed a motion to dismiss such counterclaim.

IV. Michael Isaac v. Surterra Staffing, LLC

Case No.: 2018CA001981

2nd Judicial Circuit Court, Leon County, Florida

On September 10, 2018, a former employee filed a civil complaint against Surterra Staffing, LLC alleging wrongful termination. The parties agreed to a confidential settlement agreement and the case was dismissed.

V. Alpha Foliage, Inc. and Surterra Florida, LLC v. Department of Health

Case No.: 2019CA001184

2nd Judicial Circuit Court, Leon County, Florida

In 2017, the Florida Legislature amended section 381.986, Florida Statutes, to add subsection 381.986(8)(a)5., which places limitations on the number of dispensing facilities a Medical Marijuana Treatment Facility ("MMTC") may establish and operate, a limitation which was not present in the prior statute first enacted in 2014. Subsection 381.986(8)(a)5., was subsequently challenged as unconstitutional by another MMTC. That case resulted in a settlement agreement with the Department of Health, wherein the Department of Health grandfathered several dispensing locations, which were in progress prior to the effective date of the amendments. Subsequently, Alpha Foliage, Inc. and Surterra Florida, LLC, filed a three-count declaratory judgment action against the Department of Health challenging

limitations added in 2017 on the number of dispensing facilities that an entity may establish and operate, including a claim that section 381.986(8)(a)5. is unconstitutional. Shortly after the Complaint was filed, but prior to service of the Complaint, it was determined that the best means to amicably resolve the issues would be to file a Petition for Declaratory Statement with the Department of Health requesting the Department to agree that a certain number of dispensing locations were identified and/or approved prior to the 2017 amendments and that such locations should be grandfathered and not counted toward to the new statutory cap. Thus, this action was voluntarily dismissed.

VI. Van Dyk v. Surterra Holdings, Inc. and Robert Jacob Bergmann

Case No.: 1:18CV1808

US District Court for the Northern District of Georgia

In September 2017, an arbitration commenced between Mr. Van Dyk and both Surterra Holdings, Inc. and Robert Jacob Bergmann regarding a dispute about Mr. Van Dyk's separation from the Company. The parties reached a confidential, mutually-agreeable settlement on July 26, 2018 and the arbitration was dismissed with prejudice on August 21, 2018. Related to the arbitration, Surterra Holdings, Inc. brought actions seeking to enjoin the arbitration proceedings in part. See Surterra Holdings, Inc. v. Van Dyk, Case No. 2018CV304877 (Ga. Fulton County Superior Court 2018). Those actions have both been dismissed.

VII. Air One One, LLC v. Surterra Florida Cultivation Holdings, LLC, Surterra Florida, LLC, and Surterra Holdings, Inc.

Case No. 17-CA-005648

13th Judicial Court, Hillsborough County, Florida

On June 14, 2017, Air One One, LLC filed a construction lien regarding a dispute over payment under a construction contract. Surterra Florida Cultivation Holdings, LLC, Surterra Florida, LLC, and Surterra Holdings, Inc. were all named as defendants. The case was dismissed on July 31, 2017.

VIII. Ring Power Corporation v. Surterra Holdings, Inc.

Case No.: 16-2017-CA-000290-XXXX-MA

4th Judicial Court, Duval County, Florida

On January 17, 2017, Ring Power Corporation filed an action for an open account against Surterra Holdings, Inc. The case was dismissed on January 26, 2017.

IX. AJ&J Holdings, LLC v. WC Fort Lauderdale Botanicals, LLC and Surterra Holdings, Inc.

Case No.: CACE 18-025938

17th Judicial Court, Broward County, Florida

On November 12, 2018, AJ&J Holdings, LLC ("Landlord") filed a lawsuit against SWC Fort Lauderdale Botanicals, LLC ("Tenant") and Surterra Holdings, Inc. ("Guarantor"), alleging that Tenant and Guarantor breached their obligation under that certain Lease, dated July 16, 2018, by and between AJ&J Holdings, LLC and SWC Fort Lauderdale Botanicals, LLC (the "Lease"). The parties agreed to a confidential settlement agreement and the case was dismissed.

X. Cyber Hat Ltd. v. Surterra Holdings, Inc.

The Tel Avis-Jaffa Magistrates Court, Israel

On November 13, 2019, Cyber Hat Ltd ("Vendor") delivered a Statement of Claim to Surterra Holdings, Inc. ("Customer"), alleging that Customer breached their obligations under that certain Terms of Service Agreement, entered into on or about August 21, 2018, by and between Vendor and Customer (the "Cyber Hat Agreement") by terminating the Cyber Hat Agreement. This matter is still in its early stages and the Company has 60 days from the delivery of the Statement of Claim to file a Statement of Defense.

XI. Bergmann, Robert Jacob v. Surterra Holdings, Inc.

Case No. 2019-0828-TMR

On October 17, 2019, Mr. Bergmann filed a petition for appraisal of stock of Surterra Holdings, Inc. ("Company") requesting a determination of the fair value of shares of the Company's common stock and exercising his appraisal rights under Delaware law, which allows stockholders to opt to receive the fair value of their shares of stock as determined by the court rather than the transaction consideration. The Company filed an Answer to Petition for Appraisal on November 11, 2019.

[Entity Background Check Information 4](#)

**Role:** Parent Company

**Other Role:**

**Entity Legal Name:** SH Parent, Inc.

**Entity DBA:**

**Entity Description:** The entity is the parent company that owns and acts as the sole Manager of New England Treatment Access, LLC directly or indirectly (through 100% ownership of CBPB Holdings, Inc., an entity that currently owns interests in New England Treatment Access, LLC). In addition to the equity of New England Treatment Access, LLC and CBPB Holdings, Inc. the only other assets the entity owns are Molecular Infusions, LLC and Surterra Holdings, Inc. (and all subsidiaries of Surterra Holdings, Inc.). The entity's role is to hold securities in CBPB Holdings, Inc., New England Treatment Access, LLC, Surterra Holdings, Inc., and Molecular Infusions, Inc. and to manage the businesses of Surterra Holdings, Inc., New England Treatment Access, LLC and Molecular Infusions, LLC. The entity will own 100% of New England Treatment Access, LLC through both direct ownership and 100% ownership of CBPB Holdings, Inc., an entity that currently owns interests in New England Treatment Access, LLC.

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**Primary Business Address 1:** 55 Ivan Allen Blvd. NW, Suite 900

**Primary Business  
Address 2:**

**Primary Business City:** Atlanta

**Primary Business State:** GA

**Principal  
Business Zip  
Code:** 30308

**Additional Information:** Note: This is a continuation of the background information provided for the previous entry, "SH Parent, Inc." due to spatial constraints.

Civil Actions (cont.):

XII. Boise Cascade

On April 17, 2019, Boise Cascade filed a civil complaint against New England Treatment Access, LLC. "NETA") in the U.S. District Court for the District of Massachusetts. The suit alleges trademark infringement, unfair competition, and related claims under federal and state law arising from NETA's use of a tree logo trademark, which Boise Cascade claims is unlawfully similar to its own tree logo trademark. The parties have filed a stipulated motion to extend time to respond to the complaint, and are engaged in settlement discussions.

XIII. Little Children's Schoolhouse et al.

Plaintiffs filed suit in the Norfolk County Land Court, Massachusetts, seeking to enjoin a special permit granted by the Brookline Zoning Board of Appeals to the Company that permitted the operation of a medical marijuana dispensary at NETA's Brookline Facility. The Norfolk Land Court dismissed plaintiffs' motion and granted the Company's motion for summary judgment holding that, as a matter of law, there was no buffer zone requirement prohibiting the Company from operating a dispensary at the Brookline Facility. The parties subsequently filed a Stipulation of Dismissal, dated September 21, 2016, thereby dismissing the suit and waived all rights of appeal.

XIV. Lee Edward Smith

Lee Smith, a former NETA employee, filed a small claims suit in Wrentham District Court against the Company alleging the conversion of personal property (including tools and clothing). A magistrate judge conducted the trial and entered a judgment in favor of the Company, concluding that the Company did not have to pay any part of the claim or any related costs to Mr. Smith.

XV. B-P Trucking, Inc.

B-P Trucking, Inc. filed a complaint in the Superior Court of Middlesex County alleging that the Company unilaterally terminated the agreement between the parties and, as a result, that the Company owed B-P Trucking liquidated damages, as specified in agreement. The parties agreed to settle the dispute and entered into that certain Mutual Release and Settlement of Claims, dated October 31, 2018, between the Company and B-P Trucking.

Administrative Actions – Adjudicatory Proceedings:

XVI. Alpha Foliage, Inc. and Surterra Florida, LLC v. Department of Health  
Case No.: 19-2261RU

Florida Division of Administrative Hearings

On April 29, 2019, Alpha Foliage, Inc. and Surterra Florida, LLC, filed an administrative challenge to the position of the Department of Health regarding the interpretation and application of section 381.986(8)(a)5., a new subsection added in 2017, which places limitations on the number of dispensing facilities a Medical Marijuana Treatment Facility (“MMTC”) may establish and operate. In this administrative proceeding, Surterra sought a final order from the Division of Administrative Hearings determining that the Department of Health’s plan on how to treat dispensary facility locations identified and/or approved for an entity initially licensed as a Low-THC Dispensing Organization will count toward the statutory limitation, is invalid. Subsequently, the parties determined that the declaratory statement process would be a better mechanism by which to achieve the desired result, i.e., the grandfathering of previously identified and/or approved dispensing locations. The administrative challenge was voluntarily dismissed. Subsequently, a Petition for Declaratory Statement was filed with the Department of Health. On August 5, 2019, the Department issued a Final Order grandfathering six (6) dispensing locations and determining that those locations would not count toward the statutory limitation imposed by the 2017 amendments.

XVII. Edward Parker v. Surterra Staffing, LLC  
Case No.: 511-2019-01035

Florida Equal Opportunity Employment Commission

On January 24, 2019, a former employee filed a charge of discrimination with the Florida Equal Employment Opportunity Commission (“EEOC”) against Surterra Staffing, LLC alleging employment discrimination. To date, the EEOC has taken no action on the charge.

XVIII. Lissi Lytle v. Surterra Wellness  
Case No.: 19-022754SLR

Florida Office of the Judges of Compensation Claims

On September 9, 2019, a former employee filed a petition for worker’s compensation benefits with the Florida Office of the Judges of Compensation Claims (“OJCC”). On September 12, 2019, Judge Rosen of the OJCC assigned the matter to a state mediator. The parties are currently mediating the matter in accordance with Judge Rosen’s order.

XIX. Yvonne Parkson- Jackson v. Surterra Wellness  
NERC Charge Number: 0905-19-0467L  
EEOC Charge Number:34B-2019-00867

Nevada Equal Rights Commission

On October 31, 2019, the Company was sent a notice of a charge of discrimination filed with the Nevada Equal Rights Commission (“EEOC”) against Surterra Wellness by a former employee Yvonne Parkson-Jackson alleging employment discrimination. This matter is still in its early stages and the Company must submit a written position statement to the EEOC by January 8, 2020.

Administrative Actions – Notices of Violation/Other:

I. Florida Department of Health

A. Per Section 381.986(8)(e)9., Florida Statutes, Surterra Florida, LLC's processing facilities were requested to demonstrate that its processing facilities had passed a Food Safety Good Manufacturing Practices certification within 12 months of licensure. Surterra Florida, LLC's facilities did not comply with this timeline. On July 13, 2018 Surterra Capitola, LLC ("Capitola") was shut-down at 11:59 PM because it had not yet completed the Food Safety Good Manufacturing Practices inspection. On July 19, 2018, Capitola passed a Food Safety Good Manufacturing Practices inspection. On July 20, 2018, the Florida Department of Health authorized Capitola to reopen.

B. Per Section 381.986(8)(e)9., Florida Statutes, Surterra Florida, LLC's processing facilities were requested to demonstrate that its processing facilities had passed a Food Safety Good Manufacturing Practices certification within 12 months of licensure. Surterra Florida, LLC's facilities did not comply with this timeline. On July 13, 2018, SWC Village Square Botanicals, LLC ("Village Square") was shut-down at 11:59 PM because it had not yet completed the Food Safety Good Manufacturing Practices inspection. On July 20, 2018, Village Square passed a Food Safety Good Manufacturing Practices inspection. On July 20, 2018, the Florida Department of Health authorized Village Square to reopen.

C. Surterra Wimauma, LLC ("Wimauma") applied to the Florida Department of Health ("DOH") for marijuana processing authorization at its Wimauma facility on April 17, 2018. At 6:00 p.m. on July 6, 2018, the DOH approved Wimauma's processing authorization. At 6:01 p.m. on July 6, 2018, the DOH sent Wimauma a letter stating that the Wimauma facility would be shut down on July 13, 2018 if the facility did not obtain GMP certification by that time. The Wimauma facility did not commence processing marijuana at that time. Following the Wimauma facility passing a Food Safety Good Manufacturing Practices inspection on July 31, 2018, the DOH authorized the Wimauma facility to resume processing on August 1, 2018.

D. On May 7, 2018, the Florida Department of Health ("DOH") ordered Surterra Florida, LLC ("Surterra Florida") to cease and desist selling and advertising its Florida's Finest product line, because it had not yet approved the processing, dispensing, and advertising of the Florida's Finest products. Surterra Florida, LLC immediately complied with the cease and desist order. On May 11, 2018, the DOH approved the sale of the Florida's Finest Products. On June 18, 2018, the DOH approved the advertising of the Florida's Finest Products.

Entity Background Check Information 5

Role: Parent Company

Other Role:

Entity Legal Name: SH Parent, Inc.

Entity DBA:

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**Additional Information:** Note: This is a continuation of the background information provided for the previous entry, "SH Parent, Inc." due to spatial constraints.

#### Administrative Actions – Notices of Violation/Other (cont.):

E. On January 10, 2018, Surterra Florida, LLC submitted an application to renew Alpha Foliage Inc.'s ("Alpha Foliage") Medical Marijuana Treatment Center license. The Florida Department of Health ("DOH") inspected Surterra Florida, LLC's facilities as part of the application renewal process. On February 19, 2018, Surterra Florida, LLC received a notice from the DOH detailing possible deficiencies. Surterra Florida, LLC replied to the notice of possible deficiencies on March 12, 2018, June 20, 2018, and July 26, 2018. On August 22, 2018, the DOH renewed Alpha Foliage's Medical Marijuana Treatment Center license. Surterra Florida, LLC's facilities were allowed to remain open during the process and no sanctions were imposed.

F. On July 7, 2017, the Florida Department of Health ("DOH") sent Surterra Florida, LLC a notice that the secure-access features at the entity's Village Square facility did not meet the representations in Surterra Florida, LLC's application. On July 17, 2017, Surterra Florida, LLC submitted a corrective action plan in response to the DOH's July 7th notice. The plan was accepted, and no sanctions were imposed.

#### II. Texas Department of Public Safety

A. On May 17, 2018, Surterra Texas, LLC ("Surterra Texas") received a notice of violation of Section 487.151 of the Texas Health and Safety Code from the Texas Department of Public Safety, alleging that Surterra Texas had one new employee on its premises before the Texas Department of Public Safety registered the employee. On June 13, 2018, Surterra Texas filed a corrective action plan in response to this notice of violation. The plan was accepted, and no sanctions were imposed.

#### III. Nevada Department of Taxation

A. In August and September of 2019, the Nevada Department of Taxation ("Department") issued three advisories to consumers, which stated that marijuana sold by D.H. Flamingo, Inc. failed laboratory testing for concentrations of yeast and mold in excess of state regulations. The Department did not send any notice of deficiency to D.H. Flamingo, Inc. or initiate any other administrative action. One notice explained "There is no reason to believe that the dispensaries or cultivators had any knowledge that the products exceeded allowable limits." Another notice explained "At this time, there is no indication that the Cultivators, Retail Marijuana Stores or Medical Marijuana Dispensaries were aware the marijuana failed a test for total yeast and mold. The initial testing laboratory provided passing results to the affected marijuana, but the Department subsequently requested follow up testing."

#### IV. Massachusetts Department of Public Health

A. Deficiency statement issued to New England Treatment Access, LLC. ("NETA") on 6/7/16 claiming a violation of: "RMD storage areas shall be free from infestation by insects, rodents, birds, and pests of any kind." The Company corrected this deficiency by timely and properly responding to the DPH and by implementing a QC check of the exterior of containers before being brought into the vault.

B. Deficiency statement issued to NETA on 6/13/16 claiming a violation after a valid patient "piggybacked" into the Company's security vestibule as another valid patient entered. Although the patient was not allowed into the dispensary without verification of ID, the Company's protocol was to confirm the patient ID prior to entry into security vestibule. The Company contested this deficiency, but also installed new signage to better inform patients of entry protocols as a corrective action.

C. Deficiency statement issued on 6/29/16 regarding inadequate backup power in the event of a power loss. The Company had initially gotten the OK from DPH to use UPS backup battery power, but during this inspection it was decided by DPH that this was insufficient. The Company corrected this by timely and properly responding to the DPH and by installing new generators at its locations.

D. Deficiency statement issued on 3/14/18 due to construction equipment being left in a veg room that had previously undergone some construction. This was corrected by timely and properly responding to the DPH and by cleaning up the equipment and removing it from the room.

#### V. Massachusetts Cannabis Control Commission

A. New England Treatment Access, LLC ("NETA"):

Deficiency Statement issued on February 12, 2019 resulting in from a pre-licensing inspection for the NETA Brookline dispensary adult use license. The statement claimed that there was insufficient camera coverage in the vault and hallway leading to the second floor, that there was no signage or barrier limiting access to the stairway to the second floor, and that additional Security Staff were needed to escort product moving from the second-floor packing room to the vault. The Company contested this deficiency by asserting that the inspection was part of the pre-licensing process. However, the Company promptly responded to these notes made by the CCC by adding the requested cameras, adding additional limited access signage and security chain to the stairwell, and hiring additional Security Staff to escort product as it is transferred between the vault and packing room.

**B. NETA:**

Deficiency statement issued on 10/28/19 claiming a failure to submit certain marijuana capsules for laboratory testing in accordance with Commission regulations and a failure to follow standard operating procedures with respect to such laboratory testing. Deficiency statement required NETA to submit a written plan of correction for the claimed deficiencies within 10 business days. NETA submitted a plan of correction on 11/7/19, which plan states, with respect to each deficiency, the specific corrective step(s) to be taken, a timetable for such steps, and the date by which compliance will be achieved. The Commission has not yet notified NETA of its acceptance or rejection of the plan.

**VI. Occupational Safety and Health Administration ("OSHA")**

**A. OSHA - 1216608: New England Treatment Access, LLC. ("NETA")**

**1. Alleged Violation:**

- a. Employees are exposed to heavy metals such as lead, nickel, cadmium, and thallium.
- b. Employees are exposed to mold this is inside the bins and on the walls.
- c. Employees are using chemicals such as peroxide without being provided the proper PPE.

**2. The Company's Response:**

- a. Found no evidence - All products are fully tested by third-party ISO accredited laboratories (such as CDX) prior to being sent to the dispensary for sale.
- b. Found no evidence - Environmental factors are tightly controlled. Product is tested for mold, yeast, bacterial and other biological pathogens, by independent laboratories such as MCR Lab, Framingham, MA. No product is delivered to the dispensaries that has not passed state testing protocols.
- c. Found no evidence - There is no use of hydrogen peroxide in any concentration, for any purpose, at this location. Employees are provided respirators as needed so long as they complete an OSHA respirator Questionnaire and Fit-Test.

The Company's response was accepted by OSHA and no further action was required.

**Entity Background Check Information 6**

**Role:** Parent Company

**Other Role:**

**Entity Legal Name:** SH Parent, Inc.

**Entity DBA:**

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Administrative Actions – Notices of Violation/Other (cont.):

B. OSHA - 1300895: NETA

1. Alleged Violation:

- a. There is mold covering the outside and behind the walls in the flowering room area.
- b. Employees were using hydrogen peroxide to clean product, and they were not provided with any personal protective equipment or training on the hazards of the chemical.

2. The Company's Response:

- a. Immediately upon receipt, we advised our two environmental services technicians to investigate the walls outside and behind the flowering room area and did not find any evidence of mold.
- b. While our cultivation team briefly used hydrogen peroxide as a remediation method for a short period in 2015, the practice was discontinued as more effective practices were identified and has not been used in over 2 years. Furthermore, our Personal Protective Equipment program requires the training and proper use of PPE for any potentially hazardous activities.

C. OSHA – 1341383: NETA

1. Alleged Violation:

- a. Employees are exposed to struck-by hazards while carrying heavy objects such as tables, doors, cabinets, sinks, and bookshelves, and are not provided safety shoes.
- b. Employees are exposed to fiberglass insulation, and are not provided the appropriate personal protective equipment.

2. The Company's Response:

- a. Immediately upon receipt, we advised our Director of Dispensary Operations and Northampton dispensary Team Lead to investigate these matters directly to ensure employees had access to personal protective equipment (PPE) and that all construction was occurring behind closed or sealed off areas to which they replied that there was adequate PPE and all construction was being completed safely. While our Northampton location is undergoing construction, our employees' exposure to fiberglass insulation is limited. The construction area is blocked off and completed behind plastic sheets that are taped together to prevent particulates from escaping the construction area. Any employees working near these construction areas are provided with safety glasses and N95 particulate masks. All employees were fully trained through our Personal Protection Equipment Program, which instructs employees when to use PPE, how to select the correct PPE for the situation or task, and how to properly wear and care for PPE. The Northampton retail location also contains a PPE kit that includes various different types of PPE, including N95 particulate masks, which are readily available, restocked and maintained by our inventory team.
- b. Employees are required to follow our company policy that addresses appropriate footwear for a retail setting, a closed-toed shoe with a non-slip sole. As part of our Environmental Health and Safety program, bi-annual hazard assessments are conducted at the location. It was identified that employees are not exposed to falling or rolling objects, and there are no electrical safety hazards. The Company's response was accepted by OSHA and no further action was required.

D. OSHA – 1015635: NETA

1. Alleged Violation:

- a. There is no eyewash or shower for drenching of the eyes or body in the wash bay where caustic chemicals are handled.
- b. There are no mirrors so that workers can see around corners when operating manual jacks so that they do not collide with workers pushing carts towards the same intersection.
- c. There is only one exit from the Trim Dept.

2. The Company's Response:

- a. The wash bay in question is in and of itself, a shower and washing station which contains water, a shower head, and water hose. However, due to the concerns relayed, we have taken the additional steps to also install eyewash stations directly across from the wash bay, as well as in 4 other locations throughout the work area in locations where "plant nutrients" are being handled by employees. Please see the attached photos (#1 - #6) which may be helpful in demonstrating the existing stations and actions taken.
- b. The corners in question are clearly marked with yellow indicators and are designed to be both wide and open enough to allow for safe passage for all employees and carts or other materials. However, we do understand that the walls on these corners are rather tall and when employees are walking closely to the sides, they may not have a full view of the opposite corner. Therefore, we have installed 5

mirrors at designated high-volume areas to assist in corner viewing and increase employee safety in these areas. Please see the attached photos (#7 - #11) which may be helpful in demonstrating the actions taken.

c. The Trim Department is a room that is occupied by a small number of employees (less than 50 people) and has two designated evacuation routes from the exit door, which swings out in the direction of travel moving to the exit routes. These exit routes have been clearly marked and have exit signs that are clearly visible within the line of sight. The exit routes have ceilings of at least 7ft, 6 inches high and are at least 28 inches wide at all points. The exit discharges lead directly outside of the building and unlock from the inside and are free from restrictions of use. Please see the attached photos (#12 & #13) which may also be helpful in demonstrating these routes. The Company's response was accepted by OSHA and no further action was required.

E. OSHA – 1091317: NETA

1. Alleged Violation:

- a. There is mold in the growth room, and some employees are experiencing hives and respiratory symptoms
- b. The ventilation system does not separate the application area from other areas where employees are not wearing proper personal protective equipment

2. The Company's Response:

- a. There is no mold in our growth room. Our employees are not having any reactions (hives, respiratory or other) that have been identified as relative to such. There is cannabis dust in our Harvest (or Trim) Room, and some people have been known to be slightly allergic. Just as many types of pollen from plants, such as ragweed, flowers and trees, can cause allergic reactions in some people, marijuana is no different. Marijuana flowers produce pollen that can cause reactions to some individuals. A marijuana allergy can cause skin or hay-fever type symptoms which resemble tree or pollen allergies, such as: sneezing, redness, rash or hives, dry or scaly skin, congestion sore throat, itchy or watery eyes. We have our staff utilize long sleeved uniforms, and wear gloves at all times, additionally masks are available for anybody that would like to use them. We have industrial air cleaners in the trim room and the air has been tested by a 3rd party lab. Additionally, our rooms are cleaned on a regular basis, utilizing bio green clean, which is a food safe product to ensure that our environment is safe for our employees as well as our products.
- b. The ventilation system does not separate the application area from other areas where employees are not wearing proper personal protective equipment." Our grow rooms are in closed systems with their own HVAC systems. Our ventilation systems have been implemented within the past two years, as our facility has been in full operation for under one year. We currently have an ongoing air conditioning project which will allow us to further separate all of the areas within the facility and add cooling throughout the facility. The Company's response was accepted by OSHA and no further action was required.

Entity Background Check Information 7

Role: Parent Company

Other Role:

Entity Legal Name: SH Parent, Inc.

Entity DBA:

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**Additional Information:** Note: This is a continuation of the background information provided for the previous entry, "SH Parent, Inc." due to spatial constraints.

Administrative Actions – Notices of Violation/Other (cont.):

F. OSHA – 1428632: NETA

1. Alleged Violation:

a. Trim Room: There is poor indoor air quality and mold growth. Employees have been experiencing respiratory ailments and cold-like symptoms.

2. The Company's Response:

a. As part of NETA's Environmental Health and Safety program, bi-annual hazard assessments are conducted at the location and each department, position, and task is assessed. We also have the air quality tested and analyzed by a 3rd party laboratory for particulates and mold exposure within the Trim Room, and these results have shown that the environment is safe to work in. We require that our staff utilize long-sleeved uniforms and wear nitrile gloves at all times, as working with plant matter can result in various allergic reactions. We include PPE and Injury & Illness reporting during an employee's new hire orientation as well as offer N95 particulate masks for use along with dental masks in various sizes and styles.

b. Additionally, we have implemented a Respirator Program for any employees that request a respirator mask (which is voluntary), which includes a medical approval and fit-test by our 3rd party occupational health provider, and implemented a comprehensive Incident Reporting Program to investigate each injury, illness, or incident that occurs in the workplace and provide corrective solutions. We also have installed two (2) industrial air cleaners within the Trim Room which run for the duration of the workday as well as rooftop-mounted HVAC units with photocatalytic ultra-violet oxidizers, exchanging the air within the Trim Room every 12 minutes. Employees are encouraged and rewarded for participating and notifying management about potential health and safety concerns as well as how to address those concerns with effective solutions.

The Company's response was accepted by OSHA and no further action was required.

VII. Massachusetts Department of Environmental Protection

A. New England Treatment Access LLC. (NETA")

Notice of Non-Compliance (NON) was issued on November 9, 2018 as a result of odor complaints. Corrective action includes a number of new odor mitigation efforts, such as charcoal filters, that the Company has put in place. This NON is currently being addressed by the Company.

VIII. Massachusetts Architectural Access Board

A. New England Treatment Access, LLC.

1. Alleged Violation:

a. A patron filed a complaint with the Massachusetts Architectural Access Board ("AAB") alleging that NETA's parking lot configuration did not comply with state accessibility requirements. NETA received an AAB complaint form, which was completed by the patron, but never received a formal notice of investigation or inquiry from the AAB or any other authority as a result of the complaint.

2. The Company's Response:

a. NETA met with the complaining patron at NETA's Brookline dispensary and, although NETA did not believe its parking lot configuration violated any state, federal, or local law, reached an informal resolution with the complaining patron with respect to access to the facility.

IX. Other Regulatory Violations

A. On September 23, 2018, a banner advertisement displaying the Surterra Wellness Logo was attached to an airplane and flown over TIAA Bank Field in Jacksonville, Florida during a nationally televised professional football game. On October 8, 2018, Alpha Foliage, Inc. ("Alpha Foliage") received a warning and a \$500 fine for violating Section 381.986(8)(h), Florida Statutes (medical marijuana advertising restrictions). Surterra Florida, LLC ("Surterra Florida") paid the fine.

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload
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					Date
Articles of Organization	Second Amended and Restated Limited Liability Company Agreement.pdf	pdf	5db9dbb090352a2b339ae9e9		10/30/2019
Bylaws	Second Amended and Restated Limited Liability Company Agreement.pdf	pdf	5db9dbb8c9aebd2b498aa82d		10/30/2019
Department of Revenue - Certificate of Good standing	DOR Letter of Good Standing 120319.pdf	pdf	5defe9e9d5b0805341c65fed		12/10/2019
Secretary of Commonwealth - Certificate of Good Standing	SOTC Letter of Good Standing 112619.pdf	pdf	5defea1c26aa77532085f5a9		12/10/2019
Secretary of Commonwealth - Certificate of Good Standing	NETA_Unemployment Letter of Good Standing 031720.pdf	pdf	5eda79ef1c2dbc24d01a05e6		06/05/2020

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Unemployment Assistance - Certificate of Good standing	Unemployment Letter of Good Standing.pdf	pdf	60fee170ccf53908baf48959	07/26/2021
Department of Revenue - Certificate of Good standing	DOR Letter of Good Standing.pdf	pdf	60fee171b27f97082de35b55	07/26/2021
Secretary of Commonwealth - Certificate of Good Standing	Sec of State - Letter of Good Standing.pdf	pdf	60fee172c7a0ef087bc7ef79	07/26/2021

Massachusetts Business Identification Number: 001318218

Doing-Business-As Name:

DBA Registration City:

**BUSINESS PLAN**

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	2021 Business Plan.pdf	pdf	61097872bde213399f80e045	08/03/2021
Plan for Liability Insurance	Liability Policy (1).pdf	pdf	610c09957671e237b2f0358c	08/05/2021

**OPERATING POLICIES AND PROCEDURES**

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for obtaining marijuana or marijuana products	2021 Obtaining Marijuana and Marijuana Products.pdf	pdf	610308ab2c0e380876f8af03	07/29/2021
Separating recreational from medical operations, if applicable	2021 - Separating Med from Rec.pdf	pdf	610308ccca9506085969bf3c	07/29/2021
Restricting Access to age 21 and older	2021 Patient-Customer Verification.pdf	pdf	610308e9314c7a086de99679	07/29/2021
Security plan	2021 MA Security.pdf	pdf	6103092f371f960874737a3d	07/29/2021
Prevention of diversion	2021 Prevention of Diversion - Narrative.pdf	pdf	61030968996a07084e661b4c	07/29/2021

Storage of marijuana	2021 Storage of marijuana-narrative.pdf	pdf	61030971004ebe08af5abc2b	07/29/2021
Transportation of marijuana	2021_MA Transportation of Marijuana SOP.pdf	pdf	6103097ac7a0ef087bc80395	07/29/2021
Quality control and testing	2021_MA Quality Control.pdf	pdf	610309aec7a0ef087bc8039b	07/29/2021
Personnel policies including background checks	2021 Personnel and Agent Registration.pdf	pdf	61030a8bca9506085969bf5d	07/29/2021
Record Keeping procedures	2021_MA Required Recordkeeping.pdf	pdf	61030bf2996a07084e661b6d	07/29/2021
Maintaining of financial records	2021 Maintaining of Financial Records.pdf	pdf	61030c01b27f97082de36ed5	07/29/2021
Diversity plan	2021 Diversity and Inclusion Final.pdf	pdf	61030c26371f960874737a60	07/29/2021
Qualifications and training	2021 Qualifications and Training.pdf	pdf	61030c2f9a5de6088a18c728	07/29/2021
Energy Compliance Plan	2021 - MA Energy Compliance.pdf	pdf	61030ccc371f960874737a69	07/29/2021
Dispensing procedures	2021 Dispensing Procedures.pdf	pdf	61030d13ca9506085969bf80	07/29/2021
Inventory procedures	2021_MA Inventory.pdf	pdf	61030fa6996a07084e661b84	07/29/2021
Restricting Access to age 21 and older	Restricting Access to age 21 and older - narrative.pdf	pdf	610978bb67158339c0ec2462	08/03/2021

### MARIJUANA RETAILER SPECIFIC REQUIREMENTS

Adequate Patient Supply Documentation:

Document Category	Document Name	Type	ID	Upload Date
	2021 Adequate Patient Supply.pdf	pdf	610312f3801ea30834dab1ce	07/29/2021

Reasonable Substitutions of Marijuana Types and Strains Documentation:

Document Category	Document Name	Type	ID	Upload Date
	2021 Reasonable Substitutions of Marijuana Types.pdf	pdf	610313e79a5de6088a18c76c	07/29/2021

### ATTESTATIONS

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

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

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

Notification: I Understand

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

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

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

### ADDITIONAL INFORMATION NOTIFICATION

**Notification:** I Understand

### COMPLIANCE WITH POSITIVE IMPACT PLAN

#### Progress or Success Goal 1

**Description of Progress or Success:**

Goal #1: Increase NETA's participation in CultivatEd with expanding programming and participation.

How this Goal will be measured:

- NETA will accept up to 4 fellows for 2021 (in 2020, NETA had 1 fellow).
- NETA will offer more programming outside of entry-level positions for fellows interested in Marketing, Business, Finance, HR, MIPs, Retail, and more.

Progress:

As a founding member of CultivatED, NETA contributed 25,000 to support the growth of their program. CultivatED Inc.'s mission is to empower, educate, and employ individuals from areas of disproportionate impact, who have been harmed by the failed War on Drugs. NETA has also been paired with two fellows in 2021, to give them on-the-job experience and workplace preparedness training.

#### Progress or Success Goal 2

**Description of Progress or Success:** Goal #2: NETA will partner with an adult-use Social Equity participant for delivery.

How this Goal will be measured:

- NETA will identify and partner with an adult-use delivery applicant who is also a social equity participant.
- NETA will work to deliver adult-use products from our Northampton and Brookline locations with this social equity partner.

Progress:

NETA has partnered with Your Green Package (YGP), majority women and minority-owned social equity licensee, and launched the initial delivery service out of Northampton. Deliveries out of Brookline will follow pending approval by the town. The company will begin its operations with about 20 employees and will be hiring more in the months ahead.

#### Progress or Success Goal 3

**Description of Progress or Success:** Goal #3: NETA will provide education and mentorship with Western MA colleges and universities to students age 21 years or older, identified in areas of disproportionate impact. Additionally, NETA will host one (1) expungement clinic, focusing on areas of disproportionate impact in Western MA.

How this Goal will be measured:

- Mentorship: NETA will host one (1) seminar for students age 21 or over interested in entering the cannabis industry.
- Mentorship: NETA will invite its experts from multiple departments to provide real, engaging lessons - such as HR, finance, inventory, retail management, and more.
- Mentorship: NETA will have HR available after the seminar for resume-building workshops, and for participants age 21 or over to submit their resumes for open jobs.
- Expungement: NETA will work with the Western MA branch of the Mass Civil Liberties Project (MCLP) to host two events providing expungement services pro-bono.
- Expungement: NETA will focus on hosting the expungement clinic in Western MA - particularly in areas such as Holyoke, Amherst, Greenfield, or Springfield.

### COMPLIANCE WITH DIVERSITY PLAN

#### Diversity Progress or Success 1

**Description of Progress or Success: Goal 1:**

Increase the representation of female employees at NETA in the production, cultivation, and retail job groups by at least 1% based on the number of employees current as of 1/01/2021. Programs to achieve this goal will include:

**Measurement:**

Starting on January 1, 2021:

- i. Establish baseline demographics of current employees based on NETA’s employment records in HR (including the number and gender of employees drawn from EEO-1 surveys and agent registration forms).
- ii. Using an internal workforce tracking sheet, track statistics to measure progress on this goal
- iii. December 2021, evaluate the total # of positions available in the laborer’s job group and% filled from the established targeted group.
- iv. December 2021, review and confirm the number of job fairs attended/hosted and the number of employees in attendance at each respective job fair.

**Status:**

NETA has met this goal with an increase of 1.04% of Females representing the MA workforce from January 2021 to the present and will continue to strive for a balanced representation of females and males across the market.

Parallel, NETA’s parent company has increased female representation by 3.43%.

**Diversity Progress or Success 2**

**Description of Progress or Success: Goal 2:**

Create an inclusive culture that includes ensuring access to NETA for people and employees with disabilities.

**Measurement:**

- a. Local Accessibly Leader
  - i. Implement 100% of the suggestions from the contract with Perkins on NETA’s new website Magento as it relates to accessibility guidelines.
  - ii. July 2021, launch a new website and remove existing barriers to the existing digital experience.
  - iii. December 2021, confirm improved digital experience has been achieved.
- b. The Muse Foundation
  - i. Scholarship Donation providing access to 4 students.
- c. Company-Wide Training
  - i. December 2021, confirm that all company-wide inclusivity training has occurred.
  - ii. Identity dates of such training and the number of employees who attended at least one training session.

**Status:**

NETA has already met the goal of the implementation of suggestions from the Perkins audit of the website when the new website, Magento was launched. Additionally, NETAs donation to the Muse foundation provided scholarships to 4 students. Finally, NETA has held inclusivity training with attendees ranging from Senior Leadership to entry-level employees and will continue to provide opportunities for learning and inclusion across the organization. Such training include:

- 1. Everybody Belongs: March & April 2021
- 2. LGBTQ & Inclusive Spaces: May 2021

**HOURS OF OPERATION**

<b>Monday From: 8:00 AM</b>	<b>Monday To: 10:00 PM</b>
<b>Tuesday From: 8:00 AM</b>	<b>Tuesday To: 10:00 PM</b>
<b>Wednesday From: 8:00 AM</b>	<b>Wednesday To: 10:00 PM</b>
<b>Thursday From: 8:00 AM</b>	<b>Thursday To: 10:00 PM</b>
<b>Friday From: 8:00 AM</b>	<b>Friday To: 10:00 PM</b>
<b>Saturday From: 8:00 AM</b>	<b>Saturday To: 10:00 PM</b>
<b>Sunday From: 8:00 AM</b>	<b>Sunday To: 10:00 PM</b>

## Host Community Agreement Certification Form

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

### Applicant

I, Amanda Rositano, (*insert name*) certify as an authorized representative of New England Treatment Access, LLC. (*insert name of applicant*) that the applicant has executed a host community agreement with Franklin, Massachusetts (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on April 13, 2018 (*insert date*).



Signature of Authorized Representative of Applicant

### Host Community

I, Jamie Hellen, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for Town of Franklin (*insert name of host community*) to certify that the applicant and Town of Franklin (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on April 13, 2018 (*insert date*).



Signature of Contracting Authority or  
Authorized Representative of Host Community



## **Local Compliance**

NETA's Franklin, MA facility currently operates with a Final Certificate of Registration for Cultivation and Processing and Marijuana Establishment licenses for Product Manufacturing and Tier 6 Cultivation. As such, NETA is in full compliance with local laws, including all zoning, codes, ordinances and bylaws.

NETA intends to open a co-located Medical and Adult Use retail dispensary at this location. NETA takes pride its track record of local compliance and the positive relationships that it has built within the communities that it serves. As NETA Franklin prepares for retail operations, the organization has adopted new measures to ensure continued local compliance.

## **Zoning Compliance**

General Law c. 94G§3(a)(1) establishes that municipal “zoning ordinances or by-laws shall not prohibit placing a marijuana establishment which cultivates, manufactures or sells marijuana or marijuana products in any area in which a medical marijuana treatment center is registered to engage in the same type of activity.”

Understanding this “grandfathering” for existing RMD sites, all three municipalities in which NETA currently operates have either amended or are in the process of amending zoning by-laws, which will explicitly allow NETA's proposed adult use operations to be co-located with its existing medical marijuana operations, in conformance with G. L. c. 94G§3(a)(1). NETA has been an active participant in zoning discussions in all three of its host communities.

## **Engagement with local officials & municipal departments**

In order to maintain continued compliance with all local codes, ordinances and bylaws applicable to NETA's operation as a marijuana establishment, NETA relies on its established relationships with local officials and will continue to maintain regular communication and consultation with municipal departments regarding relevant matters or operational changes. Examples for communication with local officials include, but are not limited to:

- Police
  - Security plans
  - Incident reporting
- Fire
  - Fire protection plans & fire safety systems
- Building
  - Construction plans
  - ADA compliance
- Planning
  - Signage and building facades
- Public works
  - Wastewater management
  - Waste disposal





NEW ENGLAND TREATMENT ACCESS, LLC.

- o Recycling
- Public Health
  - o Scale certifications/inspections
  - o Public education



## Community Outreach Meeting Attestation Form

### Instructions

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

### Attestation

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

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



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

- a. Date of publication:
- b. Name of publication:  News

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

- a. Date notice filed:

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

- a. Date notice(s) mailed:

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:
- a. The type(s) of ME or MTC to be located at the proposed address;
  - b. Information adequate to demonstrate that the location will be maintained securely;
  - c. Steps to be taken by the ME or MTC to prevent diversion to minors;
  - d. A plan by the ME or MTC to positively impact the community; and
  - e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
8. Community members were permitted to ask questions and receive answers from representatives of the ME or MTC.



Name of applicant:

New England Treatment Access, LLC.

Name of applicant's authorized representative:

Michael Connolly

Signature of applicant's authorized representative:

*Michael Connolly*



# BUSINESS

## Legal Notices

**MARIJUANA  
LEGAL NOTICE  
NOTICE OF VIRTUAL  
COMMUNITY OUTREACH  
HEARING  
NEW ENGLAND  
TREATMENT ACCESS, LLC**

**162 GROVE STREET,  
FRANKLIN,  
MASSACHUSETTS**

In accordance with 935 CMR 500.101(1)(a)(9) and 935 CMR 501.101(1)(a)(9), New England Treatment Access, LLC will hold a virtual Community Outreach Hearing on **May 28, 2020 at 4:00pm** via **ZOOM URL:** <https://us02web.zoom.us/j/88529888812> or **Call in Number 1-929-205-6099** enter **Meeting ID 885 2988 8812** then **press #**. New England Treatment Access, LLC intends to apply for the following Medical Marijuana Treatment Center and Adult-use Marijuana Establishment licenses: Medical Marijuana Treatment Center and Adult-use Marijuana Retailer at 162 Grove Street, Franklin, Massachusetts pursuant to G. L. c. 94G, Chapter 55 of the Acts of 2017, 935 CMR 500.000, et. seq. and 935 CMR 501.000, et. seq.

Information presented at the virtual community outreach hearing will include, but not be limited to:

1. The proposed address of the Medical Marijuana Treatment Center along with a declaration that the proposed establishment is a "Medical Marijuana Treatment Center";
2. The type of Adult-use Marijuana Establishment to be located at the proposed address;
3. Information adequate to demonstrate that the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment location will be maintained securely;
4. Steps to be taken by the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment to prevent diversion to minors;
5. A plan by the Medical Marijuana Treatment Center to provide reduced cost or free Marijuana to patients with documented Verified Financial Hardship, as defined by the Cannabis Control Commission. The plan shall outline the goals, programs, and measurements the Medical Marijuana Treatment Center will pursue once licensed;
6. Information adequate to demonstrate that the location will not constitute a nuisance to the community by noise, odor, dust, glare, fumes, vibration, heat, glare, or other conditions likely to cause nuisance; and
7. A plan by the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment to positively impact the community.

Meeting materials will be posted on the Town of Franklin website <https://www.franklin-ma.gov/> at least 24 hours prior to the virtual Community Outreach Hearing. Interested residents may hear about the proposal and ask questions at the virtual Community Outreach Hearing. In addition, interested residents may submit questions in advance to Chrissy Whelton, Assistant to the Town Administrator at [cwhelton@franklinma.gov](mailto:cwhelton@franklinma.gov).

A copy of this notice is on file with the Town Clerk, at the Town Council's office, and the Planning Board office, all located at 355 East Central Street, Franklin, MA 02038, and a copy of this Notice was mailed at least seven calendar days prior to the virtual Community Outreach Hearing to abutters of the proposed address of the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town.

New England Treatment Access, LLC  
Amanda Rositano  
President

AD#13889838  
MDN 5/14/20



**The Greater Boston Chamber of Commerce held a Zoom event on Tuesday to discuss the impacts of COVID-19 on the tech and innovation communities in Boston. CEO of ezCater Stefania Mallet (top row, second from right), Jeff Bussgang (pictured below Mallet) of Flybridge Capital Partners, and David Cancel (not pictured) of Drift were the featured speakers.** [COURTESY GRAPHIC VIA STATE HOUSE NEWS SERVICE]

## Start a business during the outbreak?

**Mass. business executives says opportunities exist as behavior changes**

By Chris Van Buskirk  
State House News Service

When is the best time to start a company? During a pandemic may not be the obvious answer but several business executives say the COVID-19 crisis presents an opportunity to use shifts in behavior to explore new ideas and markets.

"We've just seen massive behavior change across the world. Some of that will be temporary, a lot of it looks like it will be permanent," David Cancel, CEO of Boston-based Drift, said. "And behavior change, at least for me, is where I want to start from understanding an idea in a market and trying to understand if we can bring a new company into that market."

Cancel spoke alongside Jeff Bussgang of Flybridge Capital Partners and Stefania Mallet of ezCater during a Boston Greater Chamber of Commerce Zoom event on Tuesday where they discussed the outlook for Boston's tech and innovation community amid the COVID-19 pandemic and beyond. The panel also offered insight into how companies can shift their focuses to adapt to public health measures aimed at curbing the spread of the virus.

The respiratory virus and its spread across the world presents many challenges for businesses both big and small and layoffs and furloughs abound as companies deal with temporary closures. As shutdowns continue to help stop the spread of the virus nearly 20 million Americans lost their jobs in April — a record one-month drop in employment. The unemployment rate climbed from 4.4 percent in March to 14.7 percent in April.

While having an idea and noticing shifts in habits might sound good, acquiring the money to start a new business may seem daunting. Bussgang, who helped co-found a venture capital firm, said startup money has not dried up amid the COVID-19 pandemic.

"Venture capitalists have the same amount of capital that they had three months ago," he said during a Zoom call with nearly 150 people. "These are committed funds that we manage. And so the many billions and billions of dollars that have been raised over the recent year by venture capital funds at all stages of the spectrum early, mid, late, that's still there, that's still available."

Some entrepreneurs might be thinking of ways to take advantage of behavioral changes but those working for established businesses might use the shift to alter business models or pursue previously discarded ideas. One behavior in South Korea where

**"Venture capitalists have the same amount of capital that they had three months ago. These are committed funds that we manage. And so the many billions and billions of dollars that have been raised over the recent year by venture capital funds at all stages of the spectrum early, mid, late, that's still there, that's still available."**

Jeff Bussgang

Bussgang noticed a change: a lower interest in vacation in urban areas. A Marriott Hotel in downtown Seoul, he said, may not do as well as businesses centered in outdoor environments.

Flybridge Capital Partners invests in Getaway Homes, a company offering cabin rentals in remote locations in states like New Hampshire and Massachusetts. The organization has seen a surge in business, he said.

"That's going to be another example of behavior changes that we're going to see where people say, I'd rather be isolated in the woods in a cabin, as opposed to in an urban environment, in a 50-story hotel with thousands of people coming in and out of the lobby and the elevators," he said.

In a separate sector, Mallet's corporate catering company ezCater had to rethink how it could serve customers as working from home became normal and those staying in offices implemented public health measures. A decrease in sales led to the company laying off 45 percent of its staff.

Despite that, ezCater saw a bump in a product staffers created in March when they initially started to work from home -- individually packaged catering to make it possible for a group of people to eat together but not share utensils or large platters of food.

Over 10,000 restaurants out of the nearly 80,000 ezCater contracts have signed onto the idea, Mallet said, and it has offset some of the challenges faced in recent months.

"It's the same good food that you know, but it's served in this way that makes it easier," she said. "It also makes it safer."

Bussgang said companies, both new and old, should look for opportunities within the obstacles the pandemic presents — it's a time for business leaders to slow down and look for things that weren't there before.

"For example, it is the case that people have a bit more time on their hands, customers and prospects are more willing to spend time with you," he said. "And so it's an opportunity to get deeper feedback on the product and create more customer intimacy."

## Vast cutbacks in jobs, spending before any summer rebound

The Associated Press

The outbreak of the coronavirus has dealt a shock to the global economy with unprecedented speed. Following are developments Wednesday related to national and global response, the work place and the spread of the virus.

**TRAVEL & LEISURE:** Boeing said this week that it's gone another month without a single airplane order, cruise ships are devoid of passengers and gasoline prices are plunging because few people are commuting to work or taking road trips. Global travel is close to a standstill.

— One of the biggest tourism companies in the world is cutting 8,000 jobs and will try to slash spending by about 30%. CEO Fritz Jousen did say Wednesday that a partial resumption of business could begin by June or early July in areas where testing is taking places or regions that have been cleared by governments.

The company employs between 60,000 and 70,000 people depending on the season.

• Six Flags is launching a new guest reservation system that will allow it to manage daily attendance levels and avoid overcrowding at theme parks. Advanced reservations through the company's website will be required to enter parks. People can get on a waiting list if the park is at capacity. Members of loyalty clubs and season ticket holders get priority.

• Scandinavian Airlines joined a growing list of carriers that will require passengers six and older to wear protective face masks. Non-essential items like magazines, pillows and blankets are no longer available, and meal service is postponed.

**HOUSING:** There are mixed messages on the housing front. Activity has fallen sharply with fewer people willing to show their homes, or to look at them. And 33 million people have lost jobs in the pandemic. Mortgage payments are being skipped.

• First-quarter mortgage delinquency rates jumped 59 basis points from the previous quarter, according to the



**Italian Army and Rome's street cleaning task force personnel sanitize a church to prevent the spread of COVID-19, in Rome on Wednesday. Italy partially lifted lockdown restrictions last week after a two-month lockdown and on May 18 churches are preparing to reopen to the public for masses.** [ROBERTO MONALDO/LAPRESSE VIA AP]



**Fog envelops the few worshippers allowed to attend the celebrations at a virtually empty Catholic shrine in Fatima, Portugal on Wednesday. The dean of the shrine has asked pilgrims to stay away from the shrine, which is cordoned off during the annual celebrations, in an attempt to stem the spread of the coronavirus. Hundreds of thousands of worshippers traditionally attend ceremonies on May 12 and 13.** [AP PHOTO/ARMANDO FRANCA]

Mortgage Bankers Association's National Delinquency Survey.

Marina Walsh, MBA's Vice President of Industry Analysis, said it's "reminiscent of the hurricane-related, 64-basis-point increase seen in the third quarter of 2017."

• For the fourth consecutive week, mortgage applications rose, suggesting that the spring buying season may not be a complete loss. And applications to buy a home jumped by a healthy 11% last week, according to the Mortgage Bankers Association.

Those applications are still down sharply from last year, but the gap between 2020 and 2019 appear to be shrinking. Purchase volume annually fell

19% annually. Last month, it was down 35%.

**LONG OCEAN PASSAGE:** Global commerce has seized up in the pandemic, skewing trade numbers and emptying ports.

• The world's biggest shipping company expects a quarter of its typical annual volume will be lost this year.

Denmark's A.P. Moller-Maersk said Wednesday that its outlook for the year contains "high uncertainties." The shipper had expected growth between 1% and 3% before the outbreak.

**MARKETS:** Global stock markets slid again Wednesday as investors worried about the risks of reopening economies from coronavirus shutdowns too soon.

### BUSINESS DIGEST • DAILY NEWS STAFF

Send news about your local business to [MWBBusiness@wickedlocal.com](mailto:MWBBusiness@wickedlocal.com). We're interested in news about business people, expansions, openings and community involvement by MetroWest businesses and business people. Follow Daily News Business Editor Bob Tremblay on Twitter @BobTremblay\_MW.

the proteins business performing above expectations, President and CEO Tony J. Hunt said. Total revenue for the first quarter of 2020 increased to \$76.1 million compared to \$60.6 million for the first quarter of 2019, a year-over-year gain of 25% as reported and 26% at constant currency, with organic growth of 16%.

#### Repligen reports first quarter financial results

Waltham's Repligen Corporation, a life sciences company focused on bioprocessing technology leadership, recently reported financial results for its first quarter ended March 31. The company exceeded its financial goals, reporting record quarterly revenue and organic growth of 16% backed by strong order demand. The story of the quarter was the continued momentum at gene therapy accounts and strength in the chromatography and filtration franchises, with

#### Boys & Girls Club launches A Boost for Youth campaign

The Boys & Girls Clubs of MetroWest recently launched its A Boost for Youth campaign. The campaign is committed to reversing learning and language loss by providing one-on-one tutors and group learning opportunities and restoring the feeling of safety for youth who are experiencing anxiety and uncertainty during this time. For information or to donate, visit <https://bit.ly/2zvjmj>.

#### Microsoft Natick to host

#### weekly, virtual workshops

The Microsoft Natick team is hosting weekly, virtual workshops for residents. The current schedule will readjust weekly depending on interest and participation in the courses. Each of the workshops will be hosted online with Microsoft Teams and a live presenter. To view the full schedule of available classes, visit <https://bit.ly/2WtqFdr>.

#### MyFM101.3 providing free shoutouts for local businesses

MyFM 101.3 will extend its free shoutouts through May 18. Those interested will need to provide their business name, address, website, and a quick answer to this question "What do you want people to know about your business right now?" (hours, delivery, curbside pickup, specials, hiring, etc.) Those interested can contact Tom McAuliffe at [tom@MyFM101.3.com](mailto:tom@MyFM101.3.com).

### DILBERT • BY SCOTT ADAMS



**NOTICE OF VIRTUAL COMMUNITY OUTREACH HEARING****NEW ENGLAND TREATMENT ACCESS, LLC****162 GROVE STREET, FRANKLIN, MASSACHUSETTS**

In accordance with 935 CMR 500.101(1)(a)(9) and 935 CMR 501.101(1)(a)(9), New England Treatment Access, LLC will hold a virtual Community Outreach Hearing on **May 28, 2020 at 4:00pm via ZOOM URL: <https://us02web.zoom.us/j/88529888812> or Call in Number 1-929-205-6099 enter Meeting ID 885 2988 8812 then press #.** New England Treatment Access, LLC intends to apply for the following Medical Marijuana Treatment Center and Adult-use Marijuana Establishment licenses: Medical Marijuana Treatment Center and Marijuana Retailer at 162 Grove Street, Franklin, Massachusetts pursuant to G. L. c. 94G, Chapter 55 of the Acts of 2017, 935 CMR 500.000, *et. seq.* and 935 CMR 501.000, *et. seq.*

Information presented at the virtual community outreach hearing will include, but not be limited to:

1. The proposed address of the Medical Marijuana Treatment Center along with a declaration that the proposed establishment is a "Medical Marijuana Treatment Center";
2. The type of Adult-use Marijuana Establishment to be located at the proposed address;
3. Information adequate to demonstrate that the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment location will be maintained securely;
4. Steps to be taken by the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment to prevent diversion to minors;
5. A plan by the Medical Marijuana Treatment Center to provide reduced cost or free Marijuana to patients with documented Verified Financial Hardship, as defined by the Cannabis Control Commission. The plan shall outline the goals, programs, and measurements the Medical Marijuana Treatment Center will pursue once licensed;
6. Information adequate to demonstrate that the location will not constitute a nuisance to the community by noise, odor, dust, glare, fumes, vibration, heat, glare, or other conditions likely to cause nuisance; and
7. A plan by the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment to positively impact the community.

Meeting materials will be posted on the Town of Franklin website <https://www.franklinma.gov/> at least 24 hours prior to the virtual Community Outreach Hearing. Interested residents may hear about the proposal and ask questions at the virtual Community Outreach Hearing. In addition, interested residents may submit questions in advance to Chrissy Whelton, Assistant to the Town Administrator at [cwhelton@franklinma.gov](mailto:cwhelton@franklinma.gov).

A copy of this notice is on file with the Town Clerk, at the Town Council's office, and the Planning Board office, all located at 355 East Central Street, Franklin, MA 02038, and a copy of this Notice was mailed at least seven calendar days prior to the virtual Community Outreach Hearing to abutters of the proposed address of the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town.

New England Treatment Access, LLC

Amanda Rositano

President

## Subject: Re: NETA - Notice of Community Outreach Hearing



**Teresa Burr** <tburr@franklinma.gov>

to Chrissy Whelton, Silman, Ruth, Jamie Hellen, Amy Love, tmercer@franklinma.gov, Vallee, James, arositano@

You are viewing an attached message. NETA Care Mail can't verify the authenticity of attached

Received. Thank you!

Sent from my iPhone

On May 14, 2020, at 4:52 PM, Chrissy Whelton <[cwhelton@franklinma.gov](mailto:cwhelton@franklinma.gov)> wrote:

Thank you for the notice Ruth.

Have a great weekend and stay well!

Chrissy Whelton, Assistant to the Town Administrator

Town Administrator's Office

[355 East Central Street](#)

[Franklin MA 02038](#)

Tel: 508-553-4885

Email: [cwhelton@franklinma.gov](mailto:cwhelton@franklinma.gov)

[Twitter](#) | [Facebook](#) | [YouTube](#) | [Web](#)

On Thu, May 14, 2020 at 1:51 PM Silman, Ruth <[RSilman@nixonpeabody.com](mailto:RSilman@nixonpeabody.com)> wrote:

Thank you, Jamie. I would appreciate hearing from each person on this email that you have received

Best regards,

Ruth

**From:** Jamie Hellen <[jhellen@franklinma.gov](mailto:jhellen@franklinma.gov)>

**Sent:** Wednesday, May 13, 2020 6:55 PM

**To:** Silman, Ruth <[RSilman@nixonpeabody.com](mailto:RSilman@nixonpeabody.com)>

**Cc:** [tburr@franklinma.gov](mailto:tburr@franklinma.gov); Amy Love <[alove@franklinma.gov](mailto:alove@franklinma.gov)>; [tmercer@franklinma.gov](mailto:tmercer@franklinma.gov); Chrissy

**Subject:** Re: NETA - Notice of Community Outreach Hearing

[EXTERNAL E-MAIL]

Ruth:

Thank you for the notice.

Jamie Hellen

CEO/Town Administrator

**NOTICE OF VIRTUAL COMMUNITY OUTREACH HEARING****NEW ENGLAND TREATMENT ACCESS, LLC****162 GROVE STREET, FRANKLIN, MASSACHUSETTS**

In accordance with 935 CMR 500.101(1)(a)(9) and 935 CMR 501.101(1)(a)(9), New England Treatment Access, LLC will hold a virtual Community Outreach Hearing on **May 28, 2020 at 4:00pm via ZOOM URL: <https://us02web.zoom.us/j/88529888812> or Call in Number 1-929-205-6099 enter Meeting ID 885 2988 8812 then press #.** New England Treatment Access, LLC intends to apply for the following Medical Marijuana Treatment Center and Adult-use Marijuana Establishment licenses: Medical Marijuana Treatment Center and Marijuana Retailer at 162 Grove Street, Franklin, Massachusetts pursuant to G. L. c. 94G, Chapter 55 of the Acts of 2017, 935 CMR 500.000, *et. seq.* and 935 CMR 501.000, *et. seq.*

Information presented at the virtual community outreach hearing will include, but not be limited to:

1. The proposed address of the Medical Marijuana Treatment Center along with a declaration that the proposed establishment is a "Medical Marijuana Treatment Center";
2. The type of Adult-use Marijuana Establishment to be located at the proposed address;
3. Information adequate to demonstrate that the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment location will be maintained securely;
4. Steps to be taken by the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment to prevent diversion to minors;
5. A plan by the Medical Marijuana Treatment Center to provide reduced cost or free Marijuana to patients with documented Verified Financial Hardship, as defined by the Cannabis Control Commission. The plan shall outline the goals, programs, and measurements the Medical Marijuana Treatment Center will pursue once licensed;
6. Information adequate to demonstrate that the location will not constitute a nuisance to the community by noise, odor, dust, glare, fumes, vibration, heat, glare, or other conditions likely to cause nuisance; and
7. A plan by the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment to positively impact the community.

Meeting materials will be posted on the Town of Franklin website <https://www.franklinma.gov/> at least 24 hours prior to the virtual Community Outreach Hearing. Interested residents may hear about the proposal and ask questions at the virtual Community Outreach Hearing. In addition, interested residents may submit questions in advance to Chrissy Whelton, Assistant to the Town Administrator at [cwhelton@franklinma.gov](mailto:cwhelton@franklinma.gov).

A copy of this notice is on file with the Town Clerk, at the Town Council's office, and the Planning Board office, all located at 355 East Central Street, Franklin, MA 02038, and a copy of this Notice was mailed at least seven calendar days prior to the virtual Community Outreach Hearing to abutters of the proposed address of the Medical Marijuana Treatment Center and Adult-use Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town.

New England Treatment Access, LLC

Amanda Rositano

President

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## Authorization

Jamie Hellen <jhellen@franklinma.gov>

Wed 5/27/2020 2:49 PM

To: Silman, Ruth <RSilman@nixonpeabody.com>; Vallee, James <jvallee@nixonpeabody.com>

Cc: Chrissy Whelton <cwhelton@franklinma.gov>; Alecia Alleyne <aalleyne@franklinma.gov>

[EXTERNAL E-MAIL]

Hi Ruth:

I hereby authorize New England Treatment Access, LLC to conduct a virtual Community Outreach Meeting for its proposed Marijuana Establishment proposed to be located at 162 Grove Street in Franklin, Massachusetts.

Jamie Hellen

CEO/Town Administrator

Town of Franklin

355 East Central Street

Franklin, MA 02038-1352

Office: 508-553-4887

Mobile: 508-570-8051

Email: [jhellen@franklinma.gov](mailto:jhellen@franklinma.gov)

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NEW ENGLAND TREATMENT ACCESS, LLC.

To Whom It May Concern,

New England Treatment Access, LLC. (“NETA”) held a virtual Community Outreach Meeting on May 28, 2020 at 4:00pm for its proposed co-located dispensary at 162 Grove St. in Franklin. The meeting was moderated by Franklin CEO/Town Administrator Jamie Helen and hosted by Assistant to the Town Administrator Chrissy Whelton,

Amanda Rositano, NETA President, spoke on behalf of NETA.

One member of the public attended the meeting.





**NEW ENGLAND TREATMENT ACCESS, LLC.**

As of August 2, 2021, New England Treatment Access, LLC has not received a response from the Municipality regarding this request.





New England Treatment Access, LLC  
5 Forge Parkway  
Franklin, MA 02038  
July 27, 2021

Town of Franklin  
355 East Central Street  
Franklin, MA 02038

To Whom It May Concern,

In accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of an MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.

I am writing to request records of any cost to the Town reasonably related to the operation of NETA 's Cultivation and Production facility located at 5 Forge Parkway. The renewal form asks:

*Please upload documentation demonstrating that the licensee requested from the host community records of any cost to the city or town reasonably related to the operation of the establishment.*

*The host community costs can include actual and anticipated costs associated with the operation of the establishment. Additionally, please include the host community's response, or if no response was provided, a letter from the licensee attesting that they did not receive a response.*

We would appreciate your response back to us at your earliest convenience.

Feel free to reach out with any questions.

Kind Regards,  
Lauren Burm  
Senior Director, External Affairs  
lburm@liveparallel.com



NEW ENGLAND TREATMENT ACCESS, LLC.

## Plan for Areas of Disproportionate Impact

In addition to the initiatives outlined in NETA's Diversity Plan, NETA's plan to positively impact areas of disproportionate impact will also contribute to a more diverse workforce. The plan will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments. Any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

## 2020 Positive Impact Plan Goals

1. Provide sustaining support and guidance for Certified Economic Empowerment marijuana establishments and Social Equity Program participants.
2. Reduce financial barriers to entry into the cannabis industry for Certified Economic Empowerment license holders.
3. Provide educational support, onsite career training, pro bono legal services, and employment opportunities for Individuals from communities disproportionately impacted by high rates of arrest and incarceration from the War on Drugs through MassCultivatED jail-to-jobs program.

## 2020 Positive Impact Plan Programs

1. NETA Facility Tours - NETA will provide educational tours of its cultivation and processing facility and/or its retail dispensary facilities to a minimum of five (5) Certified Economic Empowerment applicants and/or Social Equity Program participants.
2. NETA Social Equity Security Equipment Grant Program - The NETA Social Equity Security Equipment Grant Program creates a fund containing an amount designated annually to be used to provide financial support for the purposes of acquiring compliant and reliable physical security equipment to provisionally licensed Certified Economic Empowerment operators.

The specific goals of this program are to:

- Reduce financial barriers to entry to the cannabis industry for Certified Economic Empowerment and Social Equity Program Participant operators.
- Strengthen relationships between large, medium, and small sized operators in Massachusetts.
- Build and sustain compliant and reliable security operations.
- Encourage an industry-wide standard approach to security operations.

Eligible operators are those that are:

- Certified Economic Empowerment or Social Equity Program Participants.
- Provisionally licensed by the Cannabis Control Commission at the location where grant will be applied.
- Able to demonstrate, through documentation that may include a business plan, policies and procedures and others to be determined, that the organization is compliance-oriented, with particular attention to be paid towards stated compliance with





NEW ENGLAND TREATMENT ACCESS, LLC.

935 CMR 500.110.

- Able to comply with any additional requirements or verifications requested by NETA.

3. CultivatED Program - The goal of this program is to provide direct impact to individuals from areas of disproportionate impact as identified by the Cannabis Control Commission.

NETA will assist in the creation, development, and oversight of the CultivatED fellowship program whose participants will receive full-scholarship awards, gaining them access to individualized pro bono legal services, a higher education certificate program, workforce training, fully paid and benefited cooperative learning and externship rotations in the cannabis industry for educational credit hours, and job placement upon completion of the program. NETA is a founding member of the CultivatED program.

NETA's Director of Diversity Programs will serve as co-chair of CultivatED's Board of Overseers who will oversee, and where necessary, directly create the CultivatED Program's curriculum design, program development and measurement criteria, and fellow selection criteria and process.

## Measurement of Goals

1. NETA Facility Tours
  - a. In December 2020 NETA will calculate the number of tours offered and number of social equity participants on each completed tour, with the goal of providing at least five (5) tours to eligible operators as defined above.
2. NETA Social Equity Security Equipment Grant Program
  - a. In December 2020 NETA will review the number of grant applicants, with the goal of supporting two (2) Social Equity and/or Economic Empowerment Program Participants with grants through the NETA Social Equity Security Grant Program Fund, subject to the CCC licensing process.
  - b. Grant a minimum of \$25,000 total through the NETA Social Equity Security Grant Program Fund.
3. CultivatED Program
  - a. In December 2020, review and confirm NETA's sponsorship, assistance in the development of, and participation in CultivatED.
  - b. Determine the number of fellowship participants and identify the number of disproportionately impacted communities represented in the pilot cohort.
  - c. Determine the amount of funds allotted for pro bono legal services, background check and suitability services, and scholarships for a certificate program at Roxbury Community College and derive a use percentage based on the amount utilized by fellowship participants. These numbers will be used to establish a baseline from which future projections may be made.



**SECOND AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT  
OF  
NEW ENGLAND TREATMENT ACCESS, LLC**

This Second Amended and Restated Limited Liability Company Agreement (the “**Agreement**”) of New England Treatment Access, LLC, a Massachusetts limited liability company (the “**Company**”) is entered into as of June 21, 2019 by and among the members listed on **Exhibit A** hereto and any other Person admitted in accordance with this Agreement as a Member of the Company from time to time. Capitalized terms used herein and not otherwise defined shall have the respective meanings given to them in ARTICLE VIII of this Agreement.

**Introduction**

WHEREAS, New England Treatment Access, Inc., a Massachusetts non-profit corporation (“**NETA**”), was originally formed for the purpose of holding two registered marijuana dispensary final certificates of registration in good standing with the Department of Public Health of the Commonwealth of Massachusetts;

WHEREAS, on February 12, 2018, CBPB Holdings, Inc. (“**CBPB Holdings**”) was incorporated as a Delaware corporation;

WHEREAS, on March 19, 2018, NETA and its sole and initial member, Howard J. Kessler (the “**Original Member**”), entered into an Agreement and Plan of Entity Conversion, pursuant to which NETA was converted from a Massachusetts non-profit corporation into a Massachusetts business corporation (the “**Corporate Conversion**”), which resulting corporation was named New England Treatment Access, Inc. (“**NETA Inc.**”), and the membership interests of NETA held by the Original Member were converted into one (1) share of common stock, par value \$0.00001 per share, of NETA Inc.;

WHEREAS, on March 19, 2018, following the effectiveness of the Corporate Conversion, CBPB Holdings and the Original Member entered into a Contribution Agreement, pursuant to which the Original Member contributed to CBPB Holdings one (1) share of the common stock, par value \$0.00001 per share, of NETA Inc., which represented 100% of the then issued and outstanding stock of NETA Inc. in consideration of the issuance by CBPB Holdings of one (1) share of CBPB Holdings common stock, which represented 100% of the then issued and outstanding stock of CBPB Holdings (the “**Equity Contribution**”);

WHEREAS, on March 19, 2018, following the effectiveness of the Equity Contribution, NETA Inc. and CBPB Holdings, as the sole shareholder of NETA Inc., entered into an Agreement and Plan of Entity Conversion, pursuant to which: (i) NETA Inc. was converted from a Massachusetts corporation into a Massachusetts limited liability company (the “**LLC Conversion**”), which resulting limited liability company was named New England Treatment Access, LLC, and (ii) the one (1) outstanding share of common stock, par value \$0.00001 per share, of NETA Inc. held by CBPB Holdings was converted into one (1) Class A Unit of the Company;

WHEREAS, concurrently with the LLC Conversion, CBPB Holdings executed and delivered the Limited Liability Company Agreement of the Company and the Company continued as a limited liability company under the Act as set forth therein;

WHEREAS, on March 19, 2018, following the effectiveness of the LLC Conversion, CBPB Holdings and the Original Member entered into a Contribution Agreement, pursuant to which the Original Member contributed to CBPB Holdings the Original Member's interest in the promissory notes issued by NETA Inc. (as successor to NETA) to the Original Member (collectively, the "**Contributed Debt Interest**") as a capital contribution to CBPB Holdings (the "**Debt Contribution**");

WHEREAS, on March 19, 2018, following the effectiveness of the Debt Contribution, CBPB Holdings forgave the entire aggregate outstanding principal balance and accrued interest of the Contributed Debt Interest and released the Company from any and all further liability under the Contributed Debt Interest;

WHEREAS, the parties who were then members of the Company entered into an Amended and Restated Limited Liability Company Agreement of the Company, dated March 19, 2018 (the "**A&R Agreement**");

WHEREAS, Aegis MA, LLC, a Delaware limited liability company, Vered Management Services, Inc., a Massachusetts corporation, and FSR Holdings, LLC, a Massachusetts limited liability company transferred all of their ownership interests in the Company to SH Parent, Inc., a Delaware corporation ("**Parent**"), effective as of the date hereof; and

WHEREAS, CBPB Holdings and Parent now desire to amend and restate the A&R Agreement to cancel and convert all Class A Units and Class B Units (each as defined in the A&R Agreement) under the A&R Agreement into a single class of Units (as defined below) and to govern the membership in and management of the Company on the terms set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants hereinafter set forth, the parties hereby amend and restate the A&R Agreement in its entirety as follows:

## **ARTICLE I NAME; BUSINESS; TERM**

**1.1 Name; Jurisdiction of Organization.** The name of the Company is New England Treatment Access, LLC. The Company is a limited liability company organized under the Massachusetts Limited Liability Company Act (as amended and in effect from time to time, and any successor of the Act, the "**Act**").

**1.2 Business.** The business of the Company shall consist of engaging in any lawful act or activity for which a limited liability company may be organized under the Act.

**1.3 Office; Agent for Service of Process.** The principal place of business of the Company shall be 5 Forge Parkway, Franklin, Massachusetts 02038, or such other place as the Manager shall determine from time to time. As of the date of this Agreement, the registered office

of the Company in the State of Massachusetts and the name and address of the Company's initial agent for service of process is National Registered Agents, Inc., located at 155 Federal Street, Suite 700, Boston, MA 02110.

**1.4 Term.** The Company shall continue in existence until terminated and liquidated by the Manager in compliance with the provisions of this Agreement. No Member or Manager shall initiate any action to liquidate or dissolve the Company pursuant to the Act or any other law. The Manager and/or any Person(s) authorized in writing by the Manager may wind up the Company's affairs in accordance with the Act and this Agreement.

**1.5 Construction of Agreement.** The rights, powers, privileges, obligations, duties and liabilities of the Members, Managers and other Persons bound by this Agreement shall be determined pursuant to this Agreement and the Act. To the extent that the rights, powers, privileges, obligations, duties or liabilities of any Member, Manager or other Person bound by this Agreement are different by reason of any provision of this Agreement than they would be under the Act in the absence of such provision, this Agreement shall, to the maximum extent permitted by the Act, control.

## **ARTICLE II MANAGEMENT**

**2.1 Manager.** The Company and its business and affairs shall be managed by a Manager (as used herein, "**Manager**" has the meaning given to it in the Act) subject to and in accordance with the provisions of this Agreement. The Manager shall be elected by the Majority Members. Parent shall be the sole initial Manager of the Company. All actions by the Company that would require approval of the board of directors of a corporation formed under Massachusetts law or for which it would be customary, using good practice, to obtain such approval, shall require Manager approval. Any action required or permitted to be taken at any meeting may be taken by the Manager(s) without a meeting, if all Managers then in office and entitled to vote on the matter consent to the action in writing. Each written consent shall be filed with the minutes of proceedings of the Manager(s).

**2.2 Compensation.** The Company may pay the Manager a salary for the Manager's services to the Company. No payment of salary shall be deemed to be a distribution for purposes of any law concerning unlawful distributions or creditors' remedies.

**2.3 Election of Officers; Delegation of Authority.** The Manager may, from time to time, designate one or more officers with such titles as may be designated by the Manager to act in the name of the Company with such authority as may be delegated to such officers by the Member (each such designated person, an "**Officer**"). Any such Officer shall act pursuant to such delegated authority until such Officer is removed by the Manager. Any action taken by an Officer designated by the Manager pursuant to authority delegated to such Officer shall constitute the act of and serve to bind the Company. Persons dealing with the Company are entitled to rely conclusively on the power and authority of any Officer set forth in this Agreement and any instrument designating such Officer and the authority delegated to him or her.

approval rights of any kind or (iii) right to exercise any of the rights, powers or privileges of the Act, and (b) the approval of the Members shall not be required for the Company to engage in any transaction or to perform any act, statutory or otherwise. The Manager shall make all decisions with respect to the Company's business and affairs without the consent of the Members, except as otherwise specifically required by the Act.

**2.5 Removal of the Manager.** The Manager shall serve for the term for which it is elected and until the first to occur of the resignation or removal of such Manager, or until a successor to such Manager shall have been elected and qualified.

**2.6 Resignation.** The Manager may resign by giving written notice to the Company. The resignation of the Manager shall take effect upon the Company's receipt of notice thereof or at such later time as shall be specified in such notice. The resignation of the Manager who is also a Member shall not affect the Manager's rights as a Member.

**2.7 Manager Powers.** In addition to and not in limitation of any rights and powers conferred by law or other provisions of this Agreement, and except only as limited, restricted or prohibited by the express provisions of this Agreement, the Manager, shall have full, exclusive and complete discretion in the management and control of the business and affairs of the Company and shall make all decisions affecting Company business and affairs, including without limitation, the power to:

(a) execute any and all other instruments and documents that may be necessary or in the opinion of the Manager desirable to carry out the intent and purpose of this Agreement or the Company, including, but not limited to, (i) documents whose operation and effect extend beyond the term of the Company and (ii) consents or agreements of any subsidiaries of the Company or their affiliates;

(b) make any and all expenditures that the Manager, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of their obligations and responsibilities under this Agreement, including, without limitation, all legal, accounting, and other related expenses incurred in connection with the organization and financing and operation of the Company;

(c) enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

(d) invest and reinvest Company reserves in such manner as the Manager shall determine in its sole discretion;

(e) sell, exchange or otherwise transfer or dispose of all or substantially all of the Company's property;

(f) approve or effect the merger of the Company with or into another entity;

(g) dissolve, liquidate or wind-up the Company;

- (h) amend this Agreement;
- (i) admit new Members to the Company;
- (j) require additional capital contributions from Members; or
- (k) file a voluntary petition in bankruptcy on behalf of the Company or any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for the Company under the present or any future federal bankruptcy act or any present or future applicable federal, state or other statute or law relating to bankruptcy, insolvency, or other relief for debtors.

## **2.8 Indemnification.**

(a) In the event an Indemnified Person was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising in part out of) an Indemnifiable Event, the Company shall indemnify the Indemnified Person to the fullest extent permitted by law as soon as practicable but in any event no later than ten (10) days after written demand is presented to the Company, against any and all expenses, losses, damages, judgments, fines, penalties, liabilities and amounts paid in settlement actually and reasonably incurred by such Indemnified Person in respect of such Claim; *provided*, that (i) such Indemnified Person acted within the authority granted by this Agreement in good faith in a manner that such Indemnified Person believed was in or not opposed to the best interests of the Company, and (ii) such Indemnified Person's conduct did not constitute gross negligence, willful misconduct or a knowing violation of law.

(b) This right to indemnification shall include the payment of all reasonable expenses incurred by such Indemnified Person, including reasonable legal and other professional fees and expenses, which amounts shall be paid by the Company when incurred, subject to an undertaking from the Indemnified Person to return such amounts if it is finally determined by a court of competent jurisdiction that such Indemnified Person is not entitled to indemnification hereunder. The Indemnified Person will cooperate with the Company in the defense of any Claim.

(c) If a third party seeks to hold an Affiliate of an Indemnified Person responsible for any action or inaction by such Indemnified Person for any Indemnifiable Event, then such Affiliate shall be entitled to indemnification under this Section 2.8 to the same extent as the Indemnified Person is entitled to indemnification hereunder, and such Affiliates shall be express third-party beneficiaries of this Section 2.8.

(d) This right to indemnification shall (i) not be exclusive of or affect any other rights which any Indemnified Person may have, (ii) inure to the benefit of the heirs, executors and administrators of an Indemnified Person, and (iii) continue in effect regardless of whether an Indemnified Person continues to serve as a Manager. No amendment or repeal of this Section 2.8 shall have any effect on a Person's rights under this Section 2.8 with respect to any act or omission occurring prior to such amendment or repeal.

**2.9 Exculpation.** No Indemnified Person shall be liable, in damages or otherwise, to the Company or any Member, Manager or other Person bound by this Agreement for any loss that arises out of any act performed or omitted to be performed by such Indemnified Person as a Manager within the authority granted by this Agreement, other than for any loss that results from the Indemnified Person's knowing violation of law, fraud, gross negligence or willful misconduct. No amendment or repeal of this Section 2.9 shall have any effect on an Indemnified Person's rights under this Section 2.9 with respect to any act or omission occurring prior to such amendment or repeal.

**2.10 Reliance.** A Manager shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters such Manager reasonably believes are within such other Person's professional or expert competence, including without limitation information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or income or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

### **ARTICLE III MEMBERS; LIMITED LIABILITY; CAPITAL**

**3.1 Members.** The name and address of each Member is set forth on **Exhibit A** hereto (as the same may be amended from time to time). Such exhibit may be changed by the Manager to reflect a change in the address of any Member upon notice from such Member of a change of address.

**3.2 Limited Liability.** Except as otherwise required by the Act, the debts, expenses, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, expenses, obligations and liabilities of the Company, and no Member or Manager shall be obligated personally for any such debt, expense, obligation or liability of the Company. All Persons dealing with the Company shall have recourse solely to the assets of the Company for the payment of the debts, expenses, obligations or liabilities of the Company. No Member shall have any liability to restore any negative balance in such Member's Capital Account. No Member is required to lend any funds to the Company.

#### **3.3 Capital.**

(a) The Company shall have one class of common units ("Units") and each one Class A Unit and each one Class B Unit (each as defined in the A&R Operating Agreement) outstanding immediately prior to the effective date hereof is hereby cancelled and converted into one Unit. As of the date of this Agreement, the Company is authorized to issue 10,000 Units.

(b) The number of Units and Percentage Interests held by the Members on the date of this Agreement are set forth on **Exhibit A**. The Members acknowledge and agree that, except for the Units set forth on **Exhibit A**, they do not hold or have rights to any equity interests in the Company. Following the date of this Agreement, the number of Units and Percentage Interests held by the Members may be

set forth in a separate Unit Ownership Register (the “**Register**”) maintained by the Manager. The Register shall be amended from time to time by the Manager to reflect transfers of Units and the issuance of new Units in accordance with this Agreement.

**3.4 Voting of Members.** Except as otherwise specifically required by this Agreement or the Act, the Members are not entitled to vote on matters affecting Company business and affairs and all Units are non-voting. To the extent any such vote of the Members is specifically required by this Agreement or the Act, the holders of the Units are entitled to one vote for each Unit held at all meetings of Members and written actions in lieu of meetings. Members may vote in person or by proxy or consent to such action pursuant to written consent.

**3.5 Meetings.** No regular meetings of the Members need be held. Meetings of Members may be called by any Manager and shall be called by any Manager of the Company upon the written request of a Member or Members holding at least 25% of the then outstanding Units held by Members.

**3.6 Place of Meetings.** Meetings of Members may be held within or outside the State of Massachusetts.

**3.7 Notice of Meetings.** Written notice of meetings of Members stating the place, day, and hour of the meeting shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally, by mail or by email, by or at the direction of the Manager or person calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be given five (5) calendar days after being deposited in the United States mail, addressed to each Member at the address of each Member as it appears on the books of the Company, with postage thereon prepaid. Notice of a meeting may be waived by an instrument in writing executed before or after the meeting. The waiver need not specify the purpose of the meeting or the business transacted. Attendance at such meeting in person or by proxy shall constitute a waiver of notice thereof. Notice of any meeting of Members shall state the purpose or purposes for which the meeting is called.

**3.8 Meeting of all Members.** If all of the Members shall meet at any time and place, either within or outside of the State of Massachusetts, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any lawful action may be taken.

**3.9 Record Date.** For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or in order 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 is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section 3.9, such determination shall apply to any adjournment thereof.

**3.10 Quorum.** At all meetings of Members, a majority of the outstanding Units held by the Members represented at the meeting in person or by proxy, shall constitute a quorum for the transaction of business. In the absence of a quorum at any such meeting, a majority of the Units so

represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if at 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 the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Units whose absence would cause less than a quorum to be present.

**3.11 Manner of Acting.** If a quorum is present, the affirmative vote of a majority of the outstanding Units held by Members, represented at the meeting in person or by proxy shall be the act of the Members, unless the vote of a greater number is required by the Act, by the Certificate of Organization, or by this Agreement or the vote of a lesser number is specifically permitted by this Agreement.

**3.12 Action by Members Without a Meeting.** Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the Members holding a majority of the outstanding Units entitled to vote on such action, or such greater or lesser number as may be specifically required by this Agreement to approve such action, and delivered to the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section 3.12 is effective when the Members required to approve such action have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

**3.13 Waiver of Notice.** When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

**3.14 Meeting by Telephone.** The Members may also meet by conference telephone call if all Members can hear one another on such call and the requisite notice is given or waived. Further, Members or holders of proxies may vote all Units they are allowed by way of conference telephone so long as verification can be made of the identity of the Member or the validity of the proxies.

**3.15 Resignation or Termination of Membership; Return of Capital.** No Member shall resign or terminate such Member's membership in the Company for any reason (including bankruptcy or any other event contemplated by the Act) except as expressly permitted by this Agreement, or have any right to distributions respecting such Member's Units (upon withdrawal or resignation from the Company or otherwise) except as expressly set forth in this Agreement. No Member shall have the right to demand or receive property other than cash in return for such Member's Capital Contribution. No interest shall accrue on any Capital Contribution.

**ARTICLE IV  
CAPITAL ACCOUNTS AND ALLOCATIONS**

**4.1 Initial Capital Contributions.** The initial amount of the capital contribution of each Member is as it appears on the books of the Company.

**4.2 Additional Capital Contributions.** The Members may, but shall have no duty to, make contributions to the Company. The Members may, but shall not be obligated to, make loans to the Company. The Members may, but shall not be obligated to, guarantee the Company's obligations.

**4.3 Capital Accounts.** A separate account (a "**Capital Account**") shall be established and maintained for each Member and shall be:

**(a)** increased by (i) any cash contributions made by such Member, (ii) the Gross Asset Value of any asset contributed by such Member to the Company (as determined immediately prior to such contribution), (iii) the Member's distributive share of Company Net Profits, and (iv) the amount of any Company liabilities that are assumed by such Member or that are secured by any Company property distributed to such Member, and

**(b)** reduced by (i) such Member's distributive share of Company Net Losses, (ii) cash distributed by the Company to such Member, (iii) the Gross Asset Value of any Company property distributed to such Member (as determined immediately prior to such distribution), and (iv) the amount of any liabilities of such Member that are assumed by the Company or that are secured by any property contributed by such Member to the Company. It is the intention of the Members that the Capital Accounts of the Company be maintained in accordance with the Regulations promulgated under Code Section 704(b) and that this Agreement be interpreted consistently therewith.

**4.4 Revaluations of Capital Accounts.** If so determined by the Manager, immediately prior to any Adjustment Date, the Capital Accounts of all Members shall also be increased or decreased to reflect the aggregate net increase or decrease in Gross Asset Values of the Company as if the upward or downward change in the Gross Asset Values arising from such adjustment had been Net Profits or Net Losses, respectively, and allocated among the Members pursuant to Section 4.5.

**4.5 General.** Unless otherwise provided herein: (a) the provisions of Section 4.5 shall be applied after the provisions of the remaining Sections of this ARTICLE IV have been given effect, (b) allocations shall be made equally to each Unit, and (c) allocations made to the predecessor in interest of a Member shall be treated as having been made to that Member.

**4.6 Net Profits and Net Losses.** The Net Profits and Net Losses as determined for purposes of computing the Capital Accounts of the Members shall be allocated among the Members and credited or debited to their respective Capital Accounts in accordance with Regulations § 1.704-1(b)(2)(iv), so as to ensure to the maximum extent possible (a) that such allocations satisfy the economic effect equivalence test of Regulations § 1.704-1(b)(2)(ii)(i) and (b) that all allocations

of items that cannot have economic effect (including credits and nonrecourse deductions) are allocated to the Members in proportion to their limited liability company interests in the Company as required by Code Section 704(b) and the Regulations promulgated thereunder. To the extent possible, items that can have economic effect shall be allocated in such a manner that the balance of each Member's Capital Account at the end of any taxable year (increased by such Member's "share of partnership minimum gain" as defined in Regulations § 1.704-2) would be positive to the extent of the amount of cash that such Member would receive (or would be negative to the extent of the amount of cash that such Member would be required to contribute to the Company) in respect of such Member's limited liability company interests in the Company if the Company sold all of its property for an amount of cash equal to the book value (as determined pursuant to Regulations § 1.704-1(b)(2)(iv)) of such property (reduced, but not below zero, by the amount of Company liabilities treated as "nonrecourse debt" pursuant to Regulations § 1.704-2(b)(3)) and all of the cash of the Company remaining after payment of all liabilities (other than such nonrecourse debt) of the Company were distributed in liquidation in accordance with Section 5.21(a) immediately following the end of such taxable year.

**4.7 Allocations with respect to Contributed Property.** The Tax Items with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and the agreed fair market value of such property, in accordance with Code Section 704(c) and the Regulations thereunder. All allocations required or permitted by Code Section 704(c) will be made using the "traditional method".

**4.8 Qualified Income Offset.** Any Member who unexpectedly receives an adjustment, allocation or distribution described in Regulations § 1.704-1(b)(2)(ii)(d) (4), (5) or (6), and as a result such Member has, or has increased, a deficit balance in such Member's Capital Account (in excess of any amounts that such Member is deemed obligated to restore under Regulations § 1.704-2) will be allocated items of income and gain (consisting of a pro rata portion of each item of partnership income, including gross income, and gain for such year) in an amount and manner sufficient to eliminate such deficit balance as quickly as possible.

**4.9 Minimum Gain Chargeback.** Notwithstanding any provision of this Agreement to the contrary, if there is a net decrease during a taxable year in Company "minimum gain," as that term is defined in Regulations § 1.704-2(d), then items of income and gain for such taxable year (and, if necessary, subsequent years) shall be allocated in such a manner as to comply with the "minimum gain chargeback" requirement of Regulations § 1.704-2(f).

**4.10 Proration in the Event of a Transfer.** If any Units of a Member are transferred during a taxable year of the Company, then each Tax Item attributable to the transferred Units shall be prorated between the transferor and transferee for federal income tax purposes as required or permitted by the Code or Regulations, using any convention or method permitted by the Code or Regulations in making such proration as the Manager shall select; *provided, however*, extraordinary gain or loss (if any) shall be allocated to the holder of the Unit on the date of the disposition giving rise to the extraordinary gain or loss.

**4.11 Allocations upon Admissions or Redemptions.** If the number of Units held by a Member changes during a taxable year for any reason other than the transfer of all or a portion of

such Units to any other Person, then such Member's share of each Tax Item shall be determined for federal income tax purposes by taking into account each such Member's change in number of Units and using any convention or method permitted by the Code or the Regulations selected by the Manager.

**4.12 Allocations of Nonrecourse Deductions.** "Nonrecourse deductions," as that term is defined in Regulations § 1.704-2(c), and "partner nonrecourse deductions," as that term is defined in Regulations § 1.704-2(i)(2), shall be allocated as determined by the Manager in accordance with Regulations § 1.704-2.

**4.13 Limitation on Loss Allocations.** If and to the extent that any allocation of Net Loss to any Member would cause such Member's Capital Account to have a deficit balance, or would further increase an existing deficit balance (in each case, only to the extent that such deficit balance exceeds the amount that such Member is deemed obligated to restore under Regulations § 1.704-2), in excess of the maximum deficit balance allowed under the Section 704(b) Regulations, then such Net Loss shall be allocated first to the other Members, until all such Members' Capital Accounts are reduced to zero, and then to all Members equally with respect to each Unit held. If any special allocations of Net Loss are made pursuant to the preceding sentence, items of gross income and gain in subsequent periods shall be specially allocated to offset such allocations of Net Loss as promptly as possible.

**4.14 Special Allocations in Year of Liquidation.** It is the intention of the parties that the Capital Accounts of the Members immediately before the liquidation of the Company shall be as nearly equal as possible to the amounts that they would receive in liquidation under Section 5.2 (the "**Target Amounts**"). Therefore, in the year the Company is actually liquidated, should there be any difference between the Capital Accounts of the Members and the amounts to which the Members would otherwise be entitled under Section 5.2, then Net Profits or Net Losses, as the case may be, in that year (and the prior year, if necessary and permitted by the Code and Regulations) shall be specially allocated among the Members so that, as much as possible, their Capital Accounts shall equal the amounts to which they are entitled to receive under Section 5.2. If the Net Profits or Net Losses, as the case may be, of the Company are insufficient to allow the Capital Accounts of the Members to be adjusted to their Target Amounts, then items of gross income, gain, deduction and loss shall be specially allocated to the Members to the extent necessary to cause their Capital Accounts to be equal to their Target Amounts.

**4.15 Allocation of Tax Items.** Except as otherwise provided in this ARTICLE IV, all items of income, gain, loss and deduction will be allocated among the Members for federal income tax purposes in the same manner as the corresponding allocations for Capital Account purposes.

## **ARTICLE V DISTRIBUTIONS**

**5.1 Timing of Distributions.** The Members shall be entitled to receive distributions from the Company only at the following times:

**(a) Distributions on Liquidation of Company.**

(i) Upon the liquidation of the Company, the Company shall first promptly pay or make provision for the payment of all of the liabilities of the Company, including the establishment of such reserves as the Manager shall reasonably determine to be required by law in order to provide for contingent liabilities, and shall then distribute all remaining assets to the Members in accordance with Section 5.2.

(ii) The consideration received by the Members or the Company in connection with a Sale shall be distributed and/or allocated among the Members in accordance with the provisions of Section 5.2. If any portion of the Sale consideration payable to the Members is placed into escrow and/or is payable to the Members subject to any hold back or contingencies, the applicable definitive agreement shall provide that (A) the portion of such consideration that is not placed in escrow, held back and/or subject to any contingencies (the “**Initial Consideration**”) shall be allocated among the Members in accordance with Section 5.2 as if the Initial Consideration were the only consideration payable in connection with the Sale transaction and (B) any additional consideration that becomes payable to the Members upon release from escrow or hold back or satisfaction of contingencies shall be allocated among the Members in accordance with Section 5.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction.

**(b) Distributions prior to Liquidation of Company.** All distributions of cash or property prior to the liquidation of the Company shall be made in accordance with Section 5.2 at such times and in such aggregate amounts as the Manager shall determine. Distributions that are made to a Member pursuant to this Section 5.1(b) shall be treated as an advance of, and shall be offset against, future distributions to be made under Sections 5.1(a) and 5.2 to such Member.

**5.2 Priority of Distributions.** Except as otherwise set forth in Section 5.1, distributions shall be made to the Members in the following order and priority:

(a) First, to the holders of the Units in accordance with their Capital Account balances; and

(b) Second, ratably in accordance with their Percentage Interests.

**5.3 Withholding Against Distributions.** The Company shall have the right to withhold from any distribution to a Member the amount of any federal, state, local or foreign tax required by any taxing jurisdiction imposing an obligation that amounts be withheld from or with respect to Company distributions or allocations, and any amounts so withheld and paid over to such taxing jurisdiction shall be treated, for all purposes under this Agreement, as if such amounts had been distributed to such Member pursuant to this Agreement. With the consent of the Manager, the Company shall also have the right to withhold from any distribution to a Member the amount of any unpaid obligation of such Member to the Company or any of subsidiaries, and any amounts so

withheld shall be treated, for all purposes under this Agreement, as if such amounts had been distributed to such Member pursuant to this Agreement and then used to repay the unpaid obligation.

**5.4 No Violation of Act.** Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be permitted to make a distribution to any Member if such distribution would violate the Act or any other applicable law. Each Member (including any former Member) who receives a distribution in violation of the Act or any other applicable law shall be liable to the Company for the amount of such distribution to the extent required by the Act or such law.

**5.5 Non-Cash Distributions.** The value of any non-cash assets to be distributed to the Members in accordance with this Agreement shall be determined in good faith by the Manager. Any such distribution of non-cash assets shall be *pro rata*, as nearly as practicable, in accordance with the other provisions of this Agreement.

**5.6 Predecessors in Interest.** Any reference in this Agreement to a Capital Contribution of or distribution to a Member shall include the Capital Contributions of and the distributions previously made to such Member's predecessor in interest to the extent related to the Units acquired by such Member from such predecessor in interest.

## **ARTICLE VI TRANSFERS**

**6.1 General.** No Member shall sell, pledge, give, assign, distribute, hypothecate, mortgage or transfer (all referred to herein as a “**transfer**”) any Units owned by such Member, directly or indirectly, to any Person, except in compliance with the other provisions of this ARTICLE VI applicable to such Member. Any purported transfer made in violation of this Agreement shall be null and void and of no effect whatsoever.

**6.2 Transfer Restriction.** No Member shall transfer, directly or indirectly, any Units owned by such Member without the consent of the Manager.

**6.3 Securities Law Compliance.** No Member shall transfer such Member's Units or any part thereof in violation of the Securities Act or applicable state securities laws. The Manager may, as a condition precedent to any transfer by a Member, require such Member to deliver to the Company an opinion of counsel reasonably satisfactory to the Manager that such transfer is being made in compliance with the Securities Act and applicable state securities laws.

**6.4 Requirement to Sign Agreement.** Notwithstanding anything to the contrary contained in this Agreement, no Person shall acquire any Units, whether by purchase or transfer from a Member, issuance by the Company or otherwise, unless such Person first becomes a signatory to this Agreement as a Member, agreeing to be bound by all the terms of this Agreement. Any Person who acquires any Units in compliance with this Agreement shall be, automatically and without further action of the Company or the other Members, admitted as a Member.

## ARTICLE VII MISCELLANEOUS

### 7.1 **Dissolution; Liquidation.**

(a) The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following (a “**Dissolution Event**”): (i) written consent of the Members, (ii) pursuant to a voluntary or involuntary bankruptcy petition, (iii) the sale or other disposition of all or substantially all of the assets of the Company, or (iv) the entry of a decree of judicial dissolution of the Company.

(b) Upon dissolution of the Company, the Company shall immediately commence to wind up its affairs and the Manager shall promptly liquidate the business of the Company. During the period of the winding up of the affairs of the Company, the rights and obligations of the Members under this Agreement shall continue.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in accordance with Section 5.1(a).

(d) Upon the occurrence of: (i) a Dissolution Event, the Manager shall file articles of dissolution and (ii) the completion of the winding up of the Company, the Member shall file a statement of termination; in each case, in accordance with the Act.

**7.2 Books and Records.** The Company shall keep true and correct books of account with respect to the operations of the Company or any subsidiaries. Such books shall be maintained at the principal place of business of the Company or at such other place as the Manager shall determine. Such books shall be closed and balanced as of the last day of each year.

**7.3 Access to Information.** Each Member shall be entitled to request and receive from the Company only the following information regarding the Company: (a) Schedule K-1 and similar state forms relating to the Member’s tax liability arising out of the Company; (b) information to confirm the Member’s Units; and (c) a copy of this Agreement, as amended. Each Member acknowledges that such Member is not entitled to any other information regarding the Company or any other Member pursuant to the Act. The Manager shall be given full access to all information relating to the Company.

**7.4 Partner Representative.** Parent, or such other Member as is designated by the Manager, is hereby designated as the “partnership representative” (within the meaning of Section 6223(a) of the Code) (the “**Partnership Representative**”). The provisions on limitations of liability of Members and the Board contained herein and the indemnification provisions set forth in Section 2.8 of this Agreement shall be fully applicable to the Partnership Representative in its capacity as such. The Partnership Representative shall comply with the requirements of Sections 6221 through 6235 of the Code ( the “**New Audit Rules**”) and shall have the full authority to act on behalf of the Company and the Members as provided in the New Audit Rules, including, but not limited to, with respect to the elections under Section 6221(b) (the “opt-out election”) and Section

6226 (the “push-out election”) of the Code. The Partnership Representative shall be the exclusive spokesperson of the Company in the course of an audit or any litigation involving the Company as a party arising from the tax treatment of any Company item. Upon the resignation of the Partnership Representative, a new Member eligible to be the Partnership Representative shall be appointed by the Manager. The Company will use reasonable efforts to furnish to the Members Forms K-1 not later than March 31 of each year regarding the immediately preceding year. Except as otherwise provided in this Section 7.4, tax elections made by the Company (including, by way of example, any Section 754 election) must receive the prior approval of the Manager.

**7.5 Legends.** If any Units are represented by certificates or instruments, such certificates or instruments will contain any legends required by law and such legends reasonably required by the Company to ensure compliance with the terms of this Agreement or any other agreement with the Company.

**7.6 Successors and Assigns.** Subject to the restrictions on the transferability of the Units set forth herein, this Agreement shall be binding upon and shall inure to the benefit of (a) the Company and (b) the Members and their respective successors, successors-in-title, assigns, heirs and legal representatives. Except as otherwise expressly set forth herein, none of the provisions of this Agreement shall be for the benefit of or enforceable by any other Person (including, without limitation, creditors of the Company, any Member or any Manager).

**7.7 Amendments.** No waiver, modification or amendment of this Agreement shall be valid or binding unless such waiver, modification or amendment is in writing and approved by the Manager and the Majority Members. Any waiver, modification or amendment of this Agreement effected pursuant to the prior sentence shall be binding on the Company, all of the Members, and all other Persons bound by this Agreement. The Company will deliver copies of all amendments to this Agreement to each Member promptly after the effectiveness thereof.

**7.8 No Waiver.** The waiver of a breach of any provision of this Agreement shall not operate and be construed as a waiver or a continuing waiver of the same or any subsequent breach of any provision of this Agreement. No delay or omission in exercising any right under this Agreement shall operate as a waiver of that or any other right.

**7.9 Notices.** All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, by email or facsimile transmission (if confirmed), by United States mail, certified or registered with return receipt requested, by a nationally recognized overnight courier service, or otherwise actually delivered. Any such notice, demand or communication shall be deemed given (a) on the date received if delivered in person, emailed, faxed or delivered by overnight courier service or (b) three (3) days after the date mailed if given by registered or certified mail, return receipt requested, or if otherwise given by first class mail, postage prepaid. Any such notice, demand or communication shall be sent (i) if to the Company, to 55 Ivan Allen Jr. Blvd N, 9th Floor, Atlanta, GA 30308, (ii) if to any Member, to the address set forth on **Exhibit A** (or if there is no address for the Member on such Exhibit, to the Member’s most recent address set forth in the Company’s records) and (iii) if to any Manager, to the most recent address set forth in the Company’s records.

**7.10 Governing Law.** This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted, construed and enforced in accordance with the internal laws of the State of Massachusetts.

**7.11 Counterparts.** This Agreement may be executed in any number of counterparts, and with counterpart signature pages, including facsimile counterpart signature pages and counterpart signature pages in “portable document format” (.pdf), all of which together shall for all purposes constitute one Agreement notwithstanding that all Members have not signed the same counterpart.

**7.12 Entire Agreement.** This Agreement embodies the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

**7.13 Interpretation of Agreement.** The headings of Articles, Sections, and Subsections herein are inserted for convenience of reference only and shall be ignored in the construction or interpretation hereof. The parties hereto have participated jointly in the negotiation and drafting of this Agreement and the other documents and agreements contemplated herein. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement or any other document or agreement contemplated herein, this Agreement and such other documents and agreements shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authoring any of the provisions of this Agreement or any other documents or agreements contemplated herein. This Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited or invalid under any such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating or nullifying the remainder of such provision or any other provisions of this Agreement.

**7.14 Power of Attorney.** Each Member irrevocably grants to any designee chosen by the Manager a power of attorney to execute and deliver all agreements, documents and instruments and to take all other actions on behalf of such Member required by this Agreement should any Member fail to comply or fail to take any action required to comply with the provisions of this Agreement. The foregoing appointments and powers of attorney, each being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, death, incapacity, dissolution, liquidation or other termination of the existence of the Member.

**7.15 Specific Enforcement.** Without limiting the remedies available to the Company or any Member, each Member expressly agrees that the other Members and the Company could be irreparably damaged if this Agreement is not specifically enforced. Upon a breach or threatened breach of the terms or provisions of this Agreement by any Member, each of the other Members and the Company shall, in addition to all other remedies, be entitled to seek a temporary or permanent injunction, and/or decree for specific performance or other equitable relief, in accordance with the provisions hereof, without the necessity of proof of actual charges or the posting of a bond or other security.

## **ARTICLE VIII DEFINITIONS**

For purposes of this Agreement, the following terms shall have the following respective meanings:

**A&R Agreement** shall have the meaning specified in the Introduction.

**Act** shall have the meaning specified in Section 1.1.

**Adjustment Date** means the date on which any of the events described in Regulations § 1.704-1(b)(2)(iv)(f)(5) occurs.

**Affiliate** shall have the meaning given to it in Rule 405 promulgated under the Securities Act.

**Agreement** shall have the meaning specified in the preamble, as amended, modified and supplemented from time to time.

**Capital Account** shall have the meaning specified in Section 4.3.

**Capital Contributions** shall mean the capital contributed by the Members to the Company. A loan to the Company shall not be considered a Capital Contribution.

**CBPB Holdings** shall have the meaning specified in the Introduction.

**Claim** means any (a) threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, investigative or other, and/or (b) any inquiry, hearing or investigation, whether conducted by the Company or any other Person, that the Indemnified Person in good faith believes might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism.

**Code** shall mean the Internal Revenue Code of 1986, as amended.

**Company** shall have the meaning specified in the preamble and shall include any successor entity to the Company.

**Contributed Debt Interest** shall have the meaning specified in the Introduction.

**Corporate Conversion** shall have the meaning specified in the Introduction.

**Debt Contribution** shall have the meaning specified in the Introduction.

**Dissolution Event** shall have the meaning specified in Section 7.1(a).

**Equity Contribution** shall have the meaning specified in the Introduction.

**Gross Asset Value.** For purposes of determining and maintaining the Members' Capital Accounts, the term "Gross Asset Value" means, with respect to any asset, the adjusted basis of the asset for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed to the Company by a Member shall be the gross fair market value of such asset, as determined by the Manager and the Member or Members making such contribution.

(ii) If determined by the Manager, the Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager on any Adjustment Date (and such adjustment shall be deemed to have occurred immediately before the event giving rise to such Adjustment Date).

(i) If the Gross Asset Value of an asset has been determined or adjusted pursuant to clauses (i) or (ii), such Gross Asset Value shall thereafter be adjusted by the depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses.

**Indemnifiable Event** means any event, occurrence or circumstance that takes place either prior to or after the execution of this Agreement related to (a) the fact that the Indemnified Person is or was a Member, a Manager or Officer of the Company, (b) the fact that the Indemnified Person is or was serving at the request of the Company as a manager, director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, company, joint venture, employee benefit plan, trust or other enterprise, or (c) anything done or not done by the Indemnified Person in any such capacity.

**Indemnified Person** shall mean any Person who is or was a Member or a Manager.

**Initial Consideration** shall have the meaning specified in Section 5.1(a)(ii).

**LLC Conversion** shall have the meaning specified in the Introduction.

**Majority Members** means the Member(s) holding a majority of the outstanding Units held by all Members.

**Manager** shall have the meaning specified in Section 2.1.

**Member** shall mean each Person who is designated as a Member on the Register (as it may be amended from time to time by the Manager), including any Person who is admitted as a Member by the Manager after the date hereof in accordance with this Agreement. Each Member shall constitute a "member" of the Company for purposes of the Act.

**Net Profits and Net Losses** means for each taxable year of the Company (or other period for which Net Profit or Net Loss must be computed) the Company's taxable income or loss determined in accordance with Code Section 703(a), with the following adjustments:

(i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss;

(ii) any tax-exempt income of the Company, not otherwise taken into account in computing Net Profit or Net Loss, shall be included in computing taxable income or loss;

(iii) any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation § 1.704-1 (b)(2)(iv)(i)) and not otherwise taken into account in computing Net Profit or Net Loss, shall be subtracted from taxable income or loss;

(iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding the fact that the Gross Asset Value differs from the adjusted basis of the property for federal income tax purposes;

(v) in lieu of the depreciation, amortization or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation computed based upon the Gross Asset Value of the asset;

(vi) for the avoidance of doubt, any items which are specially allocated to a Member pursuant to Code Section 704(c) and Section 4.6 of this Agreement shall not be taken into account in computing Net Profit or Net Loss;

(vii) any increase or decrease to Capital Accounts as a result of any adjustment to the Gross Asset Values of Company assets on any Adjustment Date shall constitute an item of Net Profit or Net Loss as appropriate and shall be allocated to the Members immediately before the event that gave rise to such Adjustment Date; and

(viii) the difference between the Gross Asset Value and the fair market value of any non-cash asset distributed in kind to a Member shall be treated as an item of gain or loss, as applicable.

**NETA** shall have the meaning specified in the Introduction.

**NETA Inc.** shall have the meaning specified in the Introduction.

**Officer** shall have the meaning specified in Section 2.2.

**Original Member** shall have the meaning specified in the Introduction.

**Parent** shall have the meaning specified in the Introduction.

**Percentage Interest** shall mean a Member's ownership interest in the Company, as defined in Section 3.3 hereof and as set forth in **Exhibit A** hereof.

**Person** shall mean any natural person or corporation, limited liability company, partnership, trust or other entity.

**Register** shall have the meaning specified in Section 3.3(b).

**Regulations** shall mean the Treasury Regulations promulgated under the Code, as amended from time to time.

**Sale** means (i) a sale, lease or other disposition of all or substantially all of the assets of the Company, in one transaction or a series of transactions, (ii) a sale or other transfer of outstanding Units, merger, consolidation, share exchange, business combination or recapitalization, in one transaction or a series of transactions, that results in the holders of Units immediately prior to such transaction beneficially owning less than a majority of (A) the outstanding Units immediately after such transaction, or (B) in the case of a merger, consolidation or similar transaction where the Company is not the surviving entity, the outstanding equity interests in the surviving entity, or (iii) any other transaction or series of transactions having a substantially similar effect to those described in clauses (i) or (ii) hereof.

**Securities Act** shall mean the Securities Act of 1933, as amended.

**Target Amounts** shall have the meaning specified in Section 4.14.

**Tax Items** shall mean items of income, gain, deduction, loss or credit for federal income tax purposes.

**Transfer** shall have the meaning specified in Section 6.1.

**Units** shall have the meaning specified in Section 3.3(a).

*[The remainder of this page is intentionally left blank.]*

This Agreement has been executed and is effective as of the date first above written.

**COMPANY:**

**NEW ENGLAND TREATMENT ACCESS, LLC**

By: SH PARENT, INC., its Manager

By:   
Name: James Whitcomb  
Title: Secretary

**MEMBERS:**

**SH PARENT, INC.**

By:   
Name: James Whitcomb  
Title: Secretary

**CBPB HOLDINGS, INC.**

By:   
Name: James Whitcomb  
Title: Secretary

**Exhibit A**

**Members**

<b>Name and Address</b>	<b>Number of Units</b>	<b>Percentage Interest</b>
SH Parent, Inc. 55 Ivan Allen Jr. Blvd NW 9th Floor Atlanta, GA 30308	6,850	68.5%
CBPB Holdings Inc. 55 Ivan Allen Jr. Blvd NW 9th Floor Atlanta, GA 30308	3,150	31.5%
<b>Total</b>	<b>10,000</b>	<b>100%</b>

**SECOND AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT  
OF  
NEW ENGLAND TREATMENT ACCESS, LLC**

This Second Amended and Restated Limited Liability Company Agreement (the “**Agreement**”) of New England Treatment Access, LLC, a Massachusetts limited liability company (the “**Company**”) is entered into as of June 21, 2019 by and among the members listed on **Exhibit A** hereto and any other Person admitted in accordance with this Agreement as a Member of the Company from time to time. Capitalized terms used herein and not otherwise defined shall have the respective meanings given to them in ARTICLE VIII of this Agreement.

**Introduction**

WHEREAS, New England Treatment Access, Inc., a Massachusetts non-profit corporation (“**NETA**”), was originally formed for the purpose of holding two registered marijuana dispensary final certificates of registration in good standing with the Department of Public Health of the Commonwealth of Massachusetts;

WHEREAS, on February 12, 2018, CBPB Holdings, Inc. (“**CBPB Holdings**”) was incorporated as a Delaware corporation;

WHEREAS, on March 19, 2018, NETA and its sole and initial member, Howard J. Kessler (the “**Original Member**”), entered into an Agreement and Plan of Entity Conversion, pursuant to which NETA was converted from a Massachusetts non-profit corporation into a Massachusetts business corporation (the “**Corporate Conversion**”), which resulting corporation was named New England Treatment Access, Inc. (“**NETA Inc.**”), and the membership interests of NETA held by the Original Member were converted into one (1) share of common stock, par value \$0.00001 per share, of NETA Inc.;

WHEREAS, on March 19, 2018, following the effectiveness of the Corporate Conversion, CBPB Holdings and the Original Member entered into a Contribution Agreement, pursuant to which the Original Member contributed to CBPB Holdings one (1) share of the common stock, par value \$0.00001 per share, of NETA Inc., which represented 100% of the then issued and outstanding stock of NETA Inc. in consideration of the issuance by CBPB Holdings of one (1) share of CBPB Holdings common stock, which represented 100% of the then issued and outstanding stock of CBPB Holdings (the “**Equity Contribution**”);

WHEREAS, on March 19, 2018, following the effectiveness of the Equity Contribution, NETA Inc. and CBPB Holdings, as the sole shareholder of NETA Inc., entered into an Agreement and Plan of Entity Conversion, pursuant to which: (i) NETA Inc. was converted from a Massachusetts corporation into a Massachusetts limited liability company (the “**LLC Conversion**”), which resulting limited liability company was named New England Treatment Access, LLC, and (ii) the one (1) outstanding share of common stock, par value \$0.00001 per share, of NETA Inc. held by CBPB Holdings was converted into one (1) Class A Unit of the Company;

WHEREAS, concurrently with the LLC Conversion, CBPB Holdings executed and delivered the Limited Liability Company Agreement of the Company and the Company continued as a limited liability company under the Act as set forth therein;

WHEREAS, on March 19, 2018, following the effectiveness of the LLC Conversion, CBPB Holdings and the Original Member entered into a Contribution Agreement, pursuant to which the Original Member contributed to CBPB Holdings the Original Member's interest in the promissory notes issued by NETA Inc. (as successor to NETA) to the Original Member (collectively, the "**Contributed Debt Interest**") as a capital contribution to CBPB Holdings (the "**Debt Contribution**");

WHEREAS, on March 19, 2018, following the effectiveness of the Debt Contribution, CBPB Holdings forgave the entire aggregate outstanding principal balance and accrued interest of the Contributed Debt Interest and released the Company from any and all further liability under the Contributed Debt Interest;

WHEREAS, the parties who were then members of the Company entered into an Amended and Restated Limited Liability Company Agreement of the Company, dated March 19, 2018 (the "**A&R Agreement**");

WHEREAS, Aegis MA, LLC, a Delaware limited liability company, Vered Management Services, Inc., a Massachusetts corporation, and FSR Holdings, LLC, a Massachusetts limited liability company transferred all of their ownership interests in the Company to SH Parent, Inc., a Delaware corporation ("**Parent**"), effective as of the date hereof; and

WHEREAS, CBPB Holdings and Parent now desire to amend and restate the A&R Agreement to cancel and convert all Class A Units and Class B Units (each as defined in the A&R Agreement) under the A&R Agreement into a single class of Units (as defined below) and to govern the membership in and management of the Company on the terms set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants hereinafter set forth, the parties hereby amend and restate the A&R Agreement in its entirety as follows:

## **ARTICLE I NAME; BUSINESS; TERM**

**1.1 Name; Jurisdiction of Organization.** The name of the Company is New England Treatment Access, LLC. The Company is a limited liability company organized under the Massachusetts Limited Liability Company Act (as amended and in effect from time to time, and any successor of the Act, the "**Act**").

**1.2 Business.** The business of the Company shall consist of engaging in any lawful act or activity for which a limited liability company may be organized under the Act.

**1.3 Office; Agent for Service of Process.** The principal place of business of the Company shall be 5 Forge Parkway, Franklin, Massachusetts 02038, or such other place as the Manager shall determine from time to time. As of the date of this Agreement, the registered office

of the Company in the State of Massachusetts and the name and address of the Company's initial agent for service of process is National Registered Agents, Inc., located at 155 Federal Street, Suite 700, Boston, MA 02110.

**1.4 Term.** The Company shall continue in existence until terminated and liquidated by the Manager in compliance with the provisions of this Agreement. No Member or Manager shall initiate any action to liquidate or dissolve the Company pursuant to the Act or any other law. The Manager and/or any Person(s) authorized in writing by the Manager may wind up the Company's affairs in accordance with the Act and this Agreement.

**1.5 Construction of Agreement.** The rights, powers, privileges, obligations, duties and liabilities of the Members, Managers and other Persons bound by this Agreement shall be determined pursuant to this Agreement and the Act. To the extent that the rights, powers, privileges, obligations, duties or liabilities of any Member, Manager or other Person bound by this Agreement are different by reason of any provision of this Agreement than they would be under the Act in the absence of such provision, this Agreement shall, to the maximum extent permitted by the Act, control.

## **ARTICLE II MANAGEMENT**

**2.1 Manager.** The Company and its business and affairs shall be managed by a Manager (as used herein, "**Manager**" has the meaning given to it in the Act) subject to and in accordance with the provisions of this Agreement. The Manager shall be elected by the Majority Members. Parent shall be the sole initial Manager of the Company. All actions by the Company that would require approval of the board of directors of a corporation formed under Massachusetts law or for which it would be customary, using good practice, to obtain such approval, shall require Manager approval. Any action required or permitted to be taken at any meeting may be taken by the Manager(s) without a meeting, if all Managers then in office and entitled to vote on the matter consent to the action in writing. Each written consent shall be filed with the minutes of proceedings of the Manager(s).

**2.2 Compensation.** The Company may pay the Manager a salary for the Manager's services to the Company. No payment of salary shall be deemed to be a distribution for purposes of any law concerning unlawful distributions or creditors' remedies.

**2.3 Election of Officers; Delegation of Authority.** The Manager may, from time to time, designate one or more officers with such titles as may be designated by the Manager to act in the name of the Company with such authority as may be delegated to such officers by the Member (each such designated person, an "**Officer**"). Any such Officer shall act pursuant to such delegated authority until such Officer is removed by the Manager. Any action taken by an Officer designated by the Manager pursuant to authority delegated to such Officer shall constitute the act of and serve to bind the Company. Persons dealing with the Company are entitled to rely conclusively on the power and authority of any Officer set forth in this Agreement and any instrument designating such Officer and the authority delegated to him or her.

approval rights of any kind or (iii) right to exercise any of the rights, powers or privileges of the Act, and (b) the approval of the Members shall not be required for the Company to engage in any transaction or to perform any act, statutory or otherwise. The Manager shall make all decisions with respect to the Company's business and affairs without the consent of the Members, except as otherwise specifically required by the Act.

**2.5 Removal of the Manager.** The Manager shall serve for the term for which it is elected and until the first to occur of the resignation or removal of such Manager, or until a successor to such Manager shall have been elected and qualified.

**2.6 Resignation.** The Manager may resign by giving written notice to the Company. The resignation of the Manager shall take effect upon the Company's receipt of notice thereof or at such later time as shall be specified in such notice. The resignation of the Manager who is also a Member shall not affect the Manager's rights as a Member.

**2.7 Manager Powers.** In addition to and not in limitation of any rights and powers conferred by law or other provisions of this Agreement, and except only as limited, restricted or prohibited by the express provisions of this Agreement, the Manager, shall have full, exclusive and complete discretion in the management and control of the business and affairs of the Company and shall make all decisions affecting Company business and affairs, including without limitation, the power to:

(a) execute any and all other instruments and documents that may be necessary or in the opinion of the Manager desirable to carry out the intent and purpose of this Agreement or the Company, including, but not limited to, (i) documents whose operation and effect extend beyond the term of the Company and (ii) consents or agreements of any subsidiaries of the Company or their affiliates;

(b) make any and all expenditures that the Manager, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of their obligations and responsibilities under this Agreement, including, without limitation, all legal, accounting, and other related expenses incurred in connection with the organization and financing and operation of the Company;

(c) enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

(d) invest and reinvest Company reserves in such manner as the Manager shall determine in its sole discretion;

(e) sell, exchange or otherwise transfer or dispose of all or substantially all of the Company's property;

(f) approve or effect the merger of the Company with or into another entity;

(g) dissolve, liquidate or wind-up the Company;

- (h) amend this Agreement;
- (i) admit new Members to the Company;
- (j) require additional capital contributions from Members; or
- (k) file a voluntary petition in bankruptcy on behalf of the Company or any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for the Company under the present or any future federal bankruptcy act or any present or future applicable federal, state or other statute or law relating to bankruptcy, insolvency, or other relief for debtors.

## **2.8 Indemnification.**

(a) In the event an Indemnified Person was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising in part out of) an Indemnifiable Event, the Company shall indemnify the Indemnified Person to the fullest extent permitted by law as soon as practicable but in any event no later than ten (10) days after written demand is presented to the Company, against any and all expenses, losses, damages, judgments, fines, penalties, liabilities and amounts paid in settlement actually and reasonably incurred by such Indemnified Person in respect of such Claim; *provided*, that (i) such Indemnified Person acted within the authority granted by this Agreement in good faith in a manner that such Indemnified Person believed was in or not opposed to the best interests of the Company, and (ii) such Indemnified Person's conduct did not constitute gross negligence, willful misconduct or a knowing violation of law.

(b) This right to indemnification shall include the payment of all reasonable expenses incurred by such Indemnified Person, including reasonable legal and other professional fees and expenses, which amounts shall be paid by the Company when incurred, subject to an undertaking from the Indemnified Person to return such amounts if it is finally determined by a court of competent jurisdiction that such Indemnified Person is not entitled to indemnification hereunder. The Indemnified Person will cooperate with the Company in the defense of any Claim.

(c) If a third party seeks to hold an Affiliate of an Indemnified Person responsible for any action or inaction by such Indemnified Person for any Indemnifiable Event, then such Affiliate shall be entitled to indemnification under this Section 2.8 to the same extent as the Indemnified Person is entitled to indemnification hereunder, and such Affiliates shall be express third-party beneficiaries of this Section 2.8.

(d) This right to indemnification shall (i) not be exclusive of or affect any other rights which any Indemnified Person may have, (ii) inure to the benefit of the heirs, executors and administrators of an Indemnified Person, and (iii) continue in effect regardless of whether an Indemnified Person continues to serve as a Manager. No amendment or repeal of this Section 2.8 shall have any effect on a Person's rights under this Section 2.8 with respect to any act or omission occurring prior to such amendment or repeal.

**2.9 Exculpation.** No Indemnified Person shall be liable, in damages or otherwise, to the Company or any Member, Manager or other Person bound by this Agreement for any loss that arises out of any act performed or omitted to be performed by such Indemnified Person as a Manager within the authority granted by this Agreement, other than for any loss that results from the Indemnified Person's knowing violation of law, fraud, gross negligence or willful misconduct. No amendment or repeal of this Section 2.9 shall have any effect on an Indemnified Person's rights under this Section 2.9 with respect to any act or omission occurring prior to such amendment or repeal.

**2.10 Reliance.** A Manager shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters such Manager reasonably believes are within such other Person's professional or expert competence, including without limitation information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or income or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

### **ARTICLE III MEMBERS; LIMITED LIABILITY; CAPITAL**

**3.1 Members.** The name and address of each Member is set forth on **Exhibit A** hereto (as the same may be amended from time to time). Such exhibit may be changed by the Manager to reflect a change in the address of any Member upon notice from such Member of a change of address.

**3.2 Limited Liability.** Except as otherwise required by the Act, the debts, expenses, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, expenses, obligations and liabilities of the Company, and no Member or Manager shall be obligated personally for any such debt, expense, obligation or liability of the Company. All Persons dealing with the Company shall have recourse solely to the assets of the Company for the payment of the debts, expenses, obligations or liabilities of the Company. No Member shall have any liability to restore any negative balance in such Member's Capital Account. No Member is required to lend any funds to the Company.

#### **3.3 Capital.**

(a) The Company shall have one class of common units ("Units") and each one Class A Unit and each one Class B Unit (each as defined in the A&R Operating Agreement) outstanding immediately prior to the effective date hereof is hereby cancelled and converted into one Unit. As of the date of this Agreement, the Company is authorized to issue 10,000 Units.

(b) The number of Units and Percentage Interests held by the Members on the date of this Agreement are set forth on **Exhibit A**. The Members acknowledge and agree that, except for the Units set forth on **Exhibit A**, they do not hold or have rights to any equity interests in the Company. Following the date of this Agreement, the number of Units and Percentage Interests held by the Members may be

set forth in a separate Unit Ownership Register (the “**Register**”) maintained by the Manager. The Register shall be amended from time to time by the Manager to reflect transfers of Units and the issuance of new Units in accordance with this Agreement.

**3.4 Voting of Members.** Except as otherwise specifically required by this Agreement or the Act, the Members are not entitled to vote on matters affecting Company business and affairs and all Units are non-voting. To the extent any such vote of the Members is specifically required by this Agreement or the Act, the holders of the Units are entitled to one vote for each Unit held at all meetings of Members and written actions in lieu of meetings. Members may vote in person or by proxy or consent to such action pursuant to written consent.

**3.5 Meetings.** No regular meetings of the Members need be held. Meetings of Members may be called by any Manager and shall be called by any Manager of the Company upon the written request of a Member or Members holding at least 25% of the then outstanding Units held by Members.

**3.6 Place of Meetings.** Meetings of Members may be held within or outside the State of Massachusetts.

**3.7 Notice of Meetings.** Written notice of meetings of Members stating the place, day, and hour of the meeting shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally, by mail or by email, by or at the direction of the Manager or person calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be given five (5) calendar days after being deposited in the United States mail, addressed to each Member at the address of each Member as it appears on the books of the Company, with postage thereon prepaid. Notice of a meeting may be waived by an instrument in writing executed before or after the meeting. The waiver need not specify the purpose of the meeting or the business transacted. Attendance at such meeting in person or by proxy shall constitute a waiver of notice thereof. Notice of any meeting of Members shall state the purpose or purposes for which the meeting is called.

**3.8 Meeting of all Members.** If all of the Members shall meet at any time and place, either within or outside of the State of Massachusetts, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any lawful action may be taken.

**3.9 Record Date.** For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or in order 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 is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section 3.9, such determination shall apply to any adjournment thereof.

**3.10 Quorum.** At all meetings of Members, a majority of the outstanding Units held by the Members represented at the meeting in person or by proxy, shall constitute a quorum for the transaction of business. In the absence of a quorum at any such meeting, a majority of the Units so

represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if at 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 the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Units whose absence would cause less than a quorum to be present.

**3.11 Manner of Acting.** If a quorum is present, the affirmative vote of a majority of the outstanding Units held by Members, represented at the meeting in person or by proxy shall be the act of the Members, unless the vote of a greater number is required by the Act, by the Certificate of Organization, or by this Agreement or the vote of a lesser number is specifically permitted by this Agreement.

**3.12 Action by Members Without a Meeting.** Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the Members holding a majority of the outstanding Units entitled to vote on such action, or such greater or lesser number as may be specifically required by this Agreement to approve such action, and delivered to the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section 3.12 is effective when the Members required to approve such action have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

**3.13 Waiver of Notice.** When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

**3.14 Meeting by Telephone.** The Members may also meet by conference telephone call if all Members can hear one another on such call and the requisite notice is given or waived. Further, Members or holders of proxies may vote all Units they are allowed by way of conference telephone so long as verification can be made of the identity of the Member or the validity of the proxies.

**3.15 Resignation or Termination of Membership; Return of Capital.** No Member shall resign or terminate such Member's membership in the Company for any reason (including bankruptcy or any other event contemplated by the Act) except as expressly permitted by this Agreement, or have any right to distributions respecting such Member's Units (upon withdrawal or resignation from the Company or otherwise) except as expressly set forth in this Agreement. No Member shall have the right to demand or receive property other than cash in return for such Member's Capital Contribution. No interest shall accrue on any Capital Contribution.

## ARTICLE IV CAPITAL ACCOUNTS AND ALLOCATIONS

**4.1 Initial Capital Contributions.** The initial amount of the capital contribution of each Member is as it appears on the books of the Company.

**4.2 Additional Capital Contributions.** The Members may, but shall have no duty to, make contributions to the Company. The Members may, but shall not be obligated to, make loans to the Company. The Members may, but shall not be obligated to, guarantee the Company's obligations.

**4.3 Capital Accounts.** A separate account (a "**Capital Account**") shall be established and maintained for each Member and shall be:

**(a)** increased by (i) any cash contributions made by such Member, (ii) the Gross Asset Value of any asset contributed by such Member to the Company (as determined immediately prior to such contribution), (iii) the Member's distributive share of Company Net Profits, and (iv) the amount of any Company liabilities that are assumed by such Member or that are secured by any Company property distributed to such Member, and

**(b)** reduced by (i) such Member's distributive share of Company Net Losses, (ii) cash distributed by the Company to such Member, (iii) the Gross Asset Value of any Company property distributed to such Member (as determined immediately prior to such distribution), and (iv) the amount of any liabilities of such Member that are assumed by the Company or that are secured by any property contributed by such Member to the Company. It is the intention of the Members that the Capital Accounts of the Company be maintained in accordance with the Regulations promulgated under Code Section 704(b) and that this Agreement be interpreted consistently therewith.

**4.4 Revaluations of Capital Accounts.** If so determined by the Manager, immediately prior to any Adjustment Date, the Capital Accounts of all Members shall also be increased or decreased to reflect the aggregate net increase or decrease in Gross Asset Values of the Company as if the upward or downward change in the Gross Asset Values arising from such adjustment had been Net Profits or Net Losses, respectively, and allocated among the Members pursuant to Section 4.5.

**4.5 General.** Unless otherwise provided herein: (a) the provisions of Section 4.5 shall be applied after the provisions of the remaining Sections of this ARTICLE IV have been given effect, (b) allocations shall be made equally to each Unit, and (c) allocations made to the predecessor in interest of a Member shall be treated as having been made to that Member.

**4.6 Net Profits and Net Losses.** The Net Profits and Net Losses as determined for purposes of computing the Capital Accounts of the Members shall be allocated among the Members and credited or debited to their respective Capital Accounts in accordance with Regulations § 1.704-1(b)(2)(iv), so as to ensure to the maximum extent possible (a) that such allocations satisfy the economic effect equivalence test of Regulations § 1.704-1(b)(2)(ii)(i) and (b) that all allocations

of items that cannot have economic effect (including credits and nonrecourse deductions) are allocated to the Members in proportion to their limited liability company interests in the Company as required by Code Section 704(b) and the Regulations promulgated thereunder. To the extent possible, items that can have economic effect shall be allocated in such a manner that the balance of each Member's Capital Account at the end of any taxable year (increased by such Member's "share of partnership minimum gain" as defined in Regulations § 1.704-2) would be positive to the extent of the amount of cash that such Member would receive (or would be negative to the extent of the amount of cash that such Member would be required to contribute to the Company) in respect of such Member's limited liability company interests in the Company if the Company sold all of its property for an amount of cash equal to the book value (as determined pursuant to Regulations § 1.704-1(b)(2)(iv)) of such property (reduced, but not below zero, by the amount of Company liabilities treated as "nonrecourse debt" pursuant to Regulations § 1.704-2(b)(3)) and all of the cash of the Company remaining after payment of all liabilities (other than such nonrecourse debt) of the Company were distributed in liquidation in accordance with Section 5.21(a) immediately following the end of such taxable year.

**4.7 Allocations with respect to Contributed Property.** The Tax Items with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and the agreed fair market value of such property, in accordance with Code Section 704(c) and the Regulations thereunder. All allocations required or permitted by Code Section 704(c) will be made using the "traditional method".

**4.8 Qualified Income Offset.** Any Member who unexpectedly receives an adjustment, allocation or distribution described in Regulations § 1.704-1(b)(2)(ii)(d) (4), (5) or (6), and as a result such Member has, or has increased, a deficit balance in such Member's Capital Account (in excess of any amounts that such Member is deemed obligated to restore under Regulations § 1.704-2) will be allocated items of income and gain (consisting of a pro rata portion of each item of partnership income, including gross income, and gain for such year) in an amount and manner sufficient to eliminate such deficit balance as quickly as possible.

**4.9 Minimum Gain Chargeback.** Notwithstanding any provision of this Agreement to the contrary, if there is a net decrease during a taxable year in Company "minimum gain," as that term is defined in Regulations § 1.704-2(d), then items of income and gain for such taxable year (and, if necessary, subsequent years) shall be allocated in such a manner as to comply with the "minimum gain chargeback" requirement of Regulations § 1.704-2(f).

**4.10 Proration in the Event of a Transfer.** If any Units of a Member are transferred during a taxable year of the Company, then each Tax Item attributable to the transferred Units shall be prorated between the transferor and transferee for federal income tax purposes as required or permitted by the Code or Regulations, using any convention or method permitted by the Code or Regulations in making such proration as the Manager shall select; *provided, however*, extraordinary gain or loss (if any) shall be allocated to the holder of the Unit on the date of the disposition giving rise to the extraordinary gain or loss.

**4.11 Allocations upon Admissions or Redemptions.** If the number of Units held by a Member changes during a taxable year for any reason other than the transfer of all or a portion of

such Units to any other Person, then such Member's share of each Tax Item shall be determined for federal income tax purposes by taking into account each such Member's change in number of Units and using any convention or method permitted by the Code or the Regulations selected by the Manager.

**4.12 Allocations of Nonrecourse Deductions.** "Nonrecourse deductions," as that term is defined in Regulations § 1.704-2(c), and "partner nonrecourse deductions," as that term is defined in Regulations § 1.704-2(i)(2), shall be allocated as determined by the Manager in accordance with Regulations § 1.704-2.

**4.13 Limitation on Loss Allocations.** If and to the extent that any allocation of Net Loss to any Member would cause such Member's Capital Account to have a deficit balance, or would further increase an existing deficit balance (in each case, only to the extent that such deficit balance exceeds the amount that such Member is deemed obligated to restore under Regulations § 1.704-2), in excess of the maximum deficit balance allowed under the Section 704(b) Regulations, then such Net Loss shall be allocated first to the other Members, until all such Members' Capital Accounts are reduced to zero, and then to all Members equally with respect to each Unit held. If any special allocations of Net Loss are made pursuant to the preceding sentence, items of gross income and gain in subsequent periods shall be specially allocated to offset such allocations of Net Loss as promptly as possible.

**4.14 Special Allocations in Year of Liquidation.** It is the intention of the parties that the Capital Accounts of the Members immediately before the liquidation of the Company shall be as nearly equal as possible to the amounts that they would receive in liquidation under Section 5.2 (the "**Target Amounts**"). Therefore, in the year the Company is actually liquidated, should there be any difference between the Capital Accounts of the Members and the amounts to which the Members would otherwise be entitled under Section 5.2, then Net Profits or Net Losses, as the case may be, in that year (and the prior year, if necessary and permitted by the Code and Regulations) shall be specially allocated among the Members so that, as much as possible, their Capital Accounts shall equal the amounts to which they are entitled to receive under Section 5.2. If the Net Profits or Net Losses, as the case may be, of the Company are insufficient to allow the Capital Accounts of the Members to be adjusted to their Target Amounts, then items of gross income, gain, deduction and loss shall be specially allocated to the Members to the extent necessary to cause their Capital Accounts to be equal to their Target Amounts.

**4.15 Allocation of Tax Items.** Except as otherwise provided in this ARTICLE IV, all items of income, gain, loss and deduction will be allocated among the Members for federal income tax purposes in the same manner as the corresponding allocations for Capital Account purposes.

## **ARTICLE V DISTRIBUTIONS**

**5.1 Timing of Distributions.** The Members shall be entitled to receive distributions from the Company only at the following times:

**(a) Distributions on Liquidation of Company.**

(i) Upon the liquidation of the Company, the Company shall first promptly pay or make provision for the payment of all of the liabilities of the Company, including the establishment of such reserves as the Manager shall reasonably determine to be required by law in order to provide for contingent liabilities, and shall then distribute all remaining assets to the Members in accordance with Section 5.2.

(ii) The consideration received by the Members or the Company in connection with a Sale shall be distributed and/or allocated among the Members in accordance with the provisions of Section 5.2. If any portion of the Sale consideration payable to the Members is placed into escrow and/or is payable to the Members subject to any hold back or contingencies, the applicable definitive agreement shall provide that (A) the portion of such consideration that is not placed in escrow, held back and/or subject to any contingencies (the “**Initial Consideration**”) shall be allocated among the Members in accordance with Section 5.2 as if the Initial Consideration were the only consideration payable in connection with the Sale transaction and (B) any additional consideration that becomes payable to the Members upon release from escrow or hold back or satisfaction of contingencies shall be allocated among the Members in accordance with Section 5.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction.

**(b) Distributions prior to Liquidation of Company.** All distributions of cash or property prior to the liquidation of the Company shall be made in accordance with Section 5.2 at such times and in such aggregate amounts as the Manager shall determine. Distributions that are made to a Member pursuant to this Section 5.1(b) shall be treated as an advance of, and shall be offset against, future distributions to be made under Sections 5.1(a) and 5.2 to such Member.

**5.2 Priority of Distributions.** Except as otherwise set forth in Section 5.1, distributions shall be made to the Members in the following order and priority:

(a) First, to the holders of the Units in accordance with their Capital Account balances; and

(b) Second, ratably in accordance with their Percentage Interests.

**5.3 Withholding Against Distributions.** The Company shall have the right to withhold from any distribution to a Member the amount of any federal, state, local or foreign tax required by any taxing jurisdiction imposing an obligation that amounts be withheld from or with respect to Company distributions or allocations, and any amounts so withheld and paid over to such taxing jurisdiction shall be treated, for all purposes under this Agreement, as if such amounts had been distributed to such Member pursuant to this Agreement. With the consent of the Manager, the Company shall also have the right to withhold from any distribution to a Member the amount of any unpaid obligation of such Member to the Company or any of subsidiaries, and any amounts so

withheld shall be treated, for all purposes under this Agreement, as if such amounts had been distributed to such Member pursuant to this Agreement and then used to repay the unpaid obligation.

**5.4 No Violation of Act.** Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be permitted to make a distribution to any Member if such distribution would violate the Act or any other applicable law. Each Member (including any former Member) who receives a distribution in violation of the Act or any other applicable law shall be liable to the Company for the amount of such distribution to the extent required by the Act or such law.

**5.5 Non-Cash Distributions.** The value of any non-cash assets to be distributed to the Members in accordance with this Agreement shall be determined in good faith by the Manager. Any such distribution of non-cash assets shall be *pro rata*, as nearly as practicable, in accordance with the other provisions of this Agreement.

**5.6 Predecessors in Interest.** Any reference in this Agreement to a Capital Contribution of or distribution to a Member shall include the Capital Contributions of and the distributions previously made to such Member's predecessor in interest to the extent related to the Units acquired by such Member from such predecessor in interest.

## **ARTICLE VI TRANSFERS**

**6.1 General.** No Member shall sell, pledge, give, assign, distribute, hypothecate, mortgage or transfer (all referred to herein as a “**transfer**”) any Units owned by such Member, directly or indirectly, to any Person, except in compliance with the other provisions of this ARTICLE VI applicable to such Member. Any purported transfer made in violation of this Agreement shall be null and void and of no effect whatsoever.

**6.2 Transfer Restriction.** No Member shall transfer, directly or indirectly, any Units owned by such Member without the consent of the Manager.

**6.3 Securities Law Compliance.** No Member shall transfer such Member's Units or any part thereof in violation of the Securities Act or applicable state securities laws. The Manager may, as a condition precedent to any transfer by a Member, require such Member to deliver to the Company an opinion of counsel reasonably satisfactory to the Manager that such transfer is being made in compliance with the Securities Act and applicable state securities laws.

**6.4 Requirement to Sign Agreement.** Notwithstanding anything to the contrary contained in this Agreement, no Person shall acquire any Units, whether by purchase or transfer from a Member, issuance by the Company or otherwise, unless such Person first becomes a signatory to this Agreement as a Member, agreeing to be bound by all the terms of this Agreement. Any Person who acquires any Units in compliance with this Agreement shall be, automatically and without further action of the Company or the other Members, admitted as a Member.

## ARTICLE VII MISCELLANEOUS

### 7.1 **Dissolution; Liquidation.**

(a) The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following (a “**Dissolution Event**”): (i) written consent of the Members, (ii) pursuant to a voluntary or involuntary bankruptcy petition, (iii) the sale or other disposition of all or substantially all of the assets of the Company, or (iv) the entry of a decree of judicial dissolution of the Company.

(b) Upon dissolution of the Company, the Company shall immediately commence to wind up its affairs and the Manager shall promptly liquidate the business of the Company. During the period of the winding up of the affairs of the Company, the rights and obligations of the Members under this Agreement shall continue.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in accordance with Section 5.1(a).

(d) Upon the occurrence of: (i) a Dissolution Event, the Manager shall file articles of dissolution and (ii) the completion of the winding up of the Company, the Member shall file a statement of termination; in each case, in accordance with the Act.

**7.2 Books and Records.** The Company shall keep true and correct books of account with respect to the operations of the Company or any subsidiaries. Such books shall be maintained at the principal place of business of the Company or at such other place as the Manager shall determine. Such books shall be closed and balanced as of the last day of each year.

**7.3 Access to Information.** Each Member shall be entitled to request and receive from the Company only the following information regarding the Company: (a) Schedule K-1 and similar state forms relating to the Member’s tax liability arising out of the Company; (b) information to confirm the Member’s Units; and (c) a copy of this Agreement, as amended. Each Member acknowledges that such Member is not entitled to any other information regarding the Company or any other Member pursuant to the Act. The Manager shall be given full access to all information relating to the Company.

**7.4 Partner Representative.** Parent, or such other Member as is designated by the Manager, is hereby designated as the “partnership representative” (within the meaning of Section 6223(a) of the Code) (the “**Partnership Representative**”). The provisions on limitations of liability of Members and the Board contained herein and the indemnification provisions set forth in Section 2.8 of this Agreement shall be fully applicable to the Partnership Representative in its capacity as such. The Partnership Representative shall comply with the requirements of Sections 6221 through 6235 of the Code ( the “**New Audit Rules**”) and shall have the full authority to act on behalf of the Company and the Members as provided in the New Audit Rules, including, but not limited to, with respect to the elections under Section 6221(b) (the “opt-out election”) and Section

6226 (the “push-out election”) of the Code. The Partnership Representative shall be the exclusive spokesperson of the Company in the course of an audit or any litigation involving the Company as a party arising from the tax treatment of any Company item. Upon the resignation of the Partnership Representative, a new Member eligible to be the Partnership Representative shall be appointed by the Manager. The Company will use reasonable efforts to furnish to the Members Forms K-1 not later than March 31 of each year regarding the immediately preceding year. Except as otherwise provided in this Section 7.4, tax elections made by the Company (including, by way of example, any Section 754 election) must receive the prior approval of the Manager.

**7.5 Legends.** If any Units are represented by certificates or instruments, such certificates or instruments will contain any legends required by law and such legends reasonably required by the Company to ensure compliance with the terms of this Agreement or any other agreement with the Company.

**7.6 Successors and Assigns.** Subject to the restrictions on the transferability of the Units set forth herein, this Agreement shall be binding upon and shall inure to the benefit of (a) the Company and (b) the Members and their respective successors, successors-in-title, assigns, heirs and legal representatives. Except as otherwise expressly set forth herein, none of the provisions of this Agreement shall be for the benefit of or enforceable by any other Person (including, without limitation, creditors of the Company, any Member or any Manager).

**7.7 Amendments.** No waiver, modification or amendment of this Agreement shall be valid or binding unless such waiver, modification or amendment is in writing and approved by the Manager and the Majority Members. Any waiver, modification or amendment of this Agreement effected pursuant to the prior sentence shall be binding on the Company, all of the Members, and all other Persons bound by this Agreement. The Company will deliver copies of all amendments to this Agreement to each Member promptly after the effectiveness thereof.

**7.8 No Waiver.** The waiver of a breach of any provision of this Agreement shall not operate and be construed as a waiver or a continuing waiver of the same or any subsequent breach of any provision of this Agreement. No delay or omission in exercising any right under this Agreement shall operate as a waiver of that or any other right.

**7.9 Notices.** All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, by email or facsimile transmission (if confirmed), by United States mail, certified or registered with return receipt requested, by a nationally recognized overnight courier service, or otherwise actually delivered. Any such notice, demand or communication shall be deemed given (a) on the date received if delivered in person, emailed, faxed or delivered by overnight courier service or (b) three (3) days after the date mailed if given by registered or certified mail, return receipt requested, or if otherwise given by first class mail, postage prepaid. Any such notice, demand or communication shall be sent (i) if to the Company, to 55 Ivan Allen Jr. Blvd N, 9th Floor, Atlanta, GA 30308, (ii) if to any Member, to the address set forth on **Exhibit A** (or if there is no address for the Member on such Exhibit, to the Member’s most recent address set forth in the Company’s records) and (iii) if to any Manager, to the most recent address set forth in the Company’s records.

**7.10 Governing Law.** This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted, construed and enforced in accordance with the internal laws of the State of Massachusetts.

**7.11 Counterparts.** This Agreement may be executed in any number of counterparts, and with counterpart signature pages, including facsimile counterpart signature pages and counterpart signature pages in “portable document format” (.pdf), all of which together shall for all purposes constitute one Agreement notwithstanding that all Members have not signed the same counterpart.

**7.12 Entire Agreement.** This Agreement embodies the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

**7.13 Interpretation of Agreement.** The headings of Articles, Sections, and Subsections herein are inserted for convenience of reference only and shall be ignored in the construction or interpretation hereof. The parties hereto have participated jointly in the negotiation and drafting of this Agreement and the other documents and agreements contemplated herein. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement or any other document or agreement contemplated herein, this Agreement and such other documents and agreements shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authoring any of the provisions of this Agreement or any other documents or agreements contemplated herein. This Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited or invalid under any such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating or nullifying the remainder of such provision or any other provisions of this Agreement.

**7.14 Power of Attorney.** Each Member irrevocably grants to any designee chosen by the Manager a power of attorney to execute and deliver all agreements, documents and instruments and to take all other actions on behalf of such Member required by this Agreement should any Member fail to comply or fail to take any action required to comply with the provisions of this Agreement. The foregoing appointments and powers of attorney, each being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, death, incapacity, dissolution, liquidation or other termination of the existence of the Member.

**7.15 Specific Enforcement.** Without limiting the remedies available to the Company or any Member, each Member expressly agrees that the other Members and the Company could be irreparably damaged if this Agreement is not specifically enforced. Upon a breach or threatened breach of the terms or provisions of this Agreement by any Member, each of the other Members and the Company shall, in addition to all other remedies, be entitled to seek a temporary or permanent injunction, and/or decree for specific performance or other equitable relief, in accordance with the provisions hereof, without the necessity of proof of actual charges or the posting of a bond or other security.

## **ARTICLE VIII DEFINITIONS**

For purposes of this Agreement, the following terms shall have the following respective meanings:

**A&R Agreement** shall have the meaning specified in the Introduction.

**Act** shall have the meaning specified in Section 1.1.

**Adjustment Date** means the date on which any of the events described in Regulations § 1.704-1(b)(2)(iv)(f)(5) occurs.

**Affiliate** shall have the meaning given to it in Rule 405 promulgated under the Securities Act.

**Agreement** shall have the meaning specified in the preamble, as amended, modified and supplemented from time to time.

**Capital Account** shall have the meaning specified in Section 4.3.

**Capital Contributions** shall mean the capital contributed by the Members to the Company. A loan to the Company shall not be considered a Capital Contribution.

**CBPB Holdings** shall have the meaning specified in the Introduction.

**Claim** means any (a) threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, investigative or other, and/or (b) any inquiry, hearing or investigation, whether conducted by the Company or any other Person, that the Indemnified Person in good faith believes might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism.

**Code** shall mean the Internal Revenue Code of 1986, as amended.

**Company** shall have the meaning specified in the preamble and shall include any successor entity to the Company.

**Contributed Debt Interest** shall have the meaning specified in the Introduction.

**Corporate Conversion** shall have the meaning specified in the Introduction.

**Debt Contribution** shall have the meaning specified in the Introduction.

**Dissolution Event** shall have the meaning specified in Section 7.1(a).

**Equity Contribution** shall have the meaning specified in the Introduction.

**Gross Asset Value.** For purposes of determining and maintaining the Members' Capital Accounts, the term "Gross Asset Value" means, with respect to any asset, the adjusted basis of the asset for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed to the Company by a Member shall be the gross fair market value of such asset, as determined by the Manager and the Member or Members making such contribution.

(ii) If determined by the Manager, the Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager on any Adjustment Date (and such adjustment shall be deemed to have occurred immediately before the event giving rise to such Adjustment Date).

(i) If the Gross Asset Value of an asset has been determined or adjusted pursuant to clauses (i) or (ii), such Gross Asset Value shall thereafter be adjusted by the depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses.

**Indemnifiable Event** means any event, occurrence or circumstance that takes place either prior to or after the execution of this Agreement related to (a) the fact that the Indemnified Person is or was a Member, a Manager or Officer of the Company, (b) the fact that the Indemnified Person is or was serving at the request of the Company as a manager, director, officer, partner, employee, trustee, agent or fiduciary of another corporation, partnership, company, joint venture, employee benefit plan, trust or other enterprise, or (c) anything done or not done by the Indemnified Person in any such capacity.

**Indemnified Person** shall mean any Person who is or was a Member or a Manager.

**Initial Consideration** shall have the meaning specified in Section 5.1(a)(ii).

**LLC Conversion** shall have the meaning specified in the Introduction.

**Majority Members** means the Member(s) holding a majority of the outstanding Units held by all Members.

**Manager** shall have the meaning specified in Section 2.1.

**Member** shall mean each Person who is designated as a Member on the Register (as it may be amended from time to time by the Manager), including any Person who is admitted as a Member by the Manager after the date hereof in accordance with this Agreement. Each Member shall constitute a "member" of the Company for purposes of the Act.

**Net Profits and Net Losses** means for each taxable year of the Company (or other period for which Net Profit or Net Loss must be computed) the Company's taxable income or loss determined in accordance with Code Section 703(a), with the following adjustments:

(i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss;

(ii) any tax-exempt income of the Company, not otherwise taken into account in computing Net Profit or Net Loss, shall be included in computing taxable income or loss;

(iii) any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation § 1.704-1 (b)(2)(iv)(i)) and not otherwise taken into account in computing Net Profit or Net Loss, shall be subtracted from taxable income or loss;

(iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding the fact that the Gross Asset Value differs from the adjusted basis of the property for federal income tax purposes;

(v) in lieu of the depreciation, amortization or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation computed based upon the Gross Asset Value of the asset;

(vi) for the avoidance of doubt, any items which are specially allocated to a Member pursuant to Code Section 704(c) and Section 4.6 of this Agreement shall not be taken into account in computing Net Profit or Net Loss;

(vii) any increase or decrease to Capital Accounts as a result of any adjustment to the Gross Asset Values of Company assets on any Adjustment Date shall constitute an item of Net Profit or Net Loss as appropriate and shall be allocated to the Members immediately before the event that gave rise to such Adjustment Date; and

(viii) the difference between the Gross Asset Value and the fair market value of any non-cash asset distributed in kind to a Member shall be treated as an item of gain or loss, as applicable.

**NETA** shall have the meaning specified in the Introduction.

**NETA Inc.** shall have the meaning specified in the Introduction.

**Officer** shall have the meaning specified in Section 2.2.

**Original Member** shall have the meaning specified in the Introduction.

**Parent** shall have the meaning specified in the Introduction.

**Percentage Interest** shall mean a Member's ownership interest in the Company, as defined in Section 3.3 hereof and as set forth in **Exhibit A** hereof.

**Person** shall mean any natural person or corporation, limited liability company, partnership, trust or other entity.

**Register** shall have the meaning specified in Section 3.3(b).

**Regulations** shall mean the Treasury Regulations promulgated under the Code, as amended from time to time.

**Sale** means (i) a sale, lease or other disposition of all or substantially all of the assets of the Company, in one transaction or a series of transactions, (ii) a sale or other transfer of outstanding Units, merger, consolidation, share exchange, business combination or recapitalization, in one transaction or a series of transactions, that results in the holders of Units immediately prior to such transaction beneficially owning less than a majority of (A) the outstanding Units immediately after such transaction, or (B) in the case of a merger, consolidation or similar transaction where the Company is not the surviving entity, the outstanding equity interests in the surviving entity, or (iii) any other transaction or series of transactions having a substantially similar effect to those described in clauses (i) or (ii) hereof.

**Securities Act** shall mean the Securities Act of 1933, as amended.

**Target Amounts** shall have the meaning specified in Section 4.14.

**Tax Items** shall mean items of income, gain, deduction, loss or credit for federal income tax purposes.

**Transfer** shall have the meaning specified in Section 6.1.

**Units** shall have the meaning specified in Section 3.3(a).

*[The remainder of this page is intentionally left blank.]*

This Agreement has been executed and is effective as of the date first above written.

**COMPANY:**

**NEW ENGLAND TREATMENT ACCESS, LLC**

By: SH PARENT, INC., its Manager

By:   
Name: James Whitcomb  
Title: Secretary

**MEMBERS:**

**SH PARENT, INC.**

By:   
Name: James Whitcomb  
Title: Secretary

**CBPB HOLDINGS, INC.**

By:   
Name: James Whitcomb  
Title: Secretary

## Exhibit A

### Members

<b>Name and Address</b>	<b>Number of Units</b>	<b>Percentage Interest</b>
SH Parent, Inc. 55 Ivan Allen Jr. Blvd NW 9th Floor Atlanta, GA 30308	6,850	68.5%
CBPB Holdings Inc. 55 Ivan Allen Jr. Blvd NW 9th Floor Atlanta, GA 30308	3,150	31.5%
<b>Total</b>	<b>10,000</b>	<b>100%</b>



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



KEVIN O'BRIEN  
NEW ENGLAND TREATMENT ACCESS, LLC  
5 FORGE PKWY  
FRANKLIN MA 02038-3135

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

The Commissioner of Revenue certifies that, as of the date of this certificate, NEW ENGLAND TREATMENT ACCESS, LLC is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

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

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

### *What if I have questions?*

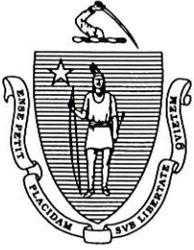
If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

### *Visit us online!*

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau



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

William Francis Galvin  
Secretary of the  
Commonwealth

November 26, 2019

TO WHOM IT MAY CONCERN:

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

**NEW ENGLAND TREATMENT ACCESS, LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **March 19, 2018.**

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

I also certify that the names of all managers listed in the most recent filing are: **JAMES WHITCOMB, WILLIAM WRIGLEY, CHARLES MAY**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **JAMES WHITCOMB, WILLIAM WRIGLEY, CHARLES MAY**

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

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



*William Francis Galvin*  
Secretary of the Commonwealth



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

Charles D. Baker  
GOVERNOR

Karyn E. Polito  
LT. GOVERNOR



176936394

Rosalin Acosta  
SECRETARY

Richard A. Jeffers  
DIRECTOR

New England Treatment Access, LLC.  
5 FORGE PARKWAY  
FRANKLIN, MA 02038

EAN: 22106695  
March 17, 2020

Certificate Id:36247

The Department of Unemployment Assistance certifies that as of 3/17/2020 ,New England Treatment Access, LLC. is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149,§189.

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

Richard A. Jeffers, Director

Department of Unemployment Assistance

## Business Plan

### Executive Summary

- NETA currently operates two co-located retail dispensaries and has been serving patients in Northampton since September 2015 and Brookline since February 2016. NETA cultivates and processes marijuana and marijuana infused products (MIPs) at its state of the art facility in Franklin.
- Financially, NETA has been able to meet all of its obligations and maintains a balanced budget.
- NETA will continue to produce, improve, and broaden the wide slate of products that it currently offers.
- Retail demand will dictate the timing of NETA's entrance into the supply side of the wholesale marketplace.

Operationally, this entails:

- Expanding operational and compliance protocols under 935 CMR 500 & 935 CMR 501;
- Expanding recruitment in disproportionately impacted communities;
- Hiring additional staff;
- Developing new work schedules; and
- Defining and managing state and local application and public/political processes

Infrastructurally, this entails:

- Increasing flower and marijuana infused products production capacity;
- Construction of a retail space to conform with the dual use requirements under 935 CMR 500 and 935 CMR 501;
- Identifying automated aids to increase production output.

### Investment Details

➤ NETA currently plans to self-fund these investments.

**Cultivation and Processing – Franklin:** Approximately \$12.0 MM in various projects have been identified and earmarked to increase our flower and MIPS production. The majority of the investment is focused on flower production, including increasing the amount of flowering space by approximately 30% and reinvesting in new, energy efficient technology and equipment to maximize the output of our current infrastructure.

**Retail – Franklin:** NETA plans to invest approximately \$1.5 million in infrastructure modifications to design and construct a new retail location. These modifications have not yet begun, but the design is currently being planned and all work is expected to be completed by the Fall 2021.

**Staffing:** NETA plans to increase its staffing in Franklin while continuing to invest in technology and equipment to maximize output. Our current plan is to hire approximately 80 full-time equivalents (FTEs)



for staffing the new retail dispensary. Additionally, we have various initiatives underway that aim to improve our efficiency in serving patients and customers while maintaining a similar approach to patient and customer service.

### **Revenue**

Our current projections estimate 2021 revenues around \$115 million. We assume that for 2021 NETA will continue to sell a majority of the products it manufactures at retail and will enter the wholesale market to supplement NETAs retail menu and sell bulk inventory.

### **Expenses**

Assuming a 2021 launch of the Franklin retail dispensary, our current projections estimate 2021 expenses related to the operations of an additional dispensary location around \$5.0 million, excluding capital expenditures. We project the following operating expense mix: Personnel (65%) and Operating Expenses (35%) for a total of 75 million in expenses. In addition to generous Host Agreements and its patient subsidy programs, NETA intends to continue its numerous charitable efforts through NETA Cares and donations to local community initiatives.



# COMMERCIAL GENERAL LIABILITY POLICY DECLARATIONS

**COMPANY:**  
**JAMES RIVER INSURANCE COMPANY**  
**6641 WEST BROAD STREET, SUITE 300**  
**RICHMOND, VA 23230**

**POLICY NUMBER**  
**00087138-1**

**1. NAMED INSURED AND MAILING ADDRESS**

New England Treatment Access LLC  
 dba Neta  
 5 Forge Parkway  
 Franklin, MA 02038

**PRODUCER:** 20342

R-T Specialty, LLC (Atlanta)  
 5565 Glenridge Connector, Suite 550  
 Atlanta, GA 30342

**2. POLICY PERIOD:** From 11/26/2019 to 11/26/2020 12:01 A.M. Standard Time at your Mailing Address above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, IN RELIANCE UPON STATEMENTS IN THE APPLICATION(S) AND SUBJECT TO ALL OF THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

**3. LIMITS OF INSURANCE**

General Aggregate Limit	\$ 10,000,000	
Products / Completed Operations Aggregate Limit	\$ 10,000,000	
Personal & Advertising Injury Limit	\$ 10,000,000	Any one person or organization
Each Occurrence Limit	\$ 10,000,000	
Damage to Premises Rented to You Limit	\$ 50,000	Any one premises
Medical Expense Limit	Excluded	Any one person
Deductible	\$ 5,000	Each claim

**4. RETROACTIVE DATE (CG 00 02 only)** – This insurance does not apply to “Bodily Injury”, “Property Damage” or “Personal and Advertising Injury” which occurs before the Retroactive Date, if any, shown below.

Retroactive Date: See AP5046US-1212 - Amendment of Limits of Insurance and Retroactive Date

**5. LOCATION OF PREMISES YOU OWN, RENT OR OCCUPY** (Same as Item 1 unless shown below):

- 1) Mfg - 5 Forge Parkway, Franklin, MA 02038
- 2) Dispensary - 118 Conz St, Northampton, MA 01060
- 3) Dispensary - 160 Washington St, Brookline, MA 02445
- 4) Parking lot - 19 Boylston St, Brookline, MA 02445
- 5) Parking lot - 0 Boylston St, Brookline, MA 02445
- 6) Parking lot - 111 Boylston St, Brookline, MA 02445

**6. DESCRIPTION OF BUSINESS**

Form of Business: Limited Liability Co

Business Description: Recreational Marijuana Cultivation, Processing, Retail & Product Advice

**7. CLASSIFICATION AND PREMIUM**

CLASSIFICATION	CODE NO.	EXPOSURE	DESCRIPTION	RATE	ADVANCE PREMIUM
Locations 1 - 6: Recreational Marijuana - Mfg	59774A	91,000,000	Per \$1,000 of Receipts / assets	Refer to LS2025US 0907 Life Sciences Premium Endorsement	314,817.00
Locations 1 - 6: Recreational Marijuana - Dist	18707A	1,000,000	Included	Included	Included
Company Fee					\$350.00



# SCHEDULE A

FORMS AND ENDORSEMENTS THAT APPLY TO THIS POLICY:

**POLICY NO. 00087138-1**

<b>FORM NUMBER</b>	<b>DESCRIPTION</b>
LS0005US-0416	Commercial General Liability Policy Declarations
AP0001US-0403	Schedule A
CG0002-1207	Commercial General Liability Coverage Form -Claims Made
CG0435-1207	Employee Benefits Liability Coverage
AP2702US-0107	Extended Reporting Period Endorsement
AP2704US-0406	Restricted Reporting Endorsement
AH2307US-1016	Deductible Endorsement - Damages and Expenses
AP2103US-0607	Minimum Policy Premium
AP5033US-0811	Aggregate Cap on Supplementary Payments (Defense Costs) in Addition to Limits of Insurance
AP5046US-1212	Amendment of Limits of Insurance and Retroactive Date
LS2010US-0505	Non-Stacking Endorsement
LS2025US-0907	Life Sciences Premium Endorsement
LS2012US-0505	Professional Liability Endorsement
AP2004US-0403	Additional Insured - Managers or Lessors of Premises
AP5004US-1106	Waiver of Subrogation as Required by Contract
AP2104US-1012	Common Policy Conditions
AP2107US-0403	Binding Arbitration
CG0068-0509	Recording and Distribution of Material or Information in Violation of the Law Exclusion
CG2135-1001	Exclusion - Coverage C - Medical Payments
CG2136-0305	Exclusion - New Entities
CG2147-1207	Employment-Related Practices Exclusion
CG2167-1204	Fungi or Bacteria Exclusion
IL0021-0908	Nuclear Energy Liability Exclusion
AH2309US-1003	Exclusion - Designated Operations
AP1008US-0905	HIPAA Exclusion
AP2020US-1206	Exclusion - Occupational Disease
AP2028US-0505	Exclusion - Electronic Media
AP2031US-0411	Exclusion - Cross Suits
AP2032US-0518	Exclusion - Employers Liability
AP2036US-1105	Absolute Pollution and Pollution Related Liability - Exclusion
AP2111US-1105	Exclusion - Punitive Damages
AP5054US-0311	Combined Policy Exclusions
AP5058US-1215	Exclusion - Business Conduct
GC2131US-0403	Fiduciary Exclusion
GC2139US-1012	Exclusion of Liability - Other Policies
LS2005US-1110	Specified Products Exclusion Endorsement
LS2020US-1108	Additional Specific Product Exclusion
LS2101US-1108	Specified Nutraceutical Substances Exclusion
LS2108US-0219	Exclusion - Health Hazards - Tobacco & Cannabis Business
MC2161US-0903	Exclusion - Designated Product(s)
AP1027US-0518	Massachusetts Changes - Nonrenewal
AP5027R-0115	Rejection of Coverage for Certified Acts of Terrorism Coverage
CG2175-0115	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism

ILP001-0104 Committed Outside the United States  
US Treasury Departments Office of Foreign Assets Control (OFAC) Advisory  
Notice to Policyholders  
AP0100US-0403 Privacy Policy

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**COVERAGES A AND B PROVIDE  
CLAIMS-MADE COVERAGE  
PLEASE READ THE ENTIRE FORM CAREFULLY**

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

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

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

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

## SECTION I – COVERAGES

### 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" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
- (3) A claim for damages because of the "bodily injury" or "property damage" is first made against any insured, in accordance with Paragraph c. below, during the policy period or any Extended Reporting Period we provide under Section V – Extended Reporting Periods.

c. A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such claim is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph a. above.

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

All claims for damages because of "property damage" causing loss to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

#### 2. Exclusions

This insurance does not apply to:

##### a. Expected Or Intended Injury

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

**b. Contractual Liability**

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney 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 attorney 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 only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

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

**e. Employer's Liability**

"Bodily injury" to:

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

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

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

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not or never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
  - (i) Any insured; or
  - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

**g. Aircraft, Auto Or Watercraft**

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;

- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
  - (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

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

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

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

#### **i. War**

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

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

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

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 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.

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. Distribution Of Material In Violation Of Statutes**

"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; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the 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:

- (1) The offense was committed in the "coverage territory";

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

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

**c.** A claim made by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

(1) When notice of such claim is received and recorded by any insured or by us, whichever comes first; or

(2) When we make settlement in accordance with Paragraph **a.** above.

All claims for damages because of "personal and advertising injury" to the same person or organization as a result of an offense will be deemed to have been made at the time the first of those claims is made against any insured.

## 2. Exclusions

This insurance does not apply to:

### **a. 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 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 of material whose first publication took place before the Retroactive Date, if any, shown in the Declarations.

### **d. Criminal Acts**

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

### **e. Contractual Liability**

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

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

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

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

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

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

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

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

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

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

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

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

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content or websites 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.

**I. 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. Distribution Of Material In Violation Of Statutes**

"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; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**COVERAGE C MEDICAL PAYMENTS**

**1. Insuring Agreement**

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

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

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

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

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

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

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

**c. Injury On Normally Occupied Premises**

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

**d. Workers Compensation And Similar Laws**

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

**e. Athletics Activities**

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

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

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

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

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

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

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

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

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

## **SECTION II – WHO IS AN INSURED**

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
  - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (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 Paragraphs (a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.
    - (2) "Property damage" to property:
      - (a) Owned, occupied or used by,
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker") or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

### SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
- 2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage **C**;
  - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.

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

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

### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

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

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

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or 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.

Notice of an "occurrence" or offense is not notice of a claim.

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

### 3. Legal Action Against Us

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

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

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

### 4. Other Insurance

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

#### a. Primary Insurance

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

#### b. Excess Insurance

- (1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "bodily injury" or "property damage" on other than a claims-made basis, if:
    - i. No Retroactive Date is shown in the Declarations of this insurance; or
    - ii. The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance;
  - (ii) That is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for "your work";
  - (iii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iv) 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
  - (v) 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 by attachment of an endorsement.

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

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

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

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

#### **c. Method Of Sharing**

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

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

#### **5. Premium Audit**

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### **6. Representations**

By accepting this policy, you agree:

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

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

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

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

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

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

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

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

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

## 10. Your Right To Claim And "Occurrence" Information

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding general liability claims-made Coverage Part we have issued to you during the previous three years:

- a. A list or other record of each "occurrence", not previously reported to any other insurer, of which we were notified in accordance with Paragraph 2.a. of the Section IV – Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition. We will include the date and brief description of the "occurrence" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable General Aggregate Limit and Products-Completed Operations Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or any claimant's representative without our consent.

If we cancel or elect not to renew this Coverage Part, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or non-renewal will be effective even if we inadvertently provide inaccurate information.

### SECTION V – EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if:
  - a. This Coverage Part is canceled or not renewed; or
  - b. We renew or replace this Coverage Part with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or

- (2) Does not apply to "bodily injury", "property damage" or "personal and advertising injury" on a claims-made basis.

2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for:
  - a. "Bodily injury" or "property damage" that occurs before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations; or
  - b. "Personal and advertising injury" caused by an offense committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect, Extended Reporting Periods may not be canceled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
  - a. Five years with respect to claims because of "bodily injury" and "property damage" arising out of an "occurrence" reported to us, not later than 60 days after the end of the policy period, in accordance with Paragraph 2.a. of the Section IV – Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition;
  - b. Five years with respect to claims because of "personal and advertising injury" arising out of an offense reported to us, not later than 60 days after the end of the policy period, in accordance with Paragraph 2.a. of the Section IV – Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition; and
  - c. Sixty days with respect to claims arising from "occurrences" or offenses not previously reported to us.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

4. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
5. A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in Paragraph 3. above, ends.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The exposures insured;
- b. Previous types and amounts of insurance;
- c. Limits of Insurance available under this Coverage Part for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage Part.

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

- 6. If the Supplemental Extended Reporting Period is in effect, we will provide the supplemental aggregate limits of insurance described below, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

The supplemental aggregate limits of insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for such of the following limits of insurance for which a dollar amount has been entered:

General Aggregate Limit  
Products-Completed Operations Aggregate Limit

Paragraphs 2. and 3. of Section III – Limits Of Insurance will be amended accordingly. The Personal and Advertising Injury Limit, the Each Occurrence Limit and the Damage To Premises Rented To You Limit shown in the Declarations will then continue to apply, as set forth in Paragraphs 4., 5. and 6. of that Section.

## SECTION VI – 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 website 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 in the state 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, by-laws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b. You have failed to fulfill the terms of a contract or agreement;

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

9. "Insured contract" means:

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

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

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection, architectural or engineering activities.

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

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

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

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

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

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

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

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

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

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

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

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

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

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

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

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

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

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

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

- 18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
  - a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

**a.** Means:

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

**b.** Includes:

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

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

**22.** "Your work":

**a.** Means:

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

**b.** Includes:

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

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

## EMPLOYEE BENEFITS LIABILITY COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Coverage	Limit Of Insurance	Each Employee Deductible	Premium
<b>Employee Benefits Programs</b>	\$ 1,000,000 each employee	\$ 5,000	Included
	\$ 1,000,000 aggregate		
<b>Retroactive Date:</b>	11/26/2014		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

**A. The following is added to Section I – Coverages:**

**COVERAGE – EMPLOYEE BENEFITS LIABILITY**

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an 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 Paragraph D. (Section III – Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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

**b. This insurance applies to damages only if:**

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph F. of this endorsement.

**c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:**

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

- (2) When we make settlement in accordance with Paragraph a. above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## 2. Exclusions

This insurance does not apply to:

### a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

### b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

### c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

### d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

### e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

### f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

### g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

### h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

### i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

### j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

## B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages A and B are replaced by Supplementary Payments – Coverages A, B and **Employee Benefits Liability**.
2. Paragraphs 1.b. and 2. of the Supplementary Payments provision do not apply.

## C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 3. of **Section II – Who Is An Insured** are replaced by the following:

2. Each of the following is also an insured:
  - a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
  - b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.

- c. 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.
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 no other similar insurance applies 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 under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:

**1. Limits Of Insurance**

- a. The Limits of Insurance shown in the 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; or
  - (5) Benefits 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 negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
  - (1) An act, error or omission; or
  - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the policy to which this endorsement is attached, 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.

**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 Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
  - b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
  - c. The terms of this insurance, including those with respect to:
    - (1) Our right and duty to defend any "suits" seeking those damages; and
    - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim" apply irrespective of the application of the deductible amount.
  - d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV – Commercial General Liability Conditions** are replaced by the following:
- 2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
    - (1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

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 an act, error or omission 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 without our consent.

#### 4. Other Insurance

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 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 any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Schedule of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

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

(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 the total amount that all such other insurance would pay for the loss in absence of this insurance; and 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 Schedule of this endorsement.

##### 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 limits of insurance to the total applicable limits of insurance of all insurers.

F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

**EXTENDED REPORTING PERIOD**

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
  - a. This endorsement is canceled or not renewed; or
  - b. We renew or replace this endorsement with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
    - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:
  - a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
  - b. Handling records in connection with the "employee benefit program"; or
  - c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
  - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
  - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
    - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the **Definitions** Section are replaced by the following:
  5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  18. "Suit" means a civil proceeding in which damages because of an act, error or omission 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.

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

## **EXTENDED REPORTING PERIOD**

This endorsement modifies insurance provided under the following  
COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE

**Section V - Extended Reporting Period** is deleted in its entirety and replaced by:

### **SECTION V – EXTENDED REPORTING PERIOD**

1. We will provide one or more Extended Reporting Periods as described below, if:
  - a. This Coverage Part is cancelled or not renewed unless such cancellation or non renewal is due to non payment of premium or deductibles or your failure to comply with all the terms and conditions of this policy; or
  - b. We renew or replace this Coverage Part with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
    - (2) Does not apply to "bodily injury," "property damage," "personal and advertising injury" on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period nor do they reinstate or increase the Limits of Insurance. They apply only to claims for:
  - a. "Bodily injury" or "property damage" that occurs before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations; or
  - b. "Personal and advertising injury" caused by an offense committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect, Extended Reporting Periods may not be cancelled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period begins with the end of the policy period and ends:
  - a. Thirty (30) days after the end of the policy period with respect to claims reported to us, in accordance with the Duties in the Event of "Claim" or "Suit" provisions, as amended by endorsement to this policy; or
  - b. Thirty (30) days after the end of the policy period for all other claims.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

4. A Supplemental Extended Reporting Period may be available, but only by endorsement and for an extra charge. This Supplemental Extended Reporting Period, if purchased, begins with the end of the policy period and ends on the date specified in Endorsement AP2703US with respect to "claims" first made to the insured after the end of the policy period and reported to us during the Supplemental Extended Reporting Period.

- a. To purchase a Supplemental Extended Reporting Period endorsement, you must give us a written request for this endorsement within 30 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless we have received your payment of the additional premium.
- b. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
  - 1. The exposures insured;
  - 2. Previous types and amounts of insurance;
  - 3. Limits of Insurance available under this Coverage Part for future payment of damages; and
  - 4. Other related factors.
- c. Endorsement AP2703US shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period begins.

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

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

## **RESTRICTED REPORTING ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE

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

**ITEM 2. Duties in the Event of Occurrence, Offense, Claim Or “Suit”** is deleted and replaced with the following:

#### **2. Duties in the Event of “Claim” or “Suit”**

- a. The insured shall provide written notice to us as soon as practicable following receipt of any “claim” or “suit”. The insured shall also include in such written notice details of the “claim” or “suit”.
- b. If a “claim” or “suit” is received by any insured:
  - (1) Immediately record the specifics of the “claim” or “suit” and the date received; and
  - (2) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “suit”;
- c. You and any other involved insured must:
  - (1) Authorize us to obtain records and other information;
  - (2) Fully cooperate with us or our designee in the investigation, settlements, conduct of “suits” or other proceedings and the enforcing of any right of contribution or indemnity against another who may be liable to you. You shall, as we at our discretion may require, attend hearings and trials, assist in securing and giving evidence, and obtaining the attendance of witnesses; and
  - (3) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of “damage” to which this insurance may also apply.
- d. No insured will, except at the Insured’s own cost, voluntarily make a payment, assume any obligation, or incur any expense.

**SECTION VI – DEFINITIONS** is amended to include:

“Claim” means a written demand for monetary damages.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

## DEDUCTIBLE ENDORSEMENT – DAMAGES AND EXPENSES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Coverage	Amount and Basis of Deductible
If provided by this policy:	
Bodily Injury Liability, Property Damage Liability, Professional or Personal and Advertising Injury Liability	\$ PER CLAIM

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

1. Our obligation under the Bodily Injury Liability, Property Damage Liability, Professional or Personal and Advertising Injury Liability, or any other coverage provided by this policy, to pay "claims expense" and damages on your behalf applies only to the amount of "claims expense" and damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
2. The deductible amount shown above applies under the coverages respectively to all "claims expense" and damages sustained by one person, or organization, as the result of any one "occurrence".
3. The terms of this insurance, including those with respect to:
  - a. Our right and duty to defend any "suits" seeking those damages; and
  - b. Your duties in the event of an "occurrence", offense, claim, or "suit"apply irrespective of the application of the deductible amount.
4. We may pay any part or all of the deductible amount on your behalf to effect settlement of any claim or "suit". This advance payment on your behalf will be invoiced to you and shall be promptly reimbursed to us within 30 days of the invoice date. Failure to reimburse us for deductible amounts paid on your behalf may result in policy cancellation as stated in common policy conditions.
5. "Claims expense" shall include investigations, adjustment and legal expenses, interests and fees, including court costs and premiums on bonds incurred by us. "Claims expense" does not include salary charges of regular employees of the Company.

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

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

## **MINIMUM POLICY PREMIUM**

This endorsement modifies and amends insurance provided under the following:

### **ALL COVERAGE PARTS**

This endorsement sets forth the minimum earned premium for the policy. The minimum earned premium for this policy is calculated in accordance with the following:

1. The minimum premium for the policy period is 100% of the total policy premium as shown on the policy declarations page plus any premium adjustment by endorsements and any additional premium developed by audit.
2. Audits that indicate a return premium will not reduce the minimum as stated in paragraph 1.
3. If the insured cancels this policy and the policy is not subject to audit, the return premium will be 90% of the unearned policy premium; however in no event will the Company retain less than **25%** of the minimum premium shown in paragraph 1. above.
4. If the insured cancels this policy and the policy is subject to audit, the earned premium will be determined by final audit, however in no event will it be less than **25%** of the minimum premium as described in paragraph 1. above.
5. If the Company cancels the policy for any reason, other than for non-payment of premium, then the insured will be returned the full amount of the unearned premium without any minimum premium restrictions.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

## AGGREGATE CAP ON SUPPLEMENTARY PAYMENTS (DEFENSE COSTS) IN ADDITION TO LIMITS OF INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE

SCHEDULE

<b>AGGREGATE CAP ON SUPPLEMENTARY PAYMENTS: \$ 1,000,000</b>
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### SECTION I – COVERAGES

**COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY** are amended by adding the following:

Supplementary Payments shall reduce the Limits of Insurance of this policy after such payments paid or authorized by us have first exhausted the Aggregate Cap on Supplementary Payments amount shown in the Schedule above. Upon exhaustion of the Aggregate Cap on Supplementary Payments, all additional Supplementary Payments shall reduce the Limits of Insurance and first be subtracted from the Limits of Insurance with the remainder, if any, being the amount available to pay damages because of “bodily injury” or “property damage” or “personal and advertising injury” to which this insurance applies.

Our duty to defend any claim or “suit” or to pay any settlement, judgment or award ends after we have paid the applicable Limits of Insurance as set forth in this policy, regardless of whether or not the Aggregate Cap on Supplementary Payments has been exhausted. Upon exhaustion of the Limit of Insurance of the policy, by the payment of settlements, judgments, awards or because Supplementary Payments have reduced the Limits of Insurance, we shall have the right to withdraw from any further defense by tendering control of the defense of the “suit” to you, regardless of whether or not the Aggregate Cap on Supplementary Payments has been exhausted.

### SECTION I – COVERAGES

**COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 1. Insuring Agreement, a.(2)** is deleted and replaced with the following:

(2) Our right and duty to defend ends when we have (i) used up the applicable Limits of Insurance in the payment of judgments or settlements under Coverage **A** or **B** or medical expenses under Coverage **C**, regardless of whether or not the Aggregate Cap on Supplementary Payments has been exhausted, or (ii) when we have used up the applicable Limits of Insurance in the payment of judgments or settlements under Coverage **A** or **B** or medical expenses under Coverage **C** or Supplementary Payments made after the exhaustion of the Aggregate Cap on Supplementary Payments or any combination thereof.

**COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 1. Insuring Agreement, a.(2)** is deleted and replaced with the following:

(2) Our right and duty to defend ends when we have (i) used up the applicable Limits of Insurance in the payment of judgments or settlements under Coverage **A** or **B** or medical expenses under Coverage **C**, regardless of whether or not the Aggregate Cap on Supplementary Payments has been exhausted, or (ii) when we have used up the applicable Limits of Insurance in the payment of judgments or settlements under

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

Coverage **A** or **B** or medical expenses under Coverage **C** or Supplementary Payments made after the exhaustion of the Aggregate Cap on Supplementary Payments or any combination thereof.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** is deleted and replaced with the following:

1. We will pay, with respect to any claim we investigate or settle or any “suit” against the insured we defend:
  - a. All expenses we incur, including the cost of investigations, adjustment and legal expenses.
  - 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 costs court taxed against the insured in the “suit”. However, these payments do not include attorneys’ expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after the 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 until we have paid the full amount of the Aggregate Cap on Supplementary Payments. Upon exhaustion of this Aggregate Cap on Supplementary Payments, any additional Supplementary Payments will 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”;

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

- (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 until we have exhausted the Aggregate Cap on Supplementary Payments. whereupon, these payments will reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a.** We have used up the applicable Limits of Insurance in the payment of judgments or settlements, regardless of whether or not the Aggregate Cap on Supplementary Payments has been exhausted; or
- b.** We have used up the applicable Limits of Insurance in the payment of Supplementary Payments made after the exhaustion of the Aggregate Cap on Supplementary Payments; or
- c.** The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

**SECTION III – LIMITS OF INSURANCE** paragraphs **2., 3., 4., 5,** and **6.** are deleted and replaced with the following:

- 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";
  - c.** Damages under Coverage **B**; and
  - d.** All Supplementary Payments made after the exhaustion of the Aggregate Cap on Supplementary Payments.
- 3.** The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for the sum of damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" and all Supplementary Payments made after the exhaustion of the Aggregate Cap on Supplementary Payments.
- 4.** Subject to **2.** above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages and all Supplementary Payments made after the exhaustion of the Aggregate Cap on Supplementary Payments because of all "personal and advertising injury" sustained by any one person or organization.

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

5. Subject to **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**;
  - b. Medical expenses under Coverage **C**; and
  - c. All Supplementary Payments made after the exhaustion of the Aggregate Cap on Supplementary Paymentsbecause of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages and all Supplementary Payments made after the exhaustion of the Aggregate Cap on Supplementary Payments 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.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## AMENDMENT OF LIMITS OF INSURANCE AND RETROACTIVE DATE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This endorsement amends only the Limits of Insurance and the Retroactive Date shown in the Declarations as explained below.

### SCHEDULE OF LIMITS A

<b>FIRST RETROACTIVE DATE OF 11/26/2014 APPLIES TO LIMITS OF INSURANCE BELOW:</b>		
EACH OCCURRENCE LIMIT	\$ 1,000,000	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$ 50,000	Any one premises
MEDICAL EXPENSE LIMIT	Excluded	Any one person
PERSONAL & ADVERTISING INJURY LIMIT	\$ 1,000,000	Any one person or organization
GENERAL AGGREGATE LIMIT	\$ 2,000,000	
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 2,000,000	

### SCHEDULE OF LIMITS B

<b>SECOND RETROACTIVE DATE OF 11/26/2015 APPLIES TO LIMITS OF INSURANCE BELOW:</b>		
EACH OCCURRENCE LIMIT	\$ 5,000,000	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$ 50,000	Any one premises
MEDICAL EXPENSE LIMIT	Excluded	Any one person
PERSONAL & ADVERTISING INJURY LIMIT	\$ 5,000,000	Any one person or organization
GENERAL AGGREGATE LIMIT	\$ 5,000,000	
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 5,000,000	

### SCHEDULE OF LIMITS C

THIRD RETROACTIVE DATE OF 11/26/2019 APPLIES TO LIMITS OF INSURANCE BELOW:		
EACH OCCURRENCE LIMIT	\$	10,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$	50,000 Any one premises
MEDICAL EXPENSE LIMIT		Excluded Any one person
PERSONAL & ADVERTISING INJURY LIMIT	\$	10,000,000 Any one person or organization
GENERAL AGGREGATE LIMIT	\$	10,000,000
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$	10,000,000

**To determine which Schedule of Limits, if any, applies:**

For all "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury" which first occurred or was first committed prior to the Second Retroactive Date, the Schedule of Limits A applies. Schedule of Limits A also applies to all "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury" which first occurred or was first committed prior to the First Retroactive Date provided that the same "Bodily Injury", "Property Damage" and "Personal and Advertising Injury" also occurred or was committed on or after the First Retroactive Date and prior to the end of the policy period.

For all "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury" which first occurred or was first committed on or after the Second Retroactive Date and prior to the Third Retroactive Date, the Schedule of Limits B applies.

For all "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury" which first occurred or was first committed on or after the Third Retroactive Date and prior to the end of the policy period, the Schedule of Limits C applies.

**To determine when the "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury occurred or was committed for purposes of determining which Schedule of Limits, if any, applies:**

All "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury" logically or causally connected by any common fact, circumstance, situation, transaction, event, service, advice or decision will be deemed to be the same "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury" and will be deemed to have occurred or been committed when the earliest of such connected "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury" actually occurred or was committed. All such "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury" will be deemed to be the same "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury" and have occurred or been committed at the same earliest time even though the nature and extent of any resulting injury or damage may change and even though the resulting injury or damage may be continuous, progressive, cumulative, changing or evolving, and even though the resulting injury or damage may be or may involve a continuous or repeated exposure to substantially the same general harm.

Under no circumstance shall more than one Schedule of Limits apply to the same "Bodily Injury", "Property Damage" or offense causing "Personal and Advertising Injury". The Schedule of Limits cannot apply cumulatively and cannot be stacked or aggregated.

This endorsement does not modify or alter any of the terms or conditions in the policy other than the Limits of Insurance and the Retroactive Date shown in the Declarations.

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

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

## **NON-STACKING ENDORSEMENT**

### **ALL COVERAGE PARTS**

If this policy and any other policy issued to you by us apply to the same claim or "suit", the maximum Limit of Liability under all policies shall not exceed that of the policy with the highest applicable Limit of Liability.

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

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

## **LIFE SCIENCES PREMIUM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

### **Composite Rate**

The premium stated in the declarations of this Policy is an estimated premium only. Upon expiration of the policy, the earned premium shall be computed by applying a rate of:

\$3.42 per \$1,000 of revenue

If the earned premium thus computed exceeds the estimated premium paid, you shall pay the excess to us.

It is understood that a complete re-survey of the exposures and revision of rate may be made at any time at our request. You agree to notify us at any time exposures change or your operation changes.

### **Exposure Base Definitions**

One or more of the following may be entered under the Exposure column of the Declarations. These Exposure Bases designate the base used for determining your premium. The following are definitions of these Exposure Bases.

#### **"Receipts" or "Revenue" means:**

1. The gross amount charged by the named insured, concessionaires of the named insured or by others trading under the insured's name for:
  - a. All goods or products, sold or distributed;
  - b. Operations performed during the policy period;
  - c. Rentals; and
  - d. Dues or fees.
2. The following items shall not be deducted from gross sales:
  - a. Foreign exchange discounts;
  - b. Freight allowance to customers;
  - c. Total sales of consigned goods and warehouse receipts;
  - d. Trade or cash discounts;
  - e. Bad debts; and
  - f. Repossession of items sold on installments (amount actually collected.)
3. The following items shall be deducted from gross sales:
  - a. Sales or excise taxes which are collected and submitted to a governmental division;
  - b. Credits for repossessed merchandise and products returned.
  - c. Allowances for damaged and spoiled goods;
  - d. Finance charges for items sold on installments;
  - e. Freight charges on sales if freight is charged as a separate item on customers invoice; and
  - f. Royalty income from patent rights or copyrights which are not product sales.

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

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

**“Participant” or “Participants” means:**

The total annual number of individuals who enroll as test subjects in clinical trials covered during the policy period.

The rates apply per participant.

The following Premium Audit Condition is added to this policy. If the policy already includes a Premium Audit Condition, such condition is deleted and replaced with the following:

**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.
- 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. We have the right, but not the obligation, to conduct a physical audit of records needed for premium computation after the expiration of this policy.
- d.** Your refusal to maintain or provide needed records, or to allow us to conduct a physical audit of needed records, will result in our developing and calculating a final audit premium based on information available to us and without your cooperation. If final premium audits calculated without your cooperation result in additional premium, you are obligated to pay such additional premium.

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

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

## **PROFESSIONAL LIABILITY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

The definition of "occurrence" in **SECTION VI - DEFINITIONS** is deleted and replaced by the following:

"Occurrence" means

- a. an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- b. acts, errors or omissions in the rendering or failure to render those professional services specified in the Declarations Page of this policy.

The following exclusion is added to the policy:

This insurance does not apply to any claim or "suit" arising out of:

1. The rendering of or failure to render direct patient care by any person or organization, including the furnishing of medical services, medication or appliances, or the furnishing of beverages to a patient;
2. Any malpractice, error, act or omission committed during the rendering of or failure to render medical professional services or advice by any health care provider, resident, intern or other person or organization under contract or agreement with you.
3. Any criminal act by any professional care provider;
4. Any liability that you or your employee may have as a proprietor, hospital administrator, officer, stockholder or member of the board of directors, trustees or governors of any
  - a. Hospital, nursing home or sanitarium;
  - b. Clinic with bed and board facility; or
  - c. Laboratory or other business.

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

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

## **ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE

### **SCHEDULE**

Where required by written contract or written agreement.

Who is an "Insured" is amended to include as an Insured the person or organization shown in the Schedule as an Additional Insured. The coverage afforded to the Additional Insured is solely limited to liability directly caused by the ownership, maintenance or use of that part of the premises leased to you by the Additional Insured and shown in the Schedule.

Where no coverage shall apply herein for the Named Insured, no coverage or defense shall be afforded to the Additional Insured.

With respect to the coverage afforded to the Additional Insured, the following exclusions apply:

This coverage does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises;
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule;
3. "Bodily injury" or "property damage" or "personal and advertising injury" arising out of the sole negligence of the Additional Insured;
4. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the claimed negligence of the Additional Insured other than directly caused by "your work" in the ownership, maintenance or use of that part of the premises leased to you which shall be imputed to the Additional Insured; or
5. "Bodily injury", "property damage" or "personal and advertising injury" to any employee of the Named Insured or to any obligation of the Additional Insured to indemnify another because of damages arising out of such injury.

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

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

## **WAIVER OF SUBROGATION AS REQUIRED BY CONTRACT**

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

The Company agrees to waive any right of recovery against any person or organization, as required by written contract, because of payments we make for injury or damage which is limited to liability directly caused by "your work" which is imputed to such person or organization.

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

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

## **COMMON POLICY CONDITIONS**

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

### **1. CANCELLATION AND NON-RENEWAL**

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

If we elect not to renew this policy, we shall mail written notice to the First Named Insured at the address shown in the Declarations. Such written notice of non-renewal shall be mailed at least 30 days prior to the end of the policy term.

### **2. CHANGES**

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

### **3. 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 policy, 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.

### **4. REPRESENTATIONS**

By accepting this policy, you agree:

- A. The statements in the Declarations are accurate and complete;
- B. Those statements are based upon representations you made to us; and
- C. We have issued this policy in reliance upon your representations.

### **5. SERVICE OF SUIT**

It is agreed that in the event of the failure of this Company to pay any amount claimed to be due hereunder, this Company will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such Court.

It is further agreed that service of process in such suit may be made upon the Company's President, or his nominee, at the address shown on the Declarations page of this policy, and that in any suit instituted against any one of them upon this policy, this Company will abide by the final decision of

such Court or of any Appellate Court in the event of an appeal.

The above-named is authorized and directed to accept service of process on behalf of this Company in any such suit and/or upon the request of the insured to give a written undertaking to the insured that it or they will enter a general appearance upon this Company's behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America, which makes provision therefore, this Company hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

**6. TERMS, CONDITIONS AND PREMIUM**

On each renewal, continuation, anniversary of the effective date of the policy or on an annual basis, the Company will determine the rate and premium and/or amend the terms and conditions in accordance with the rates and rules then in effect.

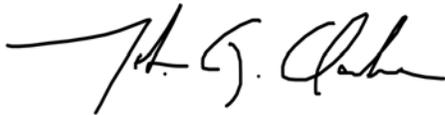
**7. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

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

In Witness Whereof, this Company has executed and attested these presents; but this policy shall not be valid unless signed by duly authorized representatives of this Company.

**VICE PRESIDENT**



**PRESIDENT**



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

## **BINDING ARBITRATION**

This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

Should we and the insured disagree as to the rights and obligations owed by us under this policy, including the effect of any applicable statutes or common law upon the contractual obligations otherwise owed, either party may make a written demand that the dispute be subjected to binding arbitration.

When such a request is made, The American Arbitration Association shall be used, with each party selecting an arbitrator from the list of qualified arbitrators for insurance coverage disputes provided by that Association. The two chosen arbitrators shall select a third arbitrator from the same list; if they cannot agree to a selection, The American Arbitration Association shall make the selection for them. Each party shall bear the costs of its arbitrator and shall share equally the costs of the third arbitrator and of the arbitration process. A decision agreed to by two of the arbitrators will be binding.

In the event you prevail in the arbitration and we promptly offer to you arbitration costs and reasonable attorney fees incurred in connection therewith, in addition to the disputed contract benefit, you shall have no right to sue us for breach of implied covenants or unreasonable withholding of contract benefits.

To the extent that we prevail in the arbitration, the arbitrators may award us any expenses and/or damages incurred or paid under reservation of rights in excess of our contract obligations as determined by the arbitrators.

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

## RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

#### 2. Exclusions

This insurance does not apply to:

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

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

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

B. Exclusion **p.** of Paragraph 2. **Exclusions** of Section I – Coverage B – Personal And Advertising Injury Liability is replaced by the following:

#### 2. Exclusions

This insurance does not apply to:

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

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

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

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

## **EXCLUSION – COVERAGE C – MEDICAL PAYMENTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

<p><b>Description And Location Of Premises Or Classification:</b></p>          
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(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any premises or classification shown in the Schedule:

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – NEW ENTITIES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph 3. of **Section II – Who Is An Insured** does not apply.

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

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to:

"Bodily injury" to:

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

This exclusion applies:

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

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

This insurance does not apply to:

"Personal and advertising injury" to:

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

This exclusion applies:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

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

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

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

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

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

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

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

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

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

**(Broad Form)**

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
    - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:
 

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

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

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

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

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

"Nuclear facility" means:

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

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

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

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

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

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

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

## **EXCLUSION – DESIGNATED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

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

The furnishing and permitting of consumption of cannabis products.

**Specified Location (If Applicable):**

Any and all of the insureds locations on file with the company and conventions, tradeshow, festivals, or other special events where cannabis will be distributed and/or consumed.

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

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

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

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

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

## **HIPAA EXCLUSION**

This endorsement modifies insurance provided under the following:

**ALL COVERAGE PARTS**

This insurance does not apply to claims or suits or penalties or other expenses arising from or in connection with any violation of the Health Insurance Portability and Accountability Act of 1996, or its associated regulations (as may be extended or reenacted).

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

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

## **EXCLUSION – OCCUPATIONAL DISEASE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE  
COMMERCIAL EXCESS LIABILITY COVERAGE  
CONTRACTORS COMBINED LIABILITY POLICY

This insurance does not apply to:

- 1) any “bodily injury” to any insured’s employee(s) arising from an “occupational disease(s);” or
- 2) any “bodily injury” to any person or any claims by any person that they sustained “bodily injury” or the fear of sustaining “bodily injury” arising out of any contact with, handling of, inhalation, absorption or exposure to any environmental, chemical, or toxic agent or substance, including any dust or fumes there from, arising out of the insured’s operations.

“Occupational disease(s)” means any physical or mental disease, condition or disability of any employee(s) of any insured arising out of the insured’s operations or conditions of employment, including any disease, condition or disability from a repetitive operation or any contact with, handling of, inhalation, absorption or exposure to any environmental, chemical, or, toxic agent or substance including any dust or fumes there from arising out of the insured’s operations.

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

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

## **EXCLUSION – ELECTRONIC MEDIA**

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

The coverage under this policy does not apply to any claim or “suit” based on directly or indirectly arising out of the:

1. Misdirection of electronic mail or other electronic media, including but not limited to, an intranet, extranet or internet connection;
2. Loss of client information transmitted via electronic media;
3. Unintentional introduction of a computer virus, worm or malware to a third party computer, computer system, or network causing harm or damage to a computer, computer system, or network; or
4. Unintentional or unauthorized access by a third party to a computer, computer system, or network, without authorization or exceeding authorization; or arising from the use of electronic media; including but not limited to, possession of an internet website.

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

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

## **EXCLUSION – CROSS SUITS**

This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

This insurance does not apply to “bodily injury”, “property damage” or “personal and advertising injury” or any other claim for damages brought by any insured covered by this policy, against any other insured that has an ownership interest in, is operated, controlled, or managed by or is a parent, subsidiary or affiliate of any such insured.

This exclusion does not apply to any additional insured added to this policy by endorsement if such additional insured is:

1. specifically named in the Schedule of such endorsement, or
2. an indemnitee in a written contract or written agreement between any Named Insured and any additional insured signed before the date of the first “occurrence” or first offense and requiring the Named Insured to add such indemnitee as an additional insured;

Provided such additional insured:

- a. is not a parent, subsidiary or affiliate of the Named insured;
- b. does not have any ownership interest in the Named insured;
- c. is not owned, operated, controlled or managed by the Named insured.

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

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

## **EXCLUSION - EMPLOYER'S LIABILITY**

This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

The Employer's Liability exclusion under **SECTION I—2. Exclusions**, of this policy is deleted and replaced with the following:

This insurance does not apply to any claim, "suit", cost or expense arising out of "bodily injury" to:

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

This exclusion applies:

- a. Whether any insured may be liable as an employer or in any other capacity; and/or
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury; and/or
- c. To liability assumed under any "insured contract".

Wherever the word "employee" appears above, it includes any member, associate, "leased worker", "temporary worker" or any person or persons loaned to or volunteering services to you.

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

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

## **ABSOLUTE POLLUTION AND POLLUTION RELATED LIABILITY – EXCLUSION**

This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

The following exclusion is added to this policy. If the policy already includes a pollution exclusion or a pollution-related exclusion, such exclusion(s) is(are) deleted and replaced with the following:

Pollution/environmental impairment/contamination is not covered under this policy, nor are any expenses nor any obligation to share damages with or repay anyone else who must pay damages from same in conjunction with occurrences arising out of or alleged to have arisen out of same. All liability and expense arising out of or related to any form of pollution, whether intentional or otherwise and whether or not any resulting injury, damage, devaluation, cost or expense is expected by any insured or any other person or entity is excluded throughout this policy.

This insurance does not apply to any damages, claim, or suit arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" including but not limited to any:

- a. "Bodily injury", "personal and advertising injury", "property damage", or damages for the devaluation of property, or for taking, use or acquisition or interference with the rights of others in or on property or air space, or any other type injury or expense; or
- b. Any loss, cost, expense, fines and/or penalties arising out of any (1) request, demand, order, governmental authority or directive or that of any private party or citizen action that any insured, or others, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess same, the effects of "pollutants", environmental impairments, contaminants or (2) any litigation or administrative procedure in which any insured or others may be involved as a party as a result of actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or placement of "pollutants", environmental impairments, or contaminants into or upon land, premises, buildings, the atmosphere, any water course, body of water, aquifer or ground water, whether sudden, accidental or gradual in nature or not, and regardless of when.

This exclusion applies regardless of whether:

- a. Injury or damage claimed is included within the "products-completed operations hazard" of the policy; or
- b. An alleged cause for the injury or damage is the insured's negligent hiring, placement, training, supervision, retention, act, error or omission.

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

The following definition is added to the policy. If the policy already includes a definition of "pollutants" such definition is deleted and replaced with the following:

"Pollutants" mean any solid, liquid, gaseous, fuel, lubricant, thermal, acoustic, electrical, or magnetic irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, fibers, radiation, acid, alkalis, petroleums, chemicals or "waste". "Waste" includes medical waste, biological infectants, and all other materials to be disposed of, recycled, stored, reconditioned or reclaimed.

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

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

## **EXCLUSION – PUNITIVE DAMAGES**

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

COMBINED POLICY EXCLUSIONS, DAMAGES LIMITATION EXCLUSION is deleted in its entirety and replaced with the following:

Damages mean a monetary judgment, award, or settlement. Damages do not include:

- a. Civil or criminal fines, sanctions or penalties, whether imposed pursuant to statute or otherwise; or
- b. Judgments or awards arising from acts or omissions deemed uninsurable by law; or
- c. The restitution of consideration or expense paid to you for professional services rendered or which should have been rendered; or
- d. Disputed fees or any actual or alleged personal profit or advantage to which you are not legally entitled; or
- e. Punitive or exemplary damages and the multiplied portion of multiplied damages; or
- f. Equitable or non-pecuniary relief.

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

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

## **COMBINED POLICY EXCLUSIONS**

This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

The following exclusions are added to this policy:

#### **ABSOLUTE ASBESTOS, LEAD OR SILICA EXCLUSION**

Injury or damages, including any claim or suit, arising out of, resulting from, caused or contributed to by Asbestos, Lead or Silica is not covered under this policy, nor are any expenses nor any obligation to share damages with or repay anyone else who must pay damages from same in conjunction with occurrences arising or alleged to have arisen out of same, including but not limited to any:

- a. "Bodily injury", "personal and advertising injury", "property damage" or damages of any type, arising out of the inhalation, ingestion, physical exposure to, absorption of, or toxic substances of or from Asbestos, Lead or Silica in any form, or from any goods, products or structures containing same, or "property damage" or devaluation of property arising from any form of same; or
- b. Existence of Asbestos, Lead, or Silica, in any form, in occupancy or construction, or the manufacture, sale, transportation, handling, storage, disposal, or removal of same, or goods or products containing same; or
- c. Loss, cost, expense, fines and/or penalties arising out of any (1) request, demand, order, governmental authority or directive or that of any private party or citizen action that any insured, or others, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of Asbestos, Lead, or Silica, or (2) any litigation or administrative procedure in which any insured or others may be involved as a party in response to the effects or alleged effects of Asbestos, Lead, or Silica; or
- d. Supervision, instructions, recommendations, requests, warnings or advice given or which should have been given, as well as any costs, including but not limited to abatement, mitigation, removal, containment, treatment, detoxification, neutralization, or disposal of same or in any way responding to or assessing the effects of same; or
- e. Actual or alleged Asbestosis, Lead poisoning, Silicosis or any other similar condition.

This exclusion applies regardless of whether:

- a. Injury or damage claimed is included within the "products/completed operations hazard" of the policy; or
- b. An alleged cause for the injury or damage is the insured's negligent hiring, placement, training, supervision, retention, act, error or omission.

#### **DISCRIMINATION EXCLUSION**

Discrimination charges, of any kind, actual and alleged, are not covered under this policy, nor are any expenses or obligation to share damages with or repay another who must pay damages from same.

### **DAMAGES LIMITATION**

Damages mean a monetary judgment, award, or settlement. Damages do not include:

- a. Civil or criminal fines, sanctions or penalties, whether imposed pursuant to statute or otherwise; or
- b. Judgments or awards arising from acts or omissions deemed uninsurable by law; or
- c. The restitution of consideration or expense paid to you for professional services rendered or which should have been rendered; or
- d. Disputed fees or any actual or alleged personal profit or advantage to which you are not legally entitled; or
- e. Equitable or non-pecuniary relief.

### **DUTY TO DEFEND EXCLUSION**

Where there is no coverage under this policy, there is no duty to defend.

### **PROFESSIONAL LIABILITY EXCLUSION**

Professional liability, malpractice, errors, omissions, or acts of any type including rendering or failure to render any type of professional service is not covered under this policy nor are any expenses nor any obligation to share damages with or repay anyone else who must pay damages from same, unless such coverage is specifically endorsed onto this policy.

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

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

## **EXCLUSION—BUSINESS CONDUCT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions i. Infringement Of Copyright, Patent, Trademark Or Trade Secret** is replaced by the following:

**2.i.** This insurance does not apply to any claim or “suit” arising out of:

- (a) any actual or alleged anti-trust law violation, unfair competition, price fixing or agreement or conspiracy to restrain trade;
- (b) any actual or alleged infringement of copyright, patent, trademark, service mark, right of publicity, slogan, trade dress, trade secret or other intellectual property rights; whether or not in your “advertisement”;
- (c) any actual or alleged false advertising, false designation of origin, product disparagement, trade libel, or other claims arising out of unfair competition, whether or not in your “advertisement”;
- (d) any actual or alleged violation by any insured, or by anyone with the insured’s knowledge, of any law or regulation imposing the payment of any fine, penalty or restitution arising out of the prosecution of any crime or criminal action; or any civil action arising out of such alleged criminal activity, whether or not actually prosecuted; or
- (e) any products or goods manufactured, sold, handled or distributed or work completed by the Insured or others operating under the direction or control of the Insured in violation of any law, statute or ordinance of any state or municipal government, or any agencies thereof, including violations of any unfair competition statutes.

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

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

## **FIDUCIARY EXCLUSION**

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

This policy does not apply to any claim arising out of the:

1. Coercion, conversion or misappropriation of others' funds or property;
2. Any dishonest, fraudulent, criminal, malicious acts or omissions of the insured, partner or employee or any person for whom you are legally responsible; or
3. Any activities or operations performed in the capacity of a fiduciary.

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

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

## **EXCLUSION OF LIABILITY – OTHER POLICIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY  
COMMERCIAL EXCESS LIABILITY COVERAGE

### **Schedule of Designated Policies**

<u>Policy Number</u>	<u>Company Name</u>
00097663-0	James River Insurance Company

This insurance does not apply to any claim or "suit" which is covered under the insurance policies specifically designated in the above Schedule or the replacement, renewal or extension of such scheduled policies

This exclusion applies to any claim or "suit" which:

1. Is covered or would have been covered under the policies designated in the above Schedule, or, the replacement, renewal or extension of such scheduled policies, but for the exhaustion of limits, exclusion(s), or, cancellation or expiration of such policies.

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

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

## **SPECIFIED PRODUCTS OR SUBSTANCE EXCLUSION**

This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

This insurance does not apply to any claim or "suit" arising out of the products or substances listed below. This insurance also does not apply to any claim or "suit" arising out of any product using or containing or consisting of any of the products or substances listed below.

This exclusion applies to any claim or "suit" arising out of the manufacturing, handling, advertising, distribution, sale, labeling, application, ingestion, consumption, testing, exposure to, or use of the products or substances listed below, whether as a separate ingredient or in combination with any other ingredient or substance in any product. This exclusion also applies to any claim or "suit" arising out of any derivative, combination of or extract of the products or substances listed below:

- Accutane
- DES (diethylstilbestrol, dienestrol or stilbene derivative)
- Ephedra
- Fenfluramine, Phentermine or Dexfenfluramine
- Isotretinoin
- Latex
- Oxycodone
- Phenylpropanolamine (PPA)
- Silicone
- Steroids or anabolic hormones
- Swine Flu vaccine including any and all strain or strains
- Thalidomide

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

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

## **ADDITIONAL SPECIFIC PRODUCT EXCLUSION**

This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

This insurance does not apply to any claim or "suit" arising out of the substances listed below. This insurance also does not apply to any claim or "suit" arising out of any product using or containing or consisting of any of the substances listed below.

This exclusion applies to any claim or "suit" arising out of the manufacturing, handling, advertising, distribution, sale, labeling, application, ingestion, consumption, testing, exposure to, or use of the substances listed below, whether as a separate ingredient or in combination with any other ingredient or substance in any product. This exclusion also applies to any claim or "suit" arising out of any derivative, combination of or extract of the substances listed below.

- 1. Dimethylamylamine, DMAA, 1,3-dimethylamylamine, methylhexanamine, 4-methylhexan-2-Amine HCL, geranamine, geranium extract, or geranium oil.
- 2. Dendrobium, Dendrobe Noble, Dendrobium Extract, Dendrobium nobile, Dendrobium officinale, Extrait de Dendrobium, Jin Chai Shi Hu (D. nobile), Nobile Dendrobium (D. nobile), Orchid Stem, Stem-Orchid, Tie Pi Shi (D. officinale), Vinterdendrobium (D. nobile).
- 3. 1,3-Dimethylbutylamine, 2-Amino-4-methylpentane Citrate, 4-Amino-2-Methylpentane Citrate, 4-Amino Methylpentane Citrate, Amperall, AMP, AMP Citrate, 4-AMP Citrate, 4-Methyl-2-Pentanamine
- 4. BMPEA, BmePEA, R-beta-methylphenethylamine, Beta-methylphenethylamine, or Acacia Rigidula extract
- 5. Picamilon, pikatropin, pikamilon, nicotinyl-gamma-aminobutyric acid, nicotinoyl-GABA, and 4-(Pyridine-3-carbonylamino)butanoic acid.
- 6. Methylsynephrine; oxilofrine; p-hydroxyephedrine
- 7. Kratom; mitrgynine; 7-hydroxymitragynine
- 8. DMHA, Octodrine, 2-Aminoisoheptane, 2-amino-6-methylheptane, 2-amino-5-methylheptane
- 9. Eria Jarensis; N-phenethyl Dimethylamine; N-phenethyl Dimethylamine Citrate
- 10. Human Chorionic Gonadotropin (HCG)
- 11. Norcoclaurine, Higenamine, 1-[(4-Hydroxyphenyl)methyl]-1,2,3,4-tetrahydroisoquinoline-6,7-diol; 1-(p-hydroxybenzyl)-6,7-Dihydroxy-1,2,3,4-Tetrahydroisoquinolin; 1(S)-Norcoclaurine; dl-Demethylcoclaurine; DMC; Higénamine; Higenamine Hydrobromide; Higenamine Hydrochloride; Higenamine Oxalate; Higenamine Tartrate; O-Demethylcoclaurine
- 12. Tianeptine
- 13. Vitamin E Acetate, Tocopheryl Acetate
- 14. Diethylene glycol
- 15. Pulegone
- 16. Acrylonitrile
- 17. Acrolein
- 18. Diacetyl, acetoin, and 2,3-pentanedione

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

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

## **SPECIFIED NUTRACEUTICAL SUBSTANCES EXCLUSION**

This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

This insurance does not apply to any claim or "suit" arising out of the substances listed below. This insurance also does not apply to any claim or "suit" arising out of any product using or containing or consisting of any of the substances listed below.

This exclusion applies to any claim or "suit" arising out of the manufacturing, handling, advertising, distribution, sale, labeling, application, ingestion, consumption, testing, exposure to, or use of the substances listed below, whether as a separate ingredient or in combination with any other ingredient or substance in any product. This exclusion also applies to any claim or "suit" arising out of any derivative, combination of or extract of the substances listed below.

- Aristolochia spp., Aristolochia, Aristolochia acids, Aristolochia fangchi, Akebia spp., Asarum spp., Bragantia spp., Clematis spp., Cocculus spp., Diploclisia spp., Fang Chi, Guang fang ji, Kan-Mokutsu, Menispermum spp., Mokutsu, Mu Tong, Fang ji, Sinomenium spp. and any adulterated botanicals, botanical derivatives or other products that contain aristolochic acid, aristolochic acid derivatives or aristolochic acid extracts
- Androstenedione and any derivatives and all steroid precursors
- Aristocholic Acid (Aristolochia)
- Bitter Orange
- Chapparral (Larrea divaricata)
- Colloidal Silver
- Comfrey (symphyum officinale)
- DES (diethylstilbestrol, dienestrol or stilbene derivative)
- Ephedrine alkaloids including ephedra, ephedrine, Ma Huang, Bishops Tea, Chi Powder, Methylephedrine, Norephedrine, Pseudoephedrine, Norpseudoephedrine
- Gamma Hydroxy Butyrate (GHB), Gamma Butyrate (GBL), Butanediol (BD)
- Germander (Teucrium chamaedrys)
- Germanium
- Glyburide, unlabeled glyburide, Liqiang 4, Liqiang Xiao Ke Ling (Liqiang Thirst Quenching Efficacious)
- Hormone Replacement of any kind
- Jin bu huan
- Kava (Piper methysticum)
- Lobelia (Lobelia inflata)
- Organ/glandular extracts
- Pennyroyal oil (hedeoma pulegloides)
- Pyrrolizidine alkaloids
- Sildenafil, Tadalafil and Vardenafil
- Skullcap (scufellaria lateriflora)
- Stephania and Magnolia
- Steroids or anabolic hormones
- THG (tetrahydrogestinone)
- Willow Bark
- Yohimbe (Pausinystalia yohimbe)

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

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

## **EXCLUSION – HEALTH HAZARDS - TOBACCO & CANNABIS BUSINESS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE  
PRODUCTS/COMPLETED OPERATIONS COVERAGE

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

This insurance does not apply to:

“Bodily injury” or “personal and advertising injury”, in whole or in part, from “tobacco products”, “electronic cigarettes and other vaporizing products”, “cannabis products” caused by or arising from:

1. Actual or alleged contraction, development, aggravation or exacerbation of, including but not limited to, any form of cancer, carcinoma, cancerous or pre-cancerous condition, arteriosclerosis, heart disease, or other diseases of the organs, vascular or immune systems of the human body, impaired development of fetuses or of any part of the human body, diseases of the eyes, psychosis, depression, or any other mental disorders;
2. Any claim, “suit”, class action or multiple district litigation whether certified or not, brought by any municipality, county, state or other governmental entity, public foundation, non-profit organization, interest group or similar entity, or by an individual(s) who has not directly suffered “bodily injury” or “personal and advertising injury”. This includes “bodily injury” or “personal and advertising injury” that occurs as the result of secondhand or thirdhand exposure;
3. Any claim, “suit”, class action, or multiple district litigation, whether or not certified as such, and including but not limited to those:
  - a. Seeking recovery of economic costs including costs for medical, police, or emergency services;
  - b. Alleging interference with a right common to the general public, including but not limited to claims for nuisance;
  - c. Alleging damages or seeking injunctive relief arising from marketing, distribution, or other sales or similar practices; or
  - d. Alleging damages or seeking injunctive relief arising from the design of “your product” or the failure to issue warnings or issuance of inadequate warnings.

However, this exclusion does not apply to “bodily injury” or “personal and advertising injury” whose sole cause is:

- (1) Abrupt, occurs suddenly, not gradual, specific to time and location that results in burns, cuts, abrasions, or fractures; or
- (2) Occurs from acute poisoning or illness resulting from the consumption, ingestion or inhalation of an adulterated product.

**B.** For the purposes of this endorsement only, the following definitions apply:

1. “Tobacco product” means:
  - a. Raw tobacco, cured tobacco, cigars, cigarillos, wrappers, pipe tobacco, chewing tobacco, snuff, snus, smokeless tobacco products, cigarettes, cigarette papers, tobacco smoke;
  - b. Hookah, non-cannabis herbal products used in the same manner as tobacco products;

- c. Chemicals, minerals, flavorings or other ingredient or products sprayed on, applied to, or customarily found within or used in conjunction with any tobacco product;
  - d. Any gaseous or solid residues or by-products of tobacco use or consumption.
- 2. "Electronic cigarettes or any other vaporizing product" means:

Any electronic device composed of a heating element, battery, cartridge that contains an electronic circuit, which when charged and activated provides a vapor of nicotine or any other substances that is inhaled by the user. This includes but is not limited to oral e-cigs, vapes, vape pens, e-bongs and e-hookah.
- 3. "Cannabis products" means:

Any product or good containing any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether the THC is natural or synthetic. This includes but is not limited to:

  - a. Plants of the genus *Cannabis L.* including roots, stems, stalks, leaves, flowers, buds, seeds;
  - b. Compounds, by-products, extracts, derivatives, mixtures, combinations, resins, oils, tinctures, waxes, lotions, infused liquids, or ingestibles;
  - c. Hashish or hash oil.

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

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

## **EXCLUSION – DESIGNATED PRODUCT(S)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Description of your product(s):**

Medical marijuana and products containing medical marijuana

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

This insurance does not apply to "bodily injury", "personal or advertising injury" or "property damage" included in the "products-completed operations hazard" and arising out of "your product(s)" shown in the Schedule.

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

## **MASSACHUSETTS CHANGES – NON-RENEWAL**

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

The NON-RENEWAL Condition of this Policy is deleted and replaced with the following:

### **NON-RENEWAL**

If we elect not to renew this policy, we shall mail written notice to the First Named Insured at the address shown in the Declarations. Such written notice of non-renewal shall be mailed at least 45 days prior to the end of the policy term.

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

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

**REJECTION OF COVERAGE  
FOR CERTIFIED ACTS OF TERRORISM COVERAGE  
(PURSUANT TO TERRORISM RISK INSURANCE ACT)**

**SCHEDULE**

**THE INSURED WAS OFFERED AND**

**HAS DECLINED TERRORISM COVERAGE ON THIS POLICY**

In accordance with the federal Terrorism Risk Insurance Act, this notice confirms that you were offered and have rejected coverage for terrorist acts certified under that Act.

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

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

This endorsement modifies insurance provided under the following:

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

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

This insurance does not apply to:

**TERRORISM**

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

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

b. Protracted and obvious physical disfigurement; or

c. Protracted loss of or impairment of the function of a bodily member or organ; or

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

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

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

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

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
  - b. The act resulted in damage:
    - (1) Within the United States (including its territories and possessions and Puerto Rico); or
    - (2) Outside of the United States in the case of:
      - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
      - (b) The premises of any United States mission; and
  - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".
 

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

# U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

# JAMES RIVER INSURANCE COMPANY

## Privacy Policy

**We do not sell customer information to nonaffiliated third parties, and we do not share customer information with nonaffiliated third parties except those parties who perform contractual services for us, and parties to which we are authorized to provide information by law.** In addition, when we provide information to affiliates or non-affiliates, we limit those disclosures to information about your transactions and experiences with us and to disclosures otherwise permitted by law. You do not need to take any action to prevent us from selling or sharing information we obtain about you.

**We use security measures and training in our effort to protect the customer information we collect.** We protect the information we obtain about you by maintaining physical, electronic and procedural safeguards.

**We collect the following types of information about you when you purchase or use our products and services.** Most of the information that we obtain about you comes directly from you, such as through the insurance applications you submit when requesting insurance products. These applications and other inquiries we make of you allow us to learn information that we may use to contact you in the future, such as your name, address, telephone number and e-mail address. In addition, insurance applications and other information you provide enables us to determine the type and value of your insured property, the types of insurance coverages you have or in which you might be interested, and similar information.

If you visit an Internet site that we maintain, we might request or obtain information that will enable us to identify you as a registered user, such as your name, a user identification name, a password, password reminders, and your Internet service provider. We might use a "cookie" to retain some of this information. We also might obtain information about your operating system, web browser and similar information to enable us to improve the operation of our site.

When we consider products and services in which you may be interested, we often review information that we have about your past transactions with us or our affiliates, such as your existing or former policy coverages, premiums and payment history. In addition, we may learn information about your transactions with nonaffiliated third parties, including the types of products or services you obtained from them and your experiences with them. Finally, we may obtain other information from third parties that has a bearing upon your eligibility for the products or services you seek from us. This information may include your credit report or information about your creditworthiness, or other information maintained by consumer reporting agencies.

**We provide customer information only to our affiliates and to nonaffiliates that must protect your customer information.**

**We also may provide information as mentioned in this notice to nonaffiliated third parties that perform services for us or perform functions on our behalf, such as marketing and research, or to other financial institutions with which we have joint agreements for activities such as marketing. By law, our contracts with these parties must prevent them from using the information they receive about you except as described in this notice.**

Finally, we may share customer information as permitted by applicable law. This means that we will share information with parties as necessary to affect, administer, or enforce transactions that you request. For example, we might provide information to a company that processes, prints and mails our insurance policies to you, or to a company that adjusts claims under your policies. We also might disclose customer information to other entities specified by law, such as insurance advisory organizations, our attorneys and accountants, consumer reporting agencies, or civil and regulatory authorities. Federal law sets the limitations on these types of disclosures.

**We strive to keep our records as accurate as possible.** We attempt to maintain accurate records about you and we will gladly make appropriate corrections when you notify us. Of course, we do not control the accuracy of information gathered and provided by third parties, and you may need to notify third parties directly if you believe that any information we received from them is inaccurate. You may request the name and address of any consumer-reporting agency from which we obtain a report on you. You then may contact that consumer-reporting agency to request a copy of the report it makes or to advise of any changes to the information they maintain and report.

We will provide one copy of this Privacy Policy to joint contract holders. Please share this information with everyone covered under your policy or contract.



NEW ENGLAND TREATMENT ACCESS, LLC.

## **Separating Recreational from Medical Operations**

NETA will create a clear division of its medical and adult-use retail cannabis operations. This division will be accomplished through entry procedures into the facility through physical separation by using line stanchions and as appropriate within the floor area by staff direction. The operational plan will optimize the flow and efficiency of line management while maintaining its warm and professional atmosphere. NETA commits to ensuring continued access to the services and products our registered medical marijuana patients have come to know. NETA will maintain a 35% inventory reserve for medical marijuana patients. Medical and adult-use transactions are separated through the Point of Sale (POS) system by logging into the different licenses before dispensing. The POS system draws information from the MA CIP to ensure that the customer is an active patient. All purchases for adult use customers will be subject to applicable state and local taxes.

### **Inventory Reserve**

NETA will ensure that at least 35% of its retail location-specific inventory is reserved daily for registered medical marijuana patients. NETA will perform a daily audit of on-hand inventory in the dispensaries and designate 35% of each product type for medical patients. For additional details regarding NETA's inventory reserve, please see the inventory procedures section.

### **Point of Sale Procedures**

Once a patient reaches the Point of Sale (POS), a NETA staff person will once again request valid photo identification and a valid medical marijuana registration card. If a caregiver is present with a registered patient, the staff person will also verify the ID and registration card of the caregiver. The POS system will prompt the dispensing agent to begin a medical or an adult-use transaction to ensure the transaction is processed under the correct classification.

NETA's POS system will not allow transactions for more than one ounce of flower or five grams of concentrate for adult use transactions. The POS system is designed to ensure that applicable taxes are collected on every adult-use transaction.

NETA's POS will integrate with the Mass CIP to verify the patient's available purchase limit and record the transaction in the patient's Mass CIP profile for medical use transactions. NETA's POS will prevent the transaction from exceeding the allowable amount verified through the Mass CIP. Both of NETA's dispensary operations in Brookline and Northampton utilize this integrated POS system and have been inspected and approved by the Cannabis Control Commission.



# STANDARD OPERATING PROCEDURE: MA PATIENT AND CUSTOMER VERIFICATION

January 2021

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## Summary & Purpose

This document outlines required procedures for verifying the age or Qualifying Registered Patient or Caregiver status of persons seeking entry to NETA retail premises or requesting home Medical Delivery.

The purpose of this standard operating procedure is prevent diversion of Marijuana and Marijuana Products to persons under 21 and that all Patients, Caregivers, and Consumers are properly verified before entry to NETA premises, or before purchase, delivery, or dispensation of Marijuana or Marijuana Products.

## Scope & Applicability

The scope of this standard operating procedure covers SH Parent, Inc. d/b/a Parallel and all of its direct and indirect affiliates (including all subsidiaries, parent companies, sister companies, and other related entities) in the state(s) of Massachusetts for all retail facilities.

Security, Retail Operations, Medical Home Delivery Operation]

## Responsibility

The Director of Compliance is responsible for periodically reviewing, maintaining, and updating this standard operating procedure.

Enterprise Compliance

## Definitions

**Patient Registration Card** means a temporary or an annual Registration Card currently and validly issued by the Commission to a Registered Qualifying Patient. The Patient Registration Card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities, of those individuals who are exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94I, and 935 CMR 501.000: Medical use of Marijuana through Commission- supported databases. A Temporary Patient Registration issued to a Qualifying Patient shall be deemed a Registration Card.

**Registered Qualifying Patient** means a Qualifying Patient who is currently and validly issued a temporary or an annual Registration Card by the Commission.

## Procedure Requirements

1. NETA inspects proof of identification of all Registered Qualifying Patients and Caregivers prior to entry to the dispensary, or prior to receipt of home delivery orders. In addition to a Massachusetts-issued Patient or Caregiver temporary or annual Registration card, one of the following is required:
  - a. Driver's license
  - b. Government-issued identification card
  - c. Military identification card
  - d. Passport
2. Qualifying Patients with a temporary or annual Registration card under the age of 18 are not required to have a government-issued identification card, but can be accompanied by their Registered Caregiver



# STANDARD OPERATING PROCEDURE: MASSACHUSETTS QUALITY CONTROL

March 2021

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## Summary & Purpose

The purpose of this standard operating procedure is to ensure good manufacturing practices are followed and that product purity, dose consistency, and the detection and elimination of potential contaminants conforms with 935 CMR 500.000 and 935 CMR 501.000

## Scope & Applicability

The scope of this standard operating procedure covers SH Parent, Inc. d/b/a Parallel and all of its direct and indirect affiliates (including all subsidiaries, parent companies, sister companies, and other related entities) in the state(s) of Massachusetts for all facilities.

Cultivation, Processing, Production

## Responsibility

The Director of Compliance is responsible for periodically reviewing, maintaining, and updating this standard operating procedure.

MA QA/Compliance is responsible for the oversight of this Standard Operating Procedure

## Definitions

- **Clone** means a clipping from a Cannabis or Marijuana plant that can be rooted and grown.
- **Cultivation Batch** means a collection of Cannabis or Marijuana plants from the same seed or plant stock that are cultivated and harvested together, and receive an identical Propagation and cultivation treatment including, but not limited to: growing media, ambient conditions, watering and light regimes and agricultural or hydroponic inputs. Clones that come from the same plant are one batch. The Licensee shall assign and record a unique, sequential alphanumeric identifier to each Cultivation Batch for the purposes of production tracking, product labeling and product recalls.
- **Department of Agricultural Resources (MDAR)** means the Massachusetts Department of Agricultural Resources, unless otherwise specified. MDAR has jurisdiction over Hemp and Pesticides
- **EPA** means the U.S. Environmental Protection Agency
- **Flowering** means the gametophytic or reproductive state of Cannabis or Marijuana in which the plant produces flowers, trichomes, and Cannabinoids characteristic of Marijuana.
- **Greenhouse** means a structure or thermally isolated Enclosed Area of a building that maintains a specialized sunlit environment used for and essential to the cultivation, protection or maintenance of plants.
- **Immature Plant** means a rooted plant in the Vegetation stage of development that is no taller than eight inches, no wider than eight inches, and is in a growing/cultivating container.
- **Independent Testing Laboratory (ITL)** means a laboratory that is licensed or registered by the Commission and is:
  - currently and validly licensed under 935 CMR 500.101: Application Requirements, or formerly and validly registered by the Commission;
  - accredited to ISO 17025:2017 or the most current International Organization for Standardization 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission;
  - independent financially from any MTC, Marijuana Establishment or Licensee; and

- qualified to test Marijuana and Marijuana Products, including MIPs, in compliance with M.G.L. c. 94C, § 34; M.G.L. c. 94G, § 15; 935 CMR 500.000: Adult Use of Marijuana; 935 CMR 501.000; and Commission protocol(s).
- **Limited Access Area** means an indoor or outdoor area on the Premises of an MTC where Marijuana or MIPs, or their byproducts are cultivated, stored, weighed, packaged, Processed, or disposed, under the control of an MTC, with access limited to only to those MTC Agents and Laboratory Agents designated by the MTC after receipt of a Final License.
- **Mother Plant** means a marijuana plant that is grown or maintained for the purpose of generating Clones, and that will not be used to produce plant material for sale to another Marijuana Establishment or Medical Marijuana Treatment Center.
- **Pesticide** means a substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, and any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant; provided that Pesticide shall not include any article that is a "new animal drug" within the meaning of § 201(v) of the Federal Food, Drug and Cosmetic Act (21 U.S.C. § 321(v)), or that has been determined by the Secretary of the United States Department of Health and Human Services not to be a new animal drug by a regulation establishing conditions of use for the article, or that is an "animal feed" within the meaning of § 201(w) of such act (21 U.S.C. § 32 (w)).
- **Production Batch** means a batch of finished plant material, Cannabis resin, Cannabis concentrate, or Marijuana-infused Product made at the same time, using the same methods, equipment and ingredients. The Licensee shall assign and record a unique, sequential alphanumeric identifier to each Production Batch for the purposes of production tracking, product labeling and product recalls. All Production Batches shall be traceable to one or more Cannabis or Marijuana Cultivation Batches.
- **Propagation** means the reproduction of Cannabis or Marijuana plants by seeds, cuttings, or grafting.
- **Quality Control Sample** means a sample of Marijuana or Marijuana Product developed by a Marijuana Cultivator, a Marijuana Product Manufacturer, a Microbusiness, or a Craft Marijuana Cooperative that is provided internally to employees for purposes of ensuring product quality and making determinations about whether to sell the Marijuana or Marijuana Product.
- **Seed-to-sale Electronic Tracking System** means a system designated by the Commission as the system of record (**Seed-to-sale SOR**) or a secondary electronic tracking system used by a Marijuana Establishment or an MTC or an Independent Testing Laboratory. This system shall capture everything that happens to an individual Marijuana plant, from seed and cultivation, through growth, harvest and Manufacture of Marijuana Products and MIPs, including transportation, if any, to final sale of finished products. Seed-to-sale Electronic Tracking System shall utilize a unique-plant identification and unique-batch identification. It will also be able to track agents' and Registrants' involvement with the Marijuana Product. Any secondary system used by the Marijuana Establishment or an MTC or an Independent Testing Laboratory shall integrate with the SOR in a form and manner determined by the Commission.
- **Vegetation** means the sporophytic state of the Cannabis or Marijuana plant, which is a form of asexual reproduction in plants during which plants do not produce resin or flowers and are bulking up to a desired production size for Flowering.
- **Vegetative Plant** means a plant in a stage of Vegetation.

## Procedure Requirements

### Overview

1. NETA maintains plans for Marijuana and Marijuana Products quality control, including, but not limited to, the following:
  - a. Sanitary requirements for all production and handling
  - b. Product testing for contaminants in compliance with 935 CMR 500.160
  - c. Supplemental product testing requirements for all Marijuana Vaporizer devices
  - d. Plans for reporting and remediating materials that do not pass required testing

- e. Quality Control samples

## Requirements for Handling Marijuana

1. NETA processes all Marijuana and Marijuana Products in a safe and sanitary manner
2. Only the leaves and flowers of the female plant are processed. Processed Marijuana is:
  - a. Well cured and free of seeds and stems
  - b. Free of dirt, sand, debris, and other foreign matter
  - c. Free of contamination by mold, rot, other fungus, pests, and bacterial diseases
  - d. Prepared and handled on food-grade stainless steel tables
  - e. Not handled with bare hands
  - f. Packaged in a secure area
  - g. Satisfies the sanitation requirements of 105 CMR 500.000: Good Manufacturing Practices for Food, including:
    - i. The presence of at least one documented Food Safety Manager at all times who is either ServSafe or HACCP certified, and whose certification is posted
    - ii. Instructing employees not to come to work with illness:
      1. Employees are advised of unique reporting requirements for certain symptoms, diseases and conditions, including:
        - a. Diarrhea, fever, vomiting, jaundice, sore throat with fever, lesions containing pus on the hand, wrist, or an exposed body part
        - b. Salmonella Typhi (typhoid fever), Shigella spp. (shigellosis), Escherichia coli O157:H7 and other Enterohemorrhagic Escherichia coli (EHEC), Entamoeba histolytica, Campylobacter spp., Vibrio cholera spp., Cryptosporidium parvum, Giardia lamblia, Hemolytic Uremic Syndrome, Salmonella spp. (non-typhi), Yersinia enterocolitica, Cyclospora cayentanensis and Hepatitis A.
3. Processes for preparation, handling, and storage of Marijuana and Marijuana Products meet all the sanitation requirements outlined in:
  - a. 105 CMR 590.000: State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments
  - b. 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements (pertaining to food handlers)
  - c. 105 CMR 500.000: Good Manufacturing Practices for Food
4. All processing areas are constructed of materials that are conducive to thorough regular cleaning, including stainless steel fixtures and nonporous surfaces
  - a. There is sufficient space to place equipment and storage of materials to allow easy access and cleaning
  - b. Litter and waste are promptly removed and disposed of to minimize odor and discourage pests
  - c. The operating systems for waste disposal are adequately maintained
  - d. Floors, wall, and ceilings are constructed and maintained in a manner that they may be kept clean and in good repair
  - e. There is adequate safety lighting in all Processing and storage areas, as well as in areas where utensils or equipment are cleaned
  - f. Buildings, fixtures, and facilities are maintained in a sanitary condition
  - g. All contact surfaces, including utensils and equipment, are cleaned and sanitized as often as necessary to protect against contamination using a sanitizing agent registered with the E.P.A., and used in accordance with label instructions
  - h. All toxic items are identified and stored or held in such a way to prevent contamination of Marijuana and MIPs:
    - i. Toxic items are not stored in an area containing products used in Marijuana cultivation

- ii. As required by the Commission, NETA demonstrates the intended and actual use of any toxic items on the premises
  - i. The water supply is safe, potable, and in adequate supply for operational needs:
    - i. Plumbing is of adequate size and design, well maintained, and able to carry sufficient quantities of water to required locations
    - ii. Plumbing conveys sewage and liquid disposable waste away from the facility and there is no cross-connection between the potable and wastewater lines
    - iii. There are adequate and readily accessible toilet facilities maintained in sanitary condition and good repair
    - iv. Handwashing facilities are adequate and convenient and furnished with running water at a suitable temperature, effective hand cleaning and sanitizing preparations, and sanitary towel or suitable drying devices
  - j. Products that can support rapid growth of undesirable microorganisms are held in conditions that prevent such growth:
    - i. Storage and transportation of finished products is under conditions that protect against deterioration and physical, chemical, or microbial contamination
    - ii. Transport vehicles are equipped with adequate temperature controls to prevent product from becoming unsafe during transportation
5. NETA Agents working in direct contact with preparation of Marijuana, edibles or non-edible MIPs:
- a. Maintain adequate personal cleanliness
  - b. Wash hands thoroughly in an adequate handwashing area before starting work, and at any other time hands may become contaminated or soiled including but not limited to:
    - i. When returning from breaks
    - ii. After touching clothing, exposed skin, or hair
    - iii. After eating or drinking
    - iv. When changing tasks
    - v. After using the restroom

## Cultivation

1. NETA may cultivate its own Marijuana or acquire Marijuana from other Marijuana Establishments or MTCs for the purpose of propagation.
2. NETA only performs cultivation operations at the address approved to do so by the Commission.
  - a. All phases of cultivation take place in a designated Limited Access Area which is not visible from a public place
  - b. No transfer or sale to Patients or Customers takes place at the cultivation location
3. NETA cultivation operations maintain policies and procedures for the following operations:
  - a. Methods for identifying, recording and reporting diversion, theft, or loss
  - b. Methods for maintaining accurate inventory, and correcting errors and inaccuracies, which comply with 935 CMR 500.105(8) and 935 CMR 501.105(8)
  - c. Handling voluntary and mandatory recalls of Marijuana
  - d. Segregating and destroying, in compliance with 935 CMR 500.105(12) and 935 CMR 501.105(12), any Marijuana that is:
    - i. Outdated
    - ii. Damaged
    - iii. Deteriorated
    - iv. Mislabeled
    - v. Contaminated
  - e. Reduction of energy usage
  - f. Fire safety in cultivation activities, including storage and processing of chemicals or fertilizers in compliance with the Massachusetts Comprehensive Fire Code

- g. Transfer, acquisition, or sale of Marijuana between MTCs and Marijuana Establishments
- 4. Real time inventory is maintained in the seed-to-sale SOR for:
  - a. Marijuana seeds
  - b. Clones in any phase of development
  - c. Marijuana plants
  - d. Marijuana ready for dispensing
  - e. All damaged, defective, expired or contaminated Marijuana awaiting disposal
- 5. NETA maintains inventory controls and procedures for inventory reviews and comprehensive inventories, including:
  - a. A monthly review of Marijuana in the process of cultivation and finished, stored Marijuana
  - b. An annual comprehensive inventory
  - c. The record of each inventory includes:
    - i. Date of inventory
    - ii. Summary of inventory findings
    - iii. Names, signatures, and titles of the individuals conducting the inventory
  - d. Any inventory taken orally is promptly transcribed
- 6. NETA tracks all seeds, Clones, plants, and Marijuana Product using a seed-to-sale methodology and tagging system approved by the Commission.
  - a. Clones are entered as strain-specific immature batches, with a limit of 100 clones per batch
  - b. Plants in the vegetative state (over 8 inches in height or width) are individually tagged
  - c. Seeds and clones under 8 inches may be transferred between licenses
  - d. Once a plant is tagged, it is not transferred between licenses
- 7. All Production Batches are traceable to their original Cultivation Batch
- 8. All Marijuana in the process of cultivation, production, preparation, transport, or analysis is stored in a manner to prevent diversion, theft, or loss. These items are:
  - a. Accessible to the minimum number of specifically authorized Agents essential for operation
  - b. Returned to a secure location immediately after completion of the project or at the end of the business day
  - c. If the processing is not complete at the end of the working day, all Marijuana is securely locked inside an area that affords adequate security
- 9. NETA does not employ any pesticides in the cultivation of Marijuana. These include:
  - a. Insecticides
  - b. Herbicides
  - c. Fungicides
  - d. Plant growth regulators
- 10. NETA uses only “25b products” or “Minimum Risk Pesticides” as defined by the EPA
  - a. Application of the 25b products is performed in compliance with M.G.L. c. 132B and 333 CMR 2.00 through 333 CMR 14.00
    - i. Any testing results indicating noncompliance are immediately reported to the Commission
    - ii. No product is labeled as ‘organic’ unless all cultivation is consistent with the USDA organic requirements 7 CFR Part 205 and consistent with MDAR requirements for pesticide usage
- 11. NETA discloses all growing media and plant nutrients being used upon request
- 12. Any transfer of Marijuana to another MTC or Marijuana Establishment is accompanied by documentation of compliance with the testing requirements 935 CMR 501.160

## Processing of Edibles

- 1. All Edibles are prepared, handled, and stored in compliance with sanitation requirements outlined in **Requirements for Handling Marijuana**, above.

2. All Edibles made to resemble a typical food or beverage product are packaged and labeled in accordance with NETA's **Packaging and Labeling Standard Operating Procedure**
  - a. Edibles are not produced in any of the following shapes or likenesses, real or fictional, including artistic, caricature, or cartoon renderings:
    - i. Humans
    - ii. Animals
    - iii. Fruits
    - iv. Sporting equipment
  - b. Serving size is determined by NETA, but no serving size intended for the adult-use market contains more than 5 milligrams of THC-9 per serving, subject to the allowed testing variance of +/- 10%. Therefore:
    - i. Dosing limitation per a single serving does not exceed 5.5 milligrams of active THC
    - ii. Dosing limitation for a package of multiple-serving edibles does not exceed 20 servings or 110 milligrams of active THC
    - iii. The THC is homogenous, or evenly distributed throughout the Edible; the Edible is considered non-homogenous if 10% of the Edible contains 20% of the active THC

## Product Testing

1. No Marijuana or Marijuana Product is sold or marketed for Medical or Adult Use that is not capable of being tested by an Independent Testing Laboratory in compliance with a protocol(s) established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determined by the Commission including, but not limited to, the Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers and Colocated Marijuana Operations.
2. Testing of environmental media (e.g., soils, solid growing media, and water) is performed in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the Commission
3. Marijuana is tested for contaminants as specified by the Commission, including, but not limited to:
  - a. Mold
  - b. Mildew
  - c. Heavy metals
  - d. Plant growth regulators
  - e. Pesticides
4. All Marijuana is tested for Cannabinoid Profile including at a minimum, the dry-weight percentage of:
  - a. Active THC (D9-THC)
  - b. Cannabidiol (CBD)
5. Marijuana is tested for the following heavy metals:
  - a. Arsenic
  - b. Cadmium
  - c. Lead
  - d. Mercury
6. Marijuana is tested for the following pesticides and growth regulators:
  - a. Abamectin
  - b. Azadirachtin
  - c. Azoxystrobin
  - d. Bifenazate
  - e. Bifenthrin
  - f. Boscalid
  - g. Carbaryl
  - h. Chlorfenapyr

- i. Cyfluthrin
  - j. Dinotefuran
  - k. Etoxazole
  - l. Imazalil
  - m. Imidacloprid
  - n. Lambda-Cyhalothrin
  - o. Myclobutanil
  - p. Paclobutrazol
  - q. Permethrin
  - r. Piperonylbutoxide
  - s. Pyrethrin
  - t. Spiromesife,
  - u. Spinosad
  - v. Trifloxystrobin
  - w. Spirotetramat
7. In addition to these contaminant tests, final, ready-to-sell Marijuana Vaporizer Products will be screened for heavy metals and Vitamin E Acetate (VEA) in accordance with provisions of the Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers, and Colocated Marijuana Operations
  8. The Commission may require additional testing at their discretion to safeguard the public health or public safety
  9. Single servings of Marijuana Products tested for potency will be subject to potency variance no greater than +/- 10 percent
  10. The sale of seeds is not subject to these testing provisions
  11. Clones are subject to these testing provisions but are exempt from testing for metals.

### **Reanalysis & Remediation**

1. Upon receiving notice of a failed test for contaminants, samples may be:
  - a. Submitted for reanalysis without remediation
  - b. Remediated for the identified contaminants and resubmitted for testing, or
  - c. Destroyed
2. If NETA chooses to reanalyze the sample without remediation, a sample from the same batch is submitted to the ITL that performed the original analysis:
  - a. If the sample passes all previously failed tests at the initial ITL, a second sample from the same batch is submitted to a second ITL for a Second Confirmatory Test.
  - b. A sample that passes the Second Confirmatory Test is considered safe for sale
  - c. Any Marijuana Product that fails the Second Confirmatory test is not sold, transferred, or otherwise dispensed without first being remediated
3. If NETA chooses to remediate, a new test sample is submitted to a licensed ITL, which can include the initial ITL, for a full panel test.
  - a. A failed product is remediated a maximum of two times
  - b. Any product failing testing after the second remediation is destroyed.

### **Notification of Testing Results & Maintenance of Records**

1. NETA maintains processes for responding to laboratory results that indicate contaminate levels are above acceptable limits, including:
  - a. Notification to the Commission within 72 hours of any testing results indicating that the contamination cannot be remediated and plans for disposing of the Production Batch

- i. Edible marijuana products cannot be remediated
  - b. Notification to the Commission of any information regarding contamination as specified by the Commission or immediately upon request by the Commission
- 2. Notification is sent from NETA and the ITL separately. The notification describes the proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination
- 3. NETA maintains all testing results for a minimum of one year.
- 4. Testing results are valid for a period of one year. Marijuana Products with testing dates over one year old are deemed expired and are not to be dispensed, sold, transferred or otherwise conveyed until retested.

### **Transportation of Samples, Disposal of Samples**

- 1. Transportation of Marijuana samples to and from ITLs complies with 935 CMR 500.105(13) and NETA's Transportation of Marijuana Standard Operating Procedure
- 2. All storage of samples complies with 935 CMR 500.105(11)
- 3. All excess Marijuana samples are disposed of by the ITL or by NETA in compliance with 935 CMR 500.105(12)

### **Quality Control Samples**

- 1. NETA maintains a process for developing and providing Quality Control Samples to employees for the purpose of ensuring product quality.
  - a. Quality Control Samples are never consumed on the licensed Premises
  - b. Quality Control Samples are never sold to another Licensee or Consumer
  - c. Quality Control Samples are tested in accordance with 935 CMR 500.160 and 935 CMR 501.160
    - i. To ensure authenticity, QC samples are taken on the same day, be derived from the same batch and documented on the Commission test results tracking sheet.
  - d. Quality Control Samples are transported in accordance with Transportation of Marijuana Standard Operating Procedure
  - e. Quality Control Sample distribution to employees is limited to a monthly total of 28 grams, distributed among the employee group, provided:
    - i. Total number of strains sampled does not exceed seven strains per month, and
    - ii. Maximum quantity of each strain distributed is four grams per month
  - f. All Quality Control Samples are assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a manner to be determined by the Commission, and designated as "Quality Control Sample"
  - g. All Quality Control Samples have a legible, firmly affixed label with wording no smaller than 1/16 inch in size, containing the following information at a minimum
    - i. A statement that reads "QUALITY CONTROL SAMPLE NOT FOR RESALE"
    - ii. The name and registration number of the Marijuana Cultivator
    - iii. The quantity, net weight, and type of Marijuana contained within the package
    - iv. A unique, sequential, alphanumeric identifier assigned to the Cultivation Batch from which the sample originated, traceable in the Seed-to-sale SOR
  - h. When providing Quality Control Samples to employees, NETA records:
    - i. The reduction in quantity of the total weight or item count under the unique identifier associated with the Sample

- ii. The Agent registration number of the employee receiving the Sample. If a retail employee, this must be the Marijuana Establishment (Adult Use) Agent registration number
- iii. The name of the employee as it appears on their Agent registration card. If a retail employee, this must be the Marijuana Establishment (Adult Use) Agent registration number

## References

Reference	Location
Transportation of Marijuana Standard Operating Procedure	

## **PERSONNEL POLICIES**

NETA's Human Resources and Personnel policies support its commitment to operational excellence and employee satisfaction. We believe that every person and position is essential to our success. NETA actively endeavors to provide our employees with opportunities for professional development and growth, skill training, and financial benefits, including:

- Competitive salaries
- Medical and dental insurance
- Vision coverage
- Life insurance
- Disability plans
- Employee Assistance Program
- 401(k) Plan

NETA currently employs approximately 545 individuals. As a vertically-oriented organization, our workforce spans a broad scope of skills and responsibilities. These include marijuana cultivation and harvesting, marijuana-infused product production, packaging and labeling, logistics and transportation, security, compliance, inventory management, dispensary operations, and administration, human resource management, sales and marketing, facility maintenance, accounting and finance, training, regulatory compliance, environmental health and safety, and philanthropic endeavors.

NETA is an Equal Employment Opportunity employer, and we are committed to an organization-wide policy of non-discrimination based on race, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran per applicable federal and state law. Our employment policies provide equal employment opportunities to all persons based on merit and apply to full-time, part-time, and temporary employees. NETA will continue to advertise its commitment to equal employment opportunity in advertisements of job openings and recruitment efforts in communities of disproportionate impact.

### **Diversity**

NETA is committed to fostering, cultivating, and preserving a culture of diversity and inclusion as a core principle. NETA's primary focus for diversity and inclusion is to increase employment in the underrepresented areas of our current workforce, at all levels, including but not limited to: women, veterans, American Indian or Alaska natives, Asians, Black or African Americans, and persons with disabilities. NETA's efforts include its recruiting relationships with talent acquisition organizations that are minority-led/owned and serve diverse groups, including populations affected by the criminalization of cannabis.

In addition, NETA will expand its network to include other recruitment agencies and relationships with community colleges, such as Roxbury Community College, that serve diverse populations.



To ensure NETA's internal benchmarks for recruitment diversity and inclusion are met and maintained, NETA will:

- Provide annual company wide-training focused on diversity, inclusion, and communication in the workplace developed by Ogletree, Deakins, Nash, Smoak & Stewart, P.C.;
- Focus on professional development and satisfaction of our employees through management training;
- Use its EEO-1 report and other measures of voluntary self-reporting to identify areas of underrepresentation within the organization and create metrics that will measure diversity initiatives' success.
- Review and revise diversity initiatives, at least annually, to adjust our strategy and goals, as needed; and
- Expand and improve throughout the year to meet goals of the Positive Impact Plan.

For additional details regarding NETA's diversity plans, please see the Diversity Plan section of this application.

### **Marijuana Establishment Agent Registration**

To ensure that individuals who join NETA are well qualified and that NETA maintains a safe and productive work environment, NETA conducts background checks and applies for marijuana establishment agent registration for all applicable employees. All offers of employment are conditional on receipt of a background check report that is acceptable to NETA and satisfies state regulatory requirements for marijuana establishment registration. All background checks conform with the Fair Credit Reporting Act, the Americans with Disabilities Act, and state and federal privacy and anti-discrimination laws. Reports are kept confidential and accessible to individuals involved in the hiring process.

### **Training and Performance Reviews**

Positions at NETA are defined by a written job description and an identified place within the organizational structure. Employees receive annual performance reviews and regular developmental feedback. All employees are required to complete a comprehensive orientation process. Additionally, those filling key or technical roles may undergo structured training that extends for several additional weeks. Managers receive a comprehensive training manual and participate in off-site training led by NETA's Senior Management. Ongoing programs, such as our "lunch-and-learn" program, cover topics from basic Excel skills training to "Having Difficult Conversations." NETA-specific training is in addition to the elements of Marijuana Establishment Agent Training, including the participation of the Responsible Vendor Program.



NETA believes that bi-directional, honest, and direct feedback should be ongoing and not left for year-end. As such, mini-training and improvement opportunities are a regular occurrence. Details on NETA's training and development efforts are in the training section of this application.

## **Advancement**

Promoting staff from within the company is a core value at NETA. Currently, many of the critical roles in the company were internal promotions, including Northampton Store Manager, Team Leads, Dispensary Training Coordinator, Training Managers, Cultivation Manager, Assistant Cultivation Manager, Harvest Manager, Director of Logistics, Director of Inventory, Director of Retail, Director of Security, and the Compliance Management.

Personnel Files

Human Resources maintain confidential personnel records. They include the employee's background check information, employment contract, training records, minimum eight-hour annual related-duty training, verification of references, performance evaluations, and descriptions of any disciplinary actions. Once state-approved responsible vendor training is available for staff will add those records to personnel files. When an employee leaves or is separated from the company, personnel records are retained for no less than twelve months from the date of separation.

## **Employee Benefits**

NETA provides employees with an excellent benefits package and any employment provisions required by law, as outlined below in the abbreviated summary form:

**Insurance Benefits:** NETA offers total health and dental insurance plans and supplemental vision coverage and life insurance. Each year we review the cost of healthcare to ensure that NETA's contribution is more significant than the employee's contribution.

**Employee-Focused Initiatives:** NETA offers numerous employee-focused initiatives, including Halloween costume party, Family Feud and March Madness contests, summer events such as barbecues, concert ticket raffles, a softball league, a Franklin Patients' Day reception, recognition and celebration of staff birthdays, spot bonuses for going above and beyond one's regular duties, and a "Caught You Doing Something Great" program that provides employees with gift cards.

**Employee Patient Discount:** NETA employees are eligible for a generous employee/patient marijuana discount.



**Paid-Time Off:** Paid-time off rates for all employees who work a minimum of 30 hours per week are earned each pay period per the schedule below:

- Employees earn 4.0 hours per pay period (13 days per year) in their first year.
- Employees earn 4.66 hours per pay period (15 days per year) on their fifth anniversary.
- Employees with ten plus years of service and Senior Leaders earn 8.46 hours per pay period (27.5 days per year).

Employees may use paid time off for reasons such as vacation, personal appointments, extended bereavement leave, illness, holidays, or inclement weather.

**MA Earned Sick Leave:** Regular full-time employees' earned sick leave is included in their PTO accrual. Part-time and temporary employees accrue one hour of sick leave (not including worker's compensation) for every 30 hours worked, up to a maximum of 40 hours of sick time per calendar year.

**Bereavement Leave:** In the event of the death of a child, spouse/partner, parent, parent of a spouse/partner, sibling, grandparent, grandchild, or person living in the house, an employee may be granted up to 3 days of paid bereavement leave.

**Leave of Absence:** An employee may request an unpaid leave of absence for reasons unrelated to the Family and Medical Leave Act by contacting their supervisor and the Human Resources Department.

**Family and Medical Leave Act (FMLA):** Employees who have been employed by NETA for at least 12 months and have worked at least 1,040 hours during the 12 months preceding the request for leave are eligible for family and medical leave. Other leave entitlements do exist, as detailed in our "Employee Handbook." During FMLA leave, NETA maintains the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work.

**COBRA:** NETA complies with federal COBRA regulations that provide for the limited continuation of health and dental coverage for employees and their families following termination, divorce, death, or if a child reaches the age of limitation of the insurance plan.

**Worker's Compensation:** NETA carries a Worker's Compensation Insurance policy. If an employee is injured due to an accident or illness on the job, they may be eligible for Worker's Compensation benefits. The number of benefits payable and the duration of payment depends on the nature of the injury or illness.

**Unemployment Compensation Benefits:** In the event of a separation from NETA, staff may or may not be eligible to receive unemployment compensation benefits by applying to the Department of Employment and Training (DET). Accordingly, NETA abides by current law in issuing an information notice to all separating employees advising them of their right to file a claim for unemployment insurance benefits.



# STANDARD OPERATING PROCEDURE: AAMA AGENT REGISTRATION]

February 2021

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## Summary & Purpose

This document outlines the processes and requirements for Agent Registration pursuant to 935 CMR 500.000 and 501.000.

The purpose of this standard operating procedure is provide guidance on requirements for Agent Registration for Massachusetts

## Scope & Applicability

The scope of this standard operating procedure covers SH Parent, Inc. d/b/a Parallel and all of its direct and indirect affiliates (including all subsidiaries, parent companies, sister companies, and other related entities) in the state(s) of Massachusetts for all NETA facilities, staff, and ownership.

BAs/WIs

## Responsibility

The Director of Compliance is responsible for periodically reviewing, maintaining, and updating this standard operating procedure.

BAs/Leaders

## Definitions

CORI or iCORI

## Procedure Requirements

1. All NETA employees, Executives, Owners, and volunteers are registered agents as appropriate and required; for their job function(s) or role(s) As a CMO, NETA agents only perform tasks and duties permitted by the licenses under which they are registered. NETA agents perform both medical and adult use tasks and duties when registered under both 935 CMR 500 and 935 CMR 501 in each license for which they are affiliated.
2. Qualifications for Agent registration include:
  - a. 21 years of age or older
  - b. Has not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or like violation of the laws of other jurisdictions
  - c. Are determined suitable for registration consistent with 935 CMR 500.801: Suitability Standard for Licensure and Registration and 935 CMR 500.801: Suitability Standard for Licensure or 935 CMR 500.802: Suitability Standard for Registration as a Marijuana Establishment Agent.
3. NETA submits the following information when requesting Agent registration:
  - a. Full name, date of birth, and address of the individual
  - b. All aliases used previously or currently in use by the individual, including maiden name, if any
  - c. A copy of the applicant's driver's license, government-issued identification card, liquor purchase ID card issued pursuant to M.G.L. c. 138, § 34B, or other verifiable identity documents acceptable to the Commission
  - d. An attestation that the applicant will not engage in diversion of Marijuana or Marijuana Products

- e. Written acknowledgement by the applicant of any limitation on their authorization to cultivate, harvest, prepare, package, possess, transport, and dispense marijuana in the Commonwealth
  - f. Background information, including, as applicable:
    - i. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;
    - ii. A description and the relevant dates of any civil or administrative action under the laws of the Commonwealth, or an Other Jurisdiction, relating to any professional or occupational or fraudulent practices;
    - iii. A description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction;
    - iv. A description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or an Other Jurisdiction, with regard to any professional license or registration held by the applicant; and
  - g. A non-refundable application fee paid by NETA
  - h. Any other information required by the Commission
4. A NETA executive registered with the DCJIS pursuant to 803 CMR 2.04: iCORI Registration submits a CORI report and any other background check information required by the Commission for each individual for whom it seeks Agent registration, obtained within 30 days prior to submission
    - a. The CORI report obtained provides information authorized under Required Access Level 2 pursuant to 803 CMR 2.05(3)(a)2
    - b. NETA's collection, storage, dissemination and usage of any CORI report or background check information obtained for the purpose of Agent registration complies with 803 CMR 2.00: Criminal Offender Record Information and all other applicable state and local laws and regulations
  5. NETA notifies the Commission no more than one business day after an MTC agent ceases to be associated with NETA.
    - a. The registration is immediately void when the agent is no longer associated with NETA.
  6. NETA Agent initial registration is valid for one year, and thereafter may be renewed on a tri-annual basis on a determination by the Commission that the applicant for renewal continues to be suitable for registration.
  7. NETA notifies the Commission as soon as possible, but no longer than 5 business days, of any changes to the information originally submitted to the Commission, or after discovery that a Registration Card has been lost or stolen.
  8. NETA Agents only perform tasks and duties which are permitted by the license(s) under which they are registered.
  9. NETA Agents carry the appropriate registration cards with them at all times when working at NETA facilities, and when transporting, handling, or in possession of Marijuana or Marijuana Products
  10. Any Agent registration is void if:
    - a. The Agent ceases to be associated with NETA
    - b. The registration card has not been surrendered upon issuance of a new Agent Registration card, based on new information
    - c. The Agent is deceased

## References

Reference	Location
803 CMR 2.00: Criminal Offender Record Information	<a href="https://www.mass.gov/files/documents/2016/09/pr/803-cmr-2-00-criminal-offender-record-information-cori.pdf">https://www.mass.gov/files/documents/2016/09/pr/803-cmr-2-00-criminal-offender-record-information-cori.pdf</a>

# STANDARD OPERATING PROCEDURE: MA REQUIRED RECORDKEEPING

February 2021

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## Summary & Purpose

NETA is committed to the safety, security and privacy of organizational information and the proper maintenance of financial records.

The purpose of this standard operating procedure is to ensure proper record keeping and confidentiality of organizational information.

## Scope & Applicability

The scope of this standard operating procedure covers SH Parent, Inc. d/b/a Parallel and all of its direct and indirect affiliates (including all subsidiaries, parent companies, sister companies, and other related entities) in the state(s) of Massachusetts for NETA.

## Responsibility

The Director of Compliance is responsible for periodically reviewing, maintaining, and updating this standard operating procedure.

## Definitions

**Commission** means the Massachusetts Cannabis Control Commission, as established by M.G.L. c. 10, § 76, or its representatives. The Commission has authority to implement the state Marijuana laws which include, but are not limited to, St. 2016, c. 334, The Regulation and Taxation of Marijuana Act, as amended by St. 2017, c. 55, An Act to Ensure Safe Access to Marijuana; M.G.L. 10, § 76; M.G.L. c. 94G; M.G.L. c. 94I; 935 CMR 500.000:

**Marijuana (or Cannabis)** means all parts of any plant of the genus Cannabis, not excepted in 935 CMR 501.002: Marijuana (a) through (c) and whether growing or not; the seeds thereof; and resin extracted from any part of the plant; Clones of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin including tetrahydrocannabinol as defined in M.G.L. c. 94G, § 1; provided that Cannabis shall not include:

- (a) The mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil, or cake made from the seeds of the plant or the sterilized seed of the plant that is incapable of germination;
- (b) Hemp; or
- (c) The weight of any other ingredient combined with Cannabis or Marijuana to prepare topical or oral administrations, food, drink or other products.

**Marijuana Establishment** means a Marijuana Cultivator (Indoor or Outdoor), Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Microbusiness, Independent Testing Laboratory, Marijuana Retailer, Marijuana Transporter, Delivery Licensee, Marijuana Research Facility Licensee (as defined in 935 CMR 501.002: Marijuana Research Facility Licensee), Social Consumption Establishment (as defined in 935 CMR 501.002: Social Consumption Establishment), or any other type of licensed Marijuana-related business, except a Medical Marijuana Treatment Center (MTC).

**Marijuana Establishment Agent** means any Owner, employee, Executive, or volunteer of a Marijuana Establishment, who shall be 21 years of age or older. Employee includes a consultant or contractor who

provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of Marijuana.

**Seed-to-sale Electronic Tracking System** means a system designated by the Commission as the system of record (Seed-to-sale SOR) or a secondary electronic tracking system used by a Marijuana Establishment or an MTC or an Independent Testing Laboratory. This system shall capture everything that happens to an individual Marijuana plant, from seed and cultivation, through growth, harvest and Manufacture of Marijuana Products and MIPs, including transportation, if any, to final sale of finished products. Seed-to-sale Electronic Tracking System shall utilize a unique-plant identification and unique-batch identification. It will also be able to track agents' and Registrants' involvement with the Marijuana Product. Any secondary system used by the Marijuana Establishment or an MTC or an Independent Testing Laboratory shall integrate with the SOR in a form and manner determined by the Commission.

**Seed-to-sale-System of Record (Seed-to-sale SOR)** means the electronic tracking system designated and required by the Commission to perform a process.

## Procedure Requirements

### Recordkeeping

NETA financial records are maintained in accordance with generally accepted accounting principles.

NETA makes all records available for inspection by the Commission upon request. Written records that are required and are subject to inspection include, but are not limited to:

- a. Written Operating Procedures
- b. Inventory Records as outlined in the MA Inventory SOP
- c. Seed-to-sale SOR Electronic Tracking System records for all Marijuana Products
- d. The following personnel records:
  1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions.
  2. A personnel record for each agent. Records are maintained for at least 12 months after termination of the individual's affiliation with NETA and include the following:
    - a. All materials submitted to the commission.
    - b. All documents of verified references.
    - c. Job description or employment contracts that include duties, authority, responsibilities, qualifications, and supervision
    - d. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters.
    - e. A copy of the application that the MTC submitted to the Commission on behalf of any prospective MTC agent
    - f. Documentation of periodic performance evaluations.
    - g. A record of any disciplinary action taken.
    - h. Notice of completed Responsible Vendor Training Program and inhouse training for Marijuana Establishment Agents
  3. NETA has a staffing plan that demonstrates accessible business hours and safe cultivation conditions. The Staffing plan includes but is not limited to the following:
    - NETA Leadership Team  
President, Finance, Operations, HR
    - Executive Management  
Divisions listed
    - Security  
Franklin  
Brookline

- Northampton
- Retail Teams
  - Store Management
  - Inventory Staff
  - Delivery Team
  - Guides
- 4. NETA has Personnel policies and procedures, including, at a minimum, the following:
  - a. Code of ethics
  - b. Whistle-blower policy.
  - c. A policy which notifies persons with disabilities of their rights under <https://www.mass.gov/service-details/about-employment-rights> or a comparable link, and includes provisions prohibiting discrimination and providing reasonable accommodations.
- 5. All background check reports obtained
- e. NETA Business records, which include manual or computerized records of:
  - 1. Assets and liabilities
  - 2. Monetary transactions
  - 3. Books of accounts, which include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers.
  - 4. Sales records including the quantity, form, and cost of marijuana products.
  - 5. Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over NETA.
- f. Waste disposal records
- g. Following closure of a NETA facility, all records are kept for at least two years at the expense of NETA and in a form and location acceptable to the Commission.



NEW ENGLAND TREATMENT ACCESS, LLC.

## **Maintenance of Financial Records**

NETA has established procedures for the proper maintenance of financial records in conformity with 935 CMR 500 and 935 CMR 501 and in accordance with generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Boards (FASB).

## **Compliance with DOR Policies and Directives**

NETA's policy is to retain financial records for at least seven years unless otherwise directed by the MA Department of Revenue or the Cannabis Control Commission. NETA will comply with Department of Revenue 830 CMR 62C.25.1: Record Retention and Directive 16-1: Recordkeeping Requirements for Sales and Use Tax Vendors Utilizing Point of Sale (POS) Systems and will ensure that appropriate and necessary records are kept, easily locatable and organized in a manner that allows for accurate determination of NETA's actual tax liability.

## **Business Records**

NETA will maintain the following business records as required:

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

## **Seed-to-Sale Tracking**

NETA will utilize Leaf Logix, its seed-to-sale inventory tracking and POS system, to appropriately record all agent sales transactions to METRC and in a manner that allows for verification of items sold and the appropriate amount of tax collected.

Before initiating a transaction, after verifying the person's age and, when applicable, patient status, Leaf Logix will prompt the dispensing agent to initiate either a medical or adult-use sale, and all sales will be recorded in METRC. All applicable sales tax will be applied for adult-use sales, and transaction details will be tracked and recorded for proper tax reporting and accounting purposes. NETA will maintain sales records in a standard format with sufficient transaction-level detail information. Detailed information is recorded for each sales transaction, including, at a minimum:

- Individual item(s) / product(s) sold.
- Selling price.





NEW ENGLAND TREATMENT ACCESS, LLC.

- Tax due.
- Invoice number.
- Date of sale.
- Method of payment; and
- POS terminal number and POS transaction number.

The Leaf Logix POS system maintains auditable internal controls to ensure the accuracy and completeness of the transactions recorded in the POS system. The system allows for the following audit trail details:

- Internal sequential transaction numbers.
- Records of all POS terminal activity.
- Procedures to account for voids, cancellations, or other discrepancies in sequential numbering.

The POS audit trail or logging functionality must be always activated and operational, and it must record:

- Any activity related to other operating modes available in the system, such as a training mode; and
- Any changes in the setup of the system.



## **2021 Diversity and Inclusion Plan**

NETA's Diversity and Inclusion Plan has identified areas where continued growth will assist our mission and further our diversity and inclusion goals. The plan is focused on increasing the representation of women and minorities across all cultivation, production, and in retail roles. Additionally, striving to maintain an inclusive environment where everybody can thrive and grow within the company.

Parallel, the parent company to NETA takes its role within the cannabis industry, an industry that since legalization has seen most of the white participation at various levels including ownership and management and is trying to learn from our previous policies and make changes as needed to further support the diversification of the industry. Parallel recognizes the disparate impact that marijuana prohibition has had on minority communities and is proud to join the effort to support these communities through our continued commitment to advancing diversity and inclusion through meaningful actions and partnerships as outlined further below.

- Change of ownership: at least two female and three BIPOC directors will be included in the seven total members of the public company board of directors.
- Parallel has focused its efforts across all markets on economic and job empowerment, and diversity and inclusion in the industry through job fairs, skills-building training and seminars, fellowships, and social equity grants, among other actions.
- Parallel partnered with industry advocacy organizations, such as the Minority Cannabis Business Association (MCBA) and CannabisLAB to drive their shared missions forward and to continue to address diversity and inclusion in the industry. Parallel continues to look for opportunities to partner with similar organizations.
- Partnered with the Minority Cannabis Business Association in 2021 to host job fairs, skills building programs and expungement events to help increase equitable opportunities.
- Donated to non-profit organizations, for example we have a scholarship fund for United Negro College Fund via a giving/matching campaign sponsored by our Black Empowerment Network, Employee Resource Group.
- Established a specific Diversity and Inclusion program internally where we do skills building and talent development in the Diversity and Inclusion space.
- Collaborated with CannabisLAB to educate, connect, and empower people to increase equitable opportunities in the cannabis industry.

Parallel's workforce includes 1,700 employees and sees that as an opportunity to make an appreciable impact on diversity in the industry. Currently, the workforce is comprised of:

- More than 30% of minority and female-identifying employees.
- 40% of Parallel's leadership team includes female and minority representation.

## **Hiring Process**

Remove bias from the hiring process by implementing:

- Diverse candidate slates/interview panels
- Standard interview questions for frontline hiring managers
- Psychometric assessments for people manager hires
- Hold ourselves accountable and measure progress by establishing a Diversity Council that meets quarterly.
- Analyze and re-write job descriptions for Retail and Production roles to modify or remove unnecessary “basic qualifications” that disproportionately disqualify female applicants.
- Work with Cielo to design/execute more proactive strategies for attracting female candidates (alternative job boards and communities, hiring events, employer branding, etc.)

NETA seeks to increase female and BIPOC employees and ensure the creation of an inclusive culture, with a focus on employees of various abilities, through the following goals and measurement outcomes:

- Increase the representation of female and minority employees at NETA in the production, cultivation, and retail job groups. Programs to achieve this goal will include:
- Hosting or participating in at least three hiring events across Eastern, Central and Western, Massachusetts. NETA will deploy at least three employees to staff at hiring events in which NETA is a participant or the host.
- Posting openings on appropriate diversity recruiting boards.

## **Creating an Inclusive Culture**

Ensuring access to NETA for people and employees with disabilities. Programs to achieve this goal will include:

- Online Accessibility
  - NETA’s website will be completely redesigned, and all accessibility issues will be addressed by July 2021.
- The MUSE Foundation
  - NETA will continue to provide support to the disabled adult community by continuing its partnership with the MUSE Foundation to provide disabled adults the opportunity to have flexible, individualized music instruction, as the scaffolding for significant social interaction and community-building for this underserved population.

## **Employee Resource Groups**

Employee Resource Groups (ERGs) are employee identity or experience-based groups that build community within the workplace. At NETA we have several ERGs that help contribute to employees' personal and professional development in the work environment. They are:

- Black Empowerment Network ("BEN")
- Women's Impact Network ("WIN")
- PRIDE@Parallel - LGBTQ+ network.
- Patriots at Parallel – Veterans focused

## **Trainings**

At NETA, we are always looking for ways to have our employees undergo training as it improves their skills and knowledge of the job and builds their confidence in their abilities. In addition, it can expose employees to subject matters they are less familiar or comfortable with, so NETA has committed to the following:

- "Everybody Belongs" Unconscious Bias training for all management and at least 75% of staff by 12/31/21.
- At least one session of LGBTQ+ training for all managers in 2021.
- Increase personal awareness and commitment with mandatory Cultural Awareness learning
- In-depth workshops for all people managers
- Self-paced videos, local team discussions for non-managers
- Implement standard interview questions for frontline managers and train them on how to conduct an unbiased interview.
- Ensure 50% of candidates in Parallel leadership development programs are Female, Black and/or Latinx.

## **Core Principles and EEO (Equal Employment Opportunities) Policies**

- NETA provides equal employment opportunities to all employees and applicants without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran in accordance with applicable federal, state and local laws.
- NETA complies with applicable federal, state and local laws governing nondiscrimination in employment.
- NETA's Equal Opportunity Employment policy applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

- NETA's policies concerning Equal Employment Opportunity and Diversity are easily located in its Employee Handbook, which is distributed to all new employees during mandatory employee initial training.
- NETA expressly prohibits any form of unlawful employee discrimination or harassment based on race, color, religion, gender, sexual orientation, national origin, age, genetic information, disability or veteran status.
- NETA maintains executive level oversight responsible for the development, implementation, and monitoring of programs designed to actualize NETA's commitment to social equity, diversity, and inclusion.
- NETA maintains a Diversity and Inclusion Steering Committee to assist in the execution of NETA's diversity and inclusion programs.

### **2021 NETA Diversity Goals**

NETA seeks to increase female and BIPOC employees and ensure the creation of an inclusive culture, with a focus on employees of various abilities, through the following goals and measurement outcomes:

#### **Goal 1:**

Increase the representation of female employees at NETA in the production, cultivation and retail job groups by at least 1% based on the number of employees current as of 1/01/2021. Programs to achieve this goal will include:

#### **Measurement:**

Starting on January 1, 2021:

- i. Establish baseline demographics of current employees based on NETA's employment records in HR (including the number and gender of employees drawn from EEO-1 surveys and agent registration forms).
- ii. Using an internal workforce tracking sheet, track statistics to measure progress on this goal
- iii. December 2021, evaluate total # of positions available in the laborers job group and % filled from the established targeted group.
- iv. December 2021, review and confirm the number of job fairs attended/hosted and the number of employees in attendance at each respective job fair.

#### **Status:**

NETA has met this goal with an increase of 1.04% of Females representing the MA workforce from January 2021 to the present and will continue to strive for a balanced representation of Female and Males across the market.

Parallel, NETA's parent company has increased female representation by 3.43%.

Month Selector: January, 2021 | Job Lv Selector: All

Gender	Diversity by Gender								
	FEMALE			MALE			NEITHER		
Market	EE Count	%RT EE...	MoM Diff...	EE Count	%RT EE...	MoM Diff...	EE Count	%RT EE...	MoM Diff...
MKT: CORP	68	38.42%	2	109	61.58%	5			
MKT: FL	446	48.37%	21	473	51.30%	15	3	0.33%	0
MKT: MA	184	33.33%	3	359	65.04%	-9	9	1.63%	-1
MKT: NY	18	40.91%	-1	26	59.09%	0			
MKT: TX	3	100.00%	0						
MKT: T	1	6.25%	0	15	93.75%	1			
<b>Total</b>	<b>720</b>	<b>42.01%</b>	<b>25</b>	<b>982</b>	<b>57.29%</b>	<b>12</b>	<b>12</b>	<b>0.70%</b>	<b>-1</b>

Month Selector: June, 2021 | Job Lv Selector: All

Gender	Diversity by Gender					
	FEMALE			MALE		
Market	EE Count	%RT EE...	MoM Diff...	EE Count	%RT EE...	MoM Diff...
MKT: CORP	85	41.67%	4	119	58.33%	1
MKT: FL	435	48.01%	-7	468	51.66%	-9
MKT: MA	177	34.37%	1	329	63.88%	0
MKT: NY	23	48.94%	2	24	51.06%	-5
MKT: TX	12	40.00%	6	18	60.00%	12
MKT: T	4	22.22%	2	14	77.78%	0
<b>Total</b>	<b>736</b>	<b>42.79%</b>	<b>8</b>	<b>972</b>	<b>56.51%</b>	<b>-1</b>

**Goal 2:**

Increase the representation of minority employees at NETA in the production, cultivation, and retail job groups by at least 1% based on the number of employees current as of 01/01/2021.

**Measurement:**

Starting on January 1, 2021:

- i. Establish baseline demographics of current employees based on NETA's employment records in HR (including the number and gender of employees drawn from EEO-1 surveys and agent registration forms).
- ii. Using an internal workforce tracking sheet, track statistics to measure progress on this goal

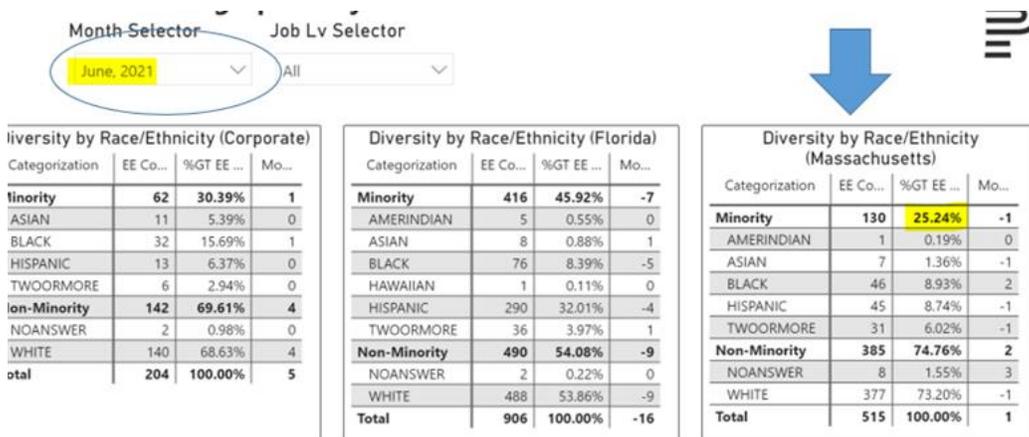
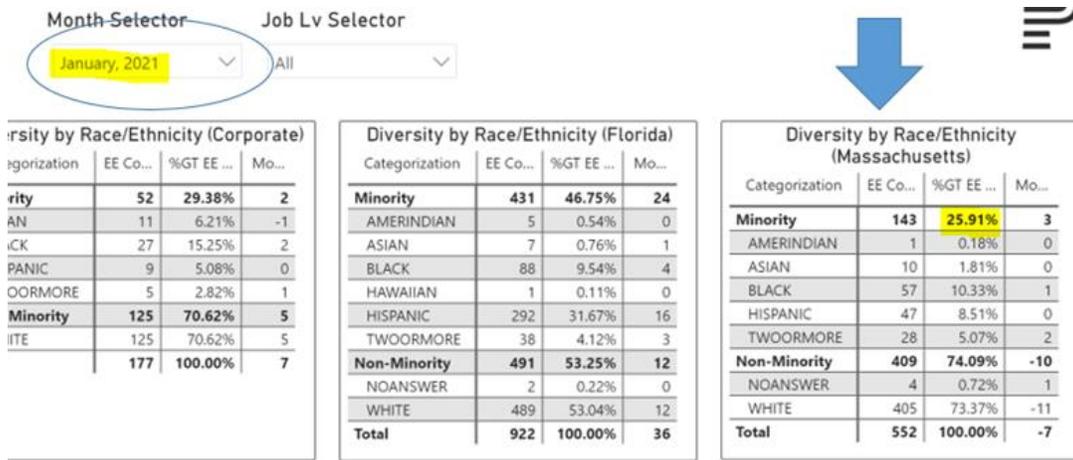
iii. December 2021, evaluate total # of positions available in the laborers and helpers job group and % filled from the established targeted group.

iv. December 2021, review and confirm the number of job fairs attended/hosted and the number of employees in attendance at each respective job fair.

**Status:**

NETA is currently working to meeting this goal in the second half of the year. Due to an unprecedented number of employees leaving the workforce any progress that was made has not moved the company closer to the goal of a 1% increase.

Parallel as a company has increased the representation of minority employees by 1.01% since the baseline was established in January 2021.



**Goal 3:**

Create an inclusive culture that includes ensuring access to NETA for people and employees with disabilities.

**Measurement:**

- a. Local Accessibly Leader
  - i. Implement 100% of the suggestions from contract with Perkins on NETA's new website Magento as it relates to accessibility guidelines.
  - ii. July 2021, launch new website and remove existing barriers to existing digital experience.
  - iii. December 2021, confirm improved digital experience has been achieved.
- b. The Muse Foundation
  - i. Scholarship Donation providing access to 4 students.
- c. Company Wide Training
  - i. December 2021, confirm that all company-wide inclusivity training has occurred.
  - ii. Identify dates of such training and the number of employees who attended at least one training session.

**Status:**

NETA has already met the goal of the implementation of suggestions from the Perkins audit of the website when the new website, Magento was launched. Additionally, NETA's donation to the Muse foundation provided scholarships to 4 students. Finally, NETA has held inclusivity training with attendees ranging from Senior Leadership to entry level employees and will continue to provide opportunities of learning and inclusion across the organization. Such trainings include:

1. Everybody Belongs: March & April 2021
2. LGBTQ & Inclusive Spaces: May 2021
3. Positive Labor Relations Training: May 2021

# Workforce Demographics by Month & Market 1 of 2



Month Selector

Job Lv Selector

January, 2021

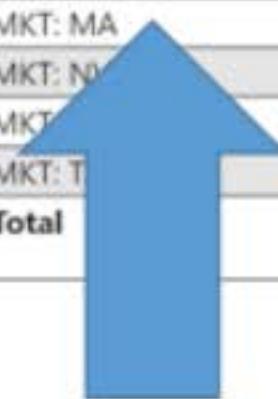
All

## Generational Data

# Generation	EE C...	%CT EE Count	MoM Di...
<b>1. Baby Boomers</b>	<b>84</b>	<b>4.90%</b>	<b>2</b>
MKT: CORP	15	0.88%	1
MKT: FL	33	1.93%	2
MKT: MA	30	1.75%	-1
MKT: NV	5	0.29%	0
MKT: TX	1	0.06%	0
<b>2. Gen X</b>	<b>324</b>	<b>18.90%</b>	<b>4</b>
MKT: CORP	58	3.38%	1
MKT: FL	179	10.44%	4
MKT: MA	73	4.26%	-2
MKT: NV	10	0.58%	0
MKT: PA	1	0.06%	0
MKT: TX	3	0.18%	1
<b>3. Millennials</b>	<b>944</b>	<b>55.08%</b>	<b>15</b>
MKT: CORP	95	5.54%	4
MKT: FL	495	28.88%	19
MKT: MA	320	18.67%	-7
MKT: NV	22	1.28%	-1
MKT: PA	2	0.12%	0
MKT: TX	10	0.58%	0
<b>4. Centennials</b>	<b>362</b>	<b>21.12%</b>	<b>15</b>
MKT: CORP	9	0.53%	1
MKT: FL	215	12.54%	11
MKT: MA	129	7.53%	3
MKT: NV	7	0.41%	0
MKT: TX	2	0.12%	0
<b>Total</b>	<b>1714</b>	<b>100.00%</b>	<b>36</b>

## Diversity by Gender

Gender Market	FEMALE			MALE			NEITHER		
	EE Count	%RT EE...	MoM Diff...	EE Count	%RT EE...	MoM Diff...	EE Count	%RT EE...	MoM Diff...
MKT: CORP	68	38.42%	2	109	61.58%	5			
MKT: FL	446	48.37%	21	473	51.30%	15	3	0.33%	0
MKT: MA	184	33.33%	3	359	65.04%	-9	9	1.63%	-1
MKT: NV	18	40.91%	-1	26	59.09%	0			
MKT: PA	3	100.00%	0						
MKT: TX	1	6.25%	0	15	93.75%	1			
<b>Total</b>	<b>720</b>	<b>42.01%</b>	<b>25</b>	<b>982</b>	<b>57.29%</b>	<b>12</b>	<b>12</b>	<b>0.70%</b>	<b>-1</b>



## Diversity by Military Status

Veteran St... Market	1. Veterans			2. Not a vet		
	Count...	%GT ...	Mo...	Count...	%GT E...	Mo...
MKT: CORP	7	0.41%	0	170	9.92%	7
MKT: FL	42	2.45%	0	880	51.34%	36
MKT: MA	26	1.52%	2	526	30.69%	-9
MKT: NV	2	0.12%	0	42	2.45%	-1
MKT: PA				3	0.18%	0
MKT: TX	3	0.18%	1	13	0.76%	0
<b>Total</b>	<b>80</b>	<b>4.67%</b>	<b>3</b>	<b>1634</b>	<b>95.33%</b>	<b>33</b>



# Workforce Demographics by Month & Market 1 of 2



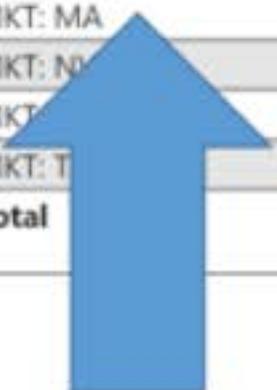
Month Selector

Job Lv Selector

June, 2021 All

Generational Data			
# Generation	EE C...	%CT EE Count	MoM Di...
<b>1. Baby Boomers</b>	<b>92</b>	<b>5.35%</b>	<b>-2</b>
MKT: CORP	17	0.99%	1
MKT: FL	40	2.33%	-1
MKT: MA	26	1.51%	-2
MKT: NV	6	0.35%	0
MKT: PA	2	0.12%	0
MKT: TX	1	0.06%	0
<b>2. Gen X</b>	<b>348</b>	<b>20.23%</b>	<b>7</b>
MKT: CORP	67	3.90%	3
MKT: FL	186	10.81%	0
MKT: MA	72	4.19%	2
MKT: NV	8	0.47%	-3
MKT: PA	11	0.64%	5
MKT: TX	4	0.23%	0
<b>3. Millennials</b>	<b>922</b>	<b>53.60%</b>	<b>5</b>
MKT: CORP	109	6.34%	1
MKT: FL	463	26.92%	-10
MKT: MA	301	17.50%	1
MKT: NV	22	1.28%	0
MKT: PA	15	0.87%	11
MKT: TX	12	0.70%	2
<b>4. Centennials</b>	<b>358</b>	<b>20.81%</b>	<b>-3</b>
MKT: CORP	11	0.64%	0
MKT: FL	217	12.62%	-5
MKT: MA	116	6.74%	0
MKT: NV	11	0.64%	0
MKT: PA	2	0.12%	2
<b>Total</b>	<b>1720</b>	<b>100.00%</b>	<b>7</b>

Diversity by Gender									
Gender	FEMALE			MALE			NEITHER		
Market	EE Count	%RT EE...	MoM Diff...	EE Count	%RT EE...	MoM Diff...	EE Count	%RT EE...	MoM Diff...
MKT: CORP	85	41.67%	4	119	58.33%	1			
MKT: FL	435	48.01%	-7	468	51.66%	-9	3	0.33%	0
MKT: MA	177	34.37%	1	329	63.88%	0	9	1.75%	0
MKT: NV	23	48.94%	2	24	51.06%	-5			
MKT: PA	12	40.00%	6	18	60.00%	12			
MKT: TX	4	22.22%	2	14	77.78%	0			
<b>Total</b>	<b>736</b>	<b>42.79%</b>	<b>8</b>	<b>972</b>	<b>56.51%</b>	<b>-1</b>	<b>12</b>	<b>0.70%</b>	<b>0</b>



Diversity by Military Status						
Veteran St...	1. Veterans			2. Not a vet		
Market	Count...	%GT ...	Mo...	Count...	%GT E...	Mo...
MKT: CORP	6	0.35%	1	198	11.51%	4
MKT: FL	39	2.27%	-2	867	50.41%	-14
MKT: MA	20	1.16%	-1	495	28.78%	2
MKT: NV	1	0.06%	-1	46	2.67%	-2
MKT: PA	2	0.12%	0	28	1.63%	18
MKT: TX	3	0.17%	0	15	0.87%	2
<b>Total</b>	<b>71</b>	<b>4.13%</b>	<b>-3</b>	<b>1649</b>	<b>95.87%</b>	<b>10</b>



# Workforce Demographics by Month & Market 2 of 2

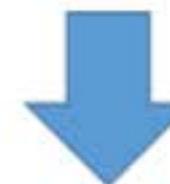


Month Selector

Job Lv Selector

January, 2021

All



## Diversity by Race/Ethnicity (Enterprise)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>651</b>	<b>37.98%</b>	<b>30</b>
AMERINDIAN	6	0.35%	0
ASIAN	31	1.81%	1
BLACK	176	10.27%	8
HAWAIIAN	3	0.18%	0
HISPANIC	354	20.65%	15
TWOORMORE	81	4.73%	6
<b>Non-Minority</b>	<b>1063</b>	<b>62.02%</b>	<b>6</b>
NOANSWER	6	0.35%	1
WHITE	1057	61.67%	5
<b>Total</b>	<b>1714</b>	<b>100.00%</b>	<b>36</b>

## Diversity by Race/Ethnicity (Corporate)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>52</b>	<b>29.38%</b>	<b>2</b>
ASIAN	11	6.21%	-1
BLACK	27	15.25%	2
HISPANIC	9	5.08%	0
TWOORMORE	5	2.82%	1
<b>Non-Minority</b>	<b>125</b>	<b>70.62%</b>	<b>5</b>
WHITE	125	70.62%	5
<b>Total</b>	<b>177</b>	<b>100.00%</b>	<b>7</b>

## Diversity by Race/Ethnicity (Florida)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>431</b>	<b>46.75%</b>	<b>24</b>
AMERINDIAN	5	0.54%	0
ASIAN	7	0.76%	1
BLACK	88	9.54%	4
HAWAIIAN	1	0.11%	0
HISPANIC	292	31.67%	16
TWOORMORE	38	4.12%	3
<b>Non-Minority</b>	<b>491</b>	<b>53.25%</b>	<b>12</b>
NOANSWER	2	0.22%	0
WHITE	489	53.04%	12
<b>Total</b>	<b>922</b>	<b>100.00%</b>	<b>36</b>

## Diversity by Race/Ethnicity (Massachusetts)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>143</b>	<b>25.91%</b>	<b>3</b>
AMERINDIAN	1	0.18%	0
ASIAN	10	1.81%	0
BLACK	57	10.33%	1
HISPANIC	47	8.51%	0
TWOORMORE	28	5.07%	2
<b>Non-Minority</b>	<b>409</b>	<b>74.09%</b>	<b>-10</b>
NOANSWER	4	0.72%	1
WHITE	405	73.37%	-11
<b>Total</b>	<b>552</b>	<b>100.00%</b>	<b>-7</b>

## Diversity by Race/Ethnicity (Nevada)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>22</b>	<b>50.00%</b>	<b>0</b>
ASIAN	3	6.82%	1
BLACK	2	4.55%	0
HAWAIIAN	2	4.55%	0
HISPANIC	5	11.36%	-1
TWOORMORE	10	22.73%	0
<b>Non-Minority</b>	<b>22</b>	<b>50.00%</b>	<b>-1</b>
WHITE	22	50.00%	-1
<b>Total</b>	<b>44</b>	<b>100.00%</b>	<b>-1</b>

## Diversity by Race/Ethnicity (Pennsylvania)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Non-Minority</b>	<b>3</b>	<b>100.00%</b>	<b>0</b>
WHITE	3	100.00%	0
<b>Total</b>	<b>3</b>	<b>100.00%</b>	<b>0</b>

## Diversity by Race/Ethnicity (Texas)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>3</b>	<b>18.75%</b>	<b>1</b>
BLACK	2	12.50%	1
HISPANIC	1	6.25%	0
<b>Non-Minority</b>	<b>13</b>	<b>81.25%</b>	<b>0</b>
WHITE	13	81.25%	0
<b>Total</b>	<b>16</b>	<b>100.00%</b>	<b>1</b>



# Workforce Demographics by Month & Market 2 of 2



Month Selector

Job Lv Selector

June, 2021

All



Diversity by Race/Ethnicity (Enterprise)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>639</b>	<b>37.15%</b>	<b>-5</b>
AMERINDIAN	6	0.35%	0
ASIAN	28	1.63%	0
BLACK	162	9.42%	-1
HAWAIIAN	2	0.12%	-1
HISPANIC	355	20.64%	-5
TWOORMORE	86	5.00%	2
<b>Non-Minority</b>	<b>1081</b>	<b>62.85%</b>	<b>12</b>
NOANSWER	13	0.76%	4
WHITE	1068	62.09%	8
<b>Total</b>	<b>1720</b>	<b>100.00%</b>	<b>7</b>

Diversity by Race/Ethnicity (Corporate)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>62</b>	<b>30.39%</b>	<b>1</b>
ASIAN	11	5.39%	0
BLACK	32	15.69%	1
HISPANIC	13	6.37%	0
TWOORMORE	6	2.94%	0
<b>Non-Minority</b>	<b>142</b>	<b>69.61%</b>	<b>4</b>
NOANSWER	2	0.98%	0
WHITE	140	68.63%	4
<b>Total</b>	<b>204</b>	<b>100.00%</b>	<b>5</b>

Diversity by Race/Ethnicity (Florida)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>416</b>	<b>45.92%</b>	<b>-7</b>
AMERINDIAN	5	0.55%	0
ASIAN	8	0.88%	1
BLACK	76	8.39%	-5
HAWAIIAN	1	0.11%	0
HISPANIC	290	32.01%	-4
TWOORMORE	36	3.97%	1
<b>Non-Minority</b>	<b>490</b>	<b>54.08%</b>	<b>-9</b>
NOANSWER	2	0.22%	0
WHITE	488	53.86%	-9
<b>Total</b>	<b>906</b>	<b>100.00%</b>	<b>-16</b>

Diversity by Race/Ethnicity (Massachusetts)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>130</b>	<b>25.24%</b>	<b>-1</b>
AMERINDIAN	1	0.19%	0
ASIAN	7	1.36%	-1
BLACK	46	8.93%	2
HISPANIC	45	8.74%	-1
TWOORMORE	31	6.02%	-1
<b>Non-Minority</b>	<b>385</b>	<b>74.76%</b>	<b>2</b>
NOANSWER	8	1.55%	3
WHITE	377	73.20%	-1
<b>Total</b>	<b>515</b>	<b>100.00%</b>	<b>1</b>

Diversity by Race/Ethnicity (Nevada)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>19</b>	<b>40.43%</b>	<b>-1</b>
ASIAN	1	2.13%	-1
BLACK	3	6.38%	0
HAWAIIAN	1	2.13%	-1
HISPANIC	2	4.26%	-1
TWOORMORE	12	25.53%	2
<b>Non-Minority</b>	<b>28</b>	<b>59.57%</b>	<b>-2</b>
NOANSWER	1	2.13%	1
WHITE	27	57.45%	-3
<b>Total</b>	<b>47</b>	<b>100.00%</b>	<b>-3</b>

Diversity by Race/Ethnicity (Pennsylvania)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>7</b>	<b>23.33%</b>	<b>1</b>
BLACK	3	10.00%	1
HISPANIC	3	10.00%	0
TWOORMORE	1	3.33%	0
<b>Non-Minority</b>	<b>23</b>	<b>76.67%</b>	<b>17</b>
WHITE	23	76.67%	17
<b>Total</b>	<b>30</b>	<b>100.00%</b>	<b>18</b>

Diversity by Race/Ethnicity (Texas)

Categorization	EE Co...	%GT EE ...	Mo...
<b>Minority</b>	<b>5</b>	<b>27.78%</b>	<b>2</b>
ASIAN	1	5.56%	1
BLACK	2	11.11%	0
HISPANIC	2	11.11%	1
<b>Non-Minority</b>	<b>13</b>	<b>72.22%</b>	<b>0</b>
WHITE	13	72.22%	0
<b>Total</b>	<b>18</b>	<b>100.00%</b>	<b>2</b>





NEW ENGLAND TREATMENT ACCESS, LLC.

## **Training for Marijuana Establishment Agents**

NETA has invested heavily in its employees' training and ongoing education, regardless of experience, level, or role within the organization. NETA has established a well-developed approach to training its marijuana establishment agents.

### **Employee Qualifications**

Before hire, applicants must:

- Demonstrate previous experience in a similar role, or comparable skill sets, experience, and education as outlined in the job description of the specific position or an ability to succeed in the position with appropriate training provided by NETA to disproportionate impact area applicants and other interested applicants;
- Confirm physical and mental capabilities to perform all duties and responsibilities of the role, as outlined in the job description; and
- Complete pre-hire background checks.

### **Onboarding Training**

Once hired, employees must meet the following minimum training and onboarding requirements:

- NETA Staff Orientation;
- Completion of a CCC-approved Responsible Vendor Training within 90 days of hire;
- Compliance training catered to the individualized job role;
- Role-specific training program; and
- Diversity and non-discrimination training.

### **Recruitment**

When seeking new employees, NETA details the specific qualifications for the positions in the individual job descriptions. Well-suited candidates for dispensing roles should have diverse employment backgrounds, including experience in fast-paced, guest-oriented environments (e.g., hospitality and healthcare industries) or a demonstrated ability to learn under training from NETA.

NETA seeks experience in environments that require an extreme attentiveness to detail or relate to botany, agriculture, or horticulture for cultivation candidates. For processing positions in MIP production, NETA looks for candidates with experience in roles that require the ability to work safely and efficiently in a fast-paced environment; prior experience may include food preparation or production, laboratories, or other scientific or production-focused industries.

When searching for new management or executive team members, each role typically requires unique skill sets and experiences catered to the individual job function, including leadership skills and management experience.





**NEW ENGLAND TREATMENT ACCESS, LLC.**

An apparent ability to perform roles with utmost attention to security, prevention of diversion, and regulatory compliance is required for all positions. NETA vets all applicants for this ability as security and safety are paramount.

For each role, candidates undergo an extensive interview process that is tailored to the specific position. Interviews for all roles include an initial phone screening and then an in-person interview. The in-person interview is led by the hiring manager and may consist of meeting with additional members of the executive, human resources, and management teams to assess qualifications from several angles, including behavior and fitness.

NETA makes efforts to recruit from areas of disproportionate impact, including through its partnership with Roxbury Community College. A description of these programs is provided in the narrative response regarding NETA's plan to impact areas of disproportionate impact positively.

### **Training**

NETA's training programs include a full day of orientation and policy and procedure training, with individualized training conducted within the following weeks catered to the specific role.

NETA Staff Orientation includes, but is not limited to, the following topics:

- Diversity and inclusion.
- Culture
- Anti-Harassment Policy and the complaint process
- Rules and Regulations with emphasis on client safety and facility security
- Anti-Diversion
- Compliance
- Disaster, Emergency, and Security Preparedness
- Alcohol and Drug-Free Work Policy
- Whistleblower Policy and Reporting of Wrongdoing
- Employee Classification Categories
- Insurance Benefits
- Paid Time Off and Sick Time
- Employee Health & Safety
- Cleanliness and hygiene standards

Within the first year of employment, all staff members will have exceeded the minimum annual training requirement of 8 hours via current role-specific training requirements. Ongoing training sessions, workshops, and training opportunities are offered throughout each year, and all staff is required to take at least 8 hours of annual training. Role-specific training varies by role and responsibility.



# STANDARD OPERATING PROCEDURE: ENERGY COMPLIANCE

February 2021

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## Summary & Purpose

This document outlines requirements for energy conservation and waste reduction in accordance with 935 CMR 500.000, 95 CMR 501.000, and all applicable guidance.

The purpose of this standard operating procedure is outline regulatory requirements for continuous progress on reduction of energy use, minimization of waste, and environmental protection in all NETA cultivation and production operations.

## Scope & Applicability

The scope of this standard operating procedure covers SH Parent, Inc. d/b/a Parallel and all of its direct and indirect affiliates (including all subsidiaries, parent companies, sister companies, and other related entities) in the state(s) of Massachusetts for all NETA cultivation, production, and retail facilities, and all transportation operations].

Cultivation, Production, Transport

## Responsibility

The Director of Compliance is responsible for periodically reviewing, maintaining, and updating this standard operating procedure.

Enterprise Compliance

## Definitions

**Executive Office of Energy and Environmental Affairs (EOEEA)** means the Massachusetts Executive Office of Energy and Environmental Affairs, unless otherwise specified.

**Horticultural Lighting Equipment (HLE)** means any lighting equipment (e.g., fixtures, bulbs, ballasts, controls, etc.) that uses energy for the cultivation of plants, at any stage of growth (e.g., germination, cloning/Mother Plants, Propagation, Vegetation, Flowering, and harvest).

**Horticulture Lighting Square Footage (HLSF)** means an area to be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain plants at any point in time, at any stage of growth, including all of the space(s) within the boundaries, HLSF may be noncontiguous, but each unique area included in the total HLSF calculations shall be separated by an identifiable boundary which includes, but is not limited to: interior walls, shelves, Greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If plants are being cultivated using a shelving system, the surface area of each level shall be included in the total HLSF calculation.

**Lighting Power Density (HLPD)** means a measure of total watts of Horticultural Lighting Equipment per total Horticulture Lighting Square Footage,  $(HLE / HLSF = HLPD)$  expressed as number of watts per square foot.

## Procedure Requirements

1. NETA consistently works to identify opportunities to reduce energy, environmental impact, and water usage in its cultivation, production, transportation, and retail operations, and plans for the implementation of such opportunities when practically and economically feasible.
2. NETA strives to employ best practices as determined by the Commission in consultation with the working group established under St. 2017, c. 55, § 78(b) or the divisions of the EOEEA.
3. With each license renewal or change to its energy plan, NETA submits an updated energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation.
4. NETA seeks out potential energy use reduction and makes a plan for implementation of such opportunities where feasible, including consideration of:
  - a. Use of natural lighting
  - b. Heat recovery ventilation
  - c. Energy efficiency measures
  - d. Opportunities for renewable energy generation
  - e. Strategies to reduce electric demand such as:
    - i. lighting schedules
    - ii. active load management
    - iii. energy storage
  - f. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25 § 21, or through municipal lighting plants.
5. NETA Cultivation operations satisfy minimum energy and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits, and other applicable approvals including, but not limited to those relating to:
  - a. Water quality and quantity
  - b. Wastewater
  - c. Solid and hazardous waste management
  - d. Air pollution control
    - i. Including prevention of odor and noise pursuant to 310 CMR 7.00 Air Pollution Control
6. NETA Cultivation operations adopts best practices to reduce water usage, engage in energy conservation and mitigate other environmental impacts.
  - a. Energy and water usage reports are provided in a form and manner determined by the Commission.
  - b. License renewals include a report of NETA's energy and water usage over the preceding 12-month period prior to the date of application
7. NETA Cultivation follows the minimum energy efficiency and equipment standards:
  - a. The building envelope meets minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: State Building Code), International Energy Conservation Code (IECC) Section C402 or the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) Standard 90.1 Sections 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: State Building Code.
    - i. Existing facilities demonstrate compliance, as applicable, by showing the insulation complies with code minimum standards for Type Factory Industrial F-1, as further defined in guidelines issued by the Commission.
  - b. NETA provides certification by an OSHA NRTL or SCC-recognized body which certifies that products meet a set of safety requirements and standards deemed applicable to horticultural lighting products by that safety organization. Lighting used by NETA Cultivation meets one or more of the following requirements:
    - i. Horticulture Lighting Power Density (HLPD) does not exceed 36 watts per square foot.
    - ii. The horticultural lighting used the facility is listed on the current Design Lights Consortium Solid-state Horticultural Lighting Qualified Products List ("Horticultural QPL") or other similar list approved by the Commission as of the date of license application,

- and lighting Photosynthetic Photon Efficacy (PPE) is at least 15% above the minimum Horticultural QPL threshold rounded up to the nearest 0.1  $\mu\text{mol}/\text{J}$  (micromoles per joule).
- iii. Lighting not included on the Horticultural QPL or other similar list approved by the Commission is approved via a waiver submitted to the Commission. Documentation of third-party certification of the energy efficiency features of the proposed lighting is provided.
  - iv. NETA establishes and documents safety protocols to protect workers, consumers and visitors (e.g. eye protection near operating Horticultural Lighting Equipment).
- c. Heating Ventilation and Air Condition (HVAC) and dehumidification systems meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR State Building Code), IECC Section C403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: State Building Code).
- i. NETA provides a certification from a Massachusetts Licensed Mechanical Engineer that the HVAC and dehumidification systems meet Massachusetts building code and that such systems have been evaluated and sized for the anticipated loads of the facility.



NEW ENGLAND TREATMENT ACCESS, LLC.

## **Restricting Access to Age 21 and Older**

NETA will ensure that access to its adult use retail operations are restricted to individuals age 21 and older. This will be accomplished through both strict procedures required for entry into the facility and redundant ID verification at the Point of Sale (POS) prior to dispensing. All Franklin, MA Dispensary employees and registered agents will be 21 years of age or old.

### **Entry Procedures**

All consumers entering NETA's co-located Franklin dispensary will be 21 years of age or older, with the following exceptions:

If the individual is younger than 21 years old but 18 years of age or older, they will not be admitted unless they produce an active medical registration card issued by the CCC. If the individual is younger than 18 years old, he or she will not be admitted unless they produce an active medical registration card and they are accompanied by a personal caregiver with an active medical registration card. In addition to the medical registration card, registered qualifying patients 18 years of age and older and personal caregivers must also produce proof of identification.

NETA entry procedures will utilize, at minimum, one staff person at the entry door of the facility who will be responsible for positively identifying and verifying that the entrant is at least 21 years of age as evidenced by a valid form of identification and confirmed via ID scanner technology.

### **ID Verification at Point of Sale**

Once an individual reaches the Point of Sale (POS), a NETA dispensary agent will again request a valid photo identification and again confirm that the individual is at least 21 years of age.

Only individuals over 21 years of age will be permitted to make an adult use transaction in NETA's POS system. The POS system will prompt the dispensing agent to begin either a medical or an adult use transaction to ensure the transaction is processed under the correct classification. All medical marijuana transactions will be recorded in the MA CIP.

