

Motion By: BRESCIA
Seconded By: DISALVO

INITIAL RESOLUTION
(Fiorello Pharmaceuticals, Inc.)

A regular meeting of the Orange County Industrial Development Agency was held on January 14, 2021 at 2:00 p.m. (local time) at The Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York 12553 in accordance with Executive Order Number 202.1, as extended by subsequent executive orders.

After the meeting had been duly called to order, the Chairperson announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of the below-defined Company.

RESOLUTION OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF FIORELLO PHARMACEUTICALS, INC. (THE "COMPANY") WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW), (ii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO SUCH PROJECT AND (iii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO SUCH PROJECT.

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 390 of the Laws of 1972 of the State of New York, (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power and for the purpose of, among other things, acquiring, constructing, reconstructing and equipping manufacturing, warehousing, research, commercial, or industrial facilities as authorized by the Act; and

WHEREAS, **FIORELLO PHARMACEUTICALS, INC.**, a New York corporation for itself or on behalf of an entity to be formed (collectively, the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project"), consisting of: (A) the acquisition by the Agency of a leasehold interest in an aggregate approximately 38.1-acre parcel of vacant land known as 40, 50, 60, 70, 80, 85, 90 and 95 John Hicks Drive in the Town of Warwick, Orange County, New York (the "Land"); (B) the construction on the Land of an approximately 450,000 square-foot building (the "Improvements"); and (C) the acquisition and installation, in, on or around the Improvements of various machinery, equipment and personal property (collectively, the "Equipment"; and, collectively with the Land and the Improvements, the "Facility") all for use by the Company in its business as a licensed manufacturer/processor and dispenser of medical cannabis; and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Agency desires to adopt a resolution describing the Project and the Financial Assistance (as defined below) that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will hold a public hearing and (i) negotiate an project agreement (the "Project Agreement"), pursuant to which the Agency will appoint the Company as its agent for the purpose of acquiring, constructing and equipping the Facility, (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), a leaseback agreement (the "Leaseback Agreement") and a payment-in-lieu-of-tax agreement (the "Tax Agreement"), (iii) take title to, or a leasehold interest in, the Land, the Improvements, the Equipment and personal property constituting the Facility (once the Lease Agreement, Leaseback Agreement and Tax Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Facility, (b) a partial real property tax abatement structured within the Tax Agreement, (c) an exemption from the New York State Mortgage Recording Tax and (d) the issuance of taxable bonds by the Agency to assist in financing the Facility (such bonds, if issued, to be non-recourse to the Agency) (collectively the "Financial Assistance").

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an Application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's Application, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Agency has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Orange County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's Application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The Chairperson, Vice Chairperson and/or the Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to hold a public hearing in compliance with the Act and negotiate the terms of (A) the Project Agreement, pursuant to which the Agency appoints the Company as its agent to undertake the Project, (B) the Lease Agreement, pursuant to which the Company leases the Facility to the Agency, (C) the related Leaseback Agreement, pursuant to which the Agency conveys its interest in the Facility back to

the Company, (D) the Tax Agreement and (E) related documents; *provided*, the provisions of the Project Agreement and the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 3. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 5. In the event that (a) the Company does not proceed to final Agency approval within six (6) months of the date hereof and/or (b) close with the Agency on the proposed financial assistance within twelve (12) months of the date hereof, the Agency reserves the right to rescind and cancel this resolution and all approvals made hereunder or under any other Agency resolution or action.

Section 6. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<u><i>Yea</i></u>	<u><i>Nay</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Mary Ellen Rogulski	x			
Edward A. Diana	x			
James DiSalvo	x			
Stephen Brescia	x			
Michael Gaydos	x			
John I. McCarey	x			
Denise Quinn	x			

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned Chief Executive Officer of the Orange County Industrial Development Agency, DO HEREBY CERTIFY:

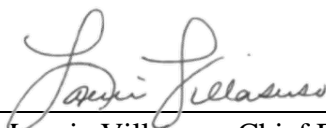
That I have compared the foregoing extract of the minutes of the special meeting of the Orange County Industrial Development Agency (the "Agency") including the resolution contained therein, held on the 14th day of January, 2021, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this 14th day of January, 2021.

By: _____
Laurie Villasuso, Chief Executive Officer