

FINAL RESOLUTION
(Citiva Medical LLC – Warwick Facility Project)

A regular meeting of the Orange County Industrial Development Agency held on April 19, 2023 at 5:30 p.m. (local time) at the Orange County Government Center Community Room, 255 Main Street, Goshen, New York.

The meeting was called to order by Dean Tamburri and upon the roll being duly called, the following members were present:

MEMBERS PRESENT: Acting Chairman Dean Tamburri, Sue Walski, Marc Greene, Giovanni Pelladino, James Rinaldi (via Zoom)

THE FOLLOWING PERSONS WERE ALSO PRESENT: Bill Fioravanti, Marty Borras (New Cube Live), Sue Katzoff (via Zoom), Dan Brady (via Zoom), Martin Hoffman, Coleen Hughes (via Zoom), Sean Berravacchio (via Zoom).
The following Resolution was offered by Dean Tamburri and seconded by Susan Walski:

**RESOLUTION APPROVING AN EXTENSION OF THE
COMPANY'S TIME TO CLOSE ON THE
LEASE/LEASEBACK TRANSACTION WITH THE
AGENCY UNTIL SEPTEMBER 30, 2023; AND
AUTHORIZING THE EXECUTION OF CERTAIN
DOCUMENTS IN CONNECTION THEREWITH**

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, as amended (hereinafter collectively called the "**Act**"), the Orange County Industrial Development Agency (hereinafter called the "**Agency**") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, on or about January 14, 2022, Citiva Medical LLC, a New York limited liability company and iAnthus Empire Holdings, LLC, a New York limited liability company, each for itself or on behalf of an entity to be formed (collectively, the "**Company**"), submitted an application (the "**Application**") to the Agency requesting the Agency's assistance with respect to a certain project (the "**Project**") consisting of: (A)(i) the acquisition of a leasehold interest in approximately 8.5 acres of real property located at 75 John Hicks Drive, Warwick, New York (Tax Map No. 46-1-49.2) (the "**Land**") improved by an existing approximately 30,000 sq. ft. building (the "**Existing Building**"); (ii) the interior buildout of the Existing Building to be used as a headhouse and processing facility which will serve as the operational nerve center for manufacturing and processing activities; the construction of the first phase of the greenhouse consisting of approximately 38,000 sq. ft. (the "**First Phase**") with an anticipated second phase consisting of the construction of an additional approximately 60,000 sq. ft. of space added to the

greenhouse (the "**Second Phase**"); to be used for the cultivation of cannabis plants, to provide safe access by patients to high-quality medical cannabis products (collectively, with the Existing Building, the "**Facility**"); (iii) the acquisition and installation in and on the Facility of furniture, fixtures and equipment (the "**Equipment**" and together with the Land and the Facility, the "**Project Facility**"); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and real property tax (collectively, the "**Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) the acquisition of an interest in the Land and Facility by the Agency pursuant to a sublease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement, as necessary; and

WHEREAS, pursuant to General Municipal Law, on March 7, 2022 the Agency held a public hearing, which was continued on March 11, 2022 (the "**Public Hearing**") which public hearing was duly published; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "**SEQRA**"), the Agency is required to make a determination whether the "action" (as said quoted term is defined in SEQRA) to be taken by the Agency may have a "significant impact on the environment" (as said quoted term is utilized in SEQRA), and the agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, the Town of Warwick Planning Board issued a Negative Declaration on November 6, 2013 which was adopted by this Agency; and

WHEREAS, by resolution adopted on March 16, 2022, the Agency agreed to undertake the Project and provide the requested Financial Assistance provided the Company executed and delivered all necessary lease transactional documents ("**Lease Documents**") on or before March 15, 2023 (the "**Closing Date**"); and

WHEREAS, no Financial Assistance has been provided to the Company to date; and

WHEREAS, by correspondence dated March 8, 2023, the Company advised that there have been significant delays in the roll-out of the cannabis program by the State stemming from changes in draft regulations. The continuing state of regulatory fluidity has made it increasingly difficult to secure financing for current and future cannabis construction projects throughout the State. Currently, the Company and the other nine existing registered organizations in the Medical Cannabis Program are facing a three-year delay in commencement of retail adult use sales and anticipated licensing and other fees in the approximate amount of Nineteen Million Dollars. All of the foregoing has resulted in unanticipated delays that have impacted financing and the Company's ability to close on the lease transaction during the initial anticipated time frame. For these reasons, the Company is seeking an extension of the Closing Date to September 30, 2023 (the "**Extension**"); and

WHEREAS, the Company believes the adult use regulations may be finalized and promulgated by July, 2023. The Extension would allow the Company to work toward the closing with the significant benefit of regulatory clarity and a far better understanding of how those regulations will impact the Company's future operations and this Project; and

WHEREAS, the Company remains committed to completing construction of the Project Facility and fully intends to deliver on the benefits it highlighted in its application; namely, the creation of dozens of jobs with full benefits, considerable construction, engineering, and architectural expenditures, most of which will be paid directly to local contractors, subcontractors, and professionals, and increased access to medical cannabis products by patients throughout the State.

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

SECTION 1. Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(A) By virtue of the Act, the Agency has been vested with all powers and authority 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 to take the actions contemplated herein; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, reconstructing, constructing, renovating, equipping and completing the Project and to grant the Financial Assistance and the Agency hereby authorizes same; and

(C) The Extension does not amount to a significant change in the Project from what was originally approved by the Agency, and therefore no further review under SEQRA is required.

(D) Based upon the representations made by the Company in its correspondence and otherwise to this Agency, and subject to the Company acknowledging its obligation to pay all of the Agency's legal fees and costs, the Agency authorizes the Extension of time to close on the Lease Documents with the Agency through and including September 30, 2023.

SECTION 2. No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

SECTION 3. The Chairman, Vice Chairman, Chief Executive Officer and/or the Chief Operating Officer of the Agency, acting individually, are each hereby authorized and directed, on

behalf of the Agency, to negotiate and execute any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein, as approved by the Chairman, Vice Chairman Chief Executive Officer and/or the Chief Operating Officer, and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

SECTION 4. Bousquet Holstein PLLC, as counsel to the Agency, is hereby authorized to work with the Company and others to prepare for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and consummate the Lease Documents.

SECTION 5. The Secretary, the Chief Executive Officer and/or the Chief Operating Officer of the Agency are hereby authorized and may distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

SECTION 6. The approvals provided for herein are contingent upon the Company's payment of all the Agency's fees and costs, including but not limited to attorney's fees.

SECTION 7. 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:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Dean Tamburri	X			
Vincent Odock			X	
Marc Greene	X			
Giovanni Palladino	X			
James Rinaldi	X			
Susan Walski	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 meeting of the Orange County Industrial Development Agency (the "**Agency**") including the resolution contained therein, held on April 19, 2023, with the original thereof on file in the office of the Agency, 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.

19th IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this
day of April, 2023.



William Fioravanti, Chief Executive Officer

(S E A L)