

FINAL RESOLUTION
(Citiva Medical LLC – Warwick Facility Project)

A regular meeting of the Orange County Industrial Development Agency held on March 16, 2022 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 the Chairman and upon the roll being duly called, the following members were present:

MEMBERS PRESENT (in person or via Tele/Videoconference in accordance with the Governor's Executive Order 202.1): Michael Torelli, Dean Tamburri, Vincent Odock, Robert Kennedy III, James Rinaldi, Noel Spencer and Susan Walski

THE FOLLOWING PERSONS WERE ALSO PRESENT (in person or via Tele/Videoconference in accordance with the Governor's Executive Order 202.1): William Fioravanti, Susan Katzoff, Esq., Russell Gaenzle, Esq., Shannon Mannese, Dennis Brady

The following Resolution was offered by Dean Tamburri and seconded by Michael Torelli:

RESOLUTION AUTHORIZING THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO: (I) UNDERTAKE, ACQUIRE, CONSTRUCT, RECONSTRUCT, RENOVATE, EQUIP AND COMPLETE A PROJECT; (II) APPOINT THE COMPANY AS ITS AGENT TO UNDERTAKE THE PROJECT (AS MORE FULLY DESCRIBED BELOW); (III) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF EXEMPTIONS FROM STATE AND LOCAL SALES AND USE TAX AND REAL PROPERTY TAX; AND (IV) EXECUTE AND DELIVER CERTAIN DOCUMENTS IN CONJUNCTION WITH THE 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, 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, 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*"), has 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 Section 859-a, on March 7, 2022 (local time), the Agency held a public hearing, which was continued on March 11, 2022, electronically via Zoom with respect to the Project and the proposed Financial Assistance being contemplated by the Agency (the "**Public Hearing**") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. Notice of the public hearing was published on February 22, 2022, in the Times Herald-Record, a newspaper of general circulation in the Town of Warwick and Orange County, New York and given to the chief executive officers of the affected tax jurisdictions by letters dated February 21, 2022. A copy of the minutes of the Public Hearing along with the Notice of Public Hearing are attached hereto as **Exhibit A**; 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, Citiva Medical, LLC signed a Certification Regarding New York State Environmental Quality Review Act on February 10, 2022. The Town of Warwick Planning Board issued a Negative Declaration on November 6, 2013; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the

Company to develop the Project Facility in Orange County (the "**County**"); (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of New York State (the "**State**") to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and to the extent occupants are relocating from one plant or facility to another, based upon the Company's application and representations, the Agency hereby finds that 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; and (iii) the Project will serve the purposes of the Act by advancing job opportunities and the economic welfare of the people of the State and the County and improve their standard of living; and

WHEREAS, subject to compliance with the terms hereof and the execution and delivery of the Lease Documents (as defined hereinbelow) by the Company, the Agency will: (i) designate the Company as its agent for the purpose of acquiring, constructing, reconstructing, renovating, equipping and completing the Project pursuant to a project agreement (the "**Project Agreement**"); (ii) acquire a leasehold interest in the Project through the negotiation, execution and delivery of a lease agreement (the "**Lease Agreement**"), a leaseback agreement (the "**Leaseback Agreement**"), a bill of sale (the "**Bill of Sale**"), an environmental compliance and indemnification agreement (the "**Environmental Compliance and Indemnification Agreement**"), a tax agreement containing the PILOT Schedule (as defined below) (the "**Tax Agreement**") and all other documents and certificates required by the Agency to confer the approved Financial Assistance, each of the foregoing with the Company (the "**Miscellaneous Documents**" and together with the Project Agreement, the Lease Agreement, the Leaseback Agreement, the Bill of Sale, the Environmental Compliance and Indemnification Agreement and the Tax Agreement, collectively, the "**Lease Documents**"); (iii) provide the Financial Assistance to the Company in the form of: (a) State and local sales and use tax exemption for purchases and rentals related to the acquisition, reconstruction, construction, renovation, equipping and completion of the Project; and (b) a partial real property tax abatement through the Tax Agreement; and

WHEREAS, as part of the Financial Assistance, the Company requested the Agency consider a 15-year payment in lieu of tax schedule, as more fully described on **Exhibit "B"** attached hereto (the "**PILOT Schedule**"), which schedule conforms with the Agency's Uniform Tax Exemption Policy ("**UTEP**") established pursuant to General Municipal Law Section 874(4); and

WHEREAS, the Lease Documents and related documents will be negotiated and presented to the Agency for execution and delivery subject to the approval of these resolutions.

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

SECTION 1. The Company presented the Application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Application, at the public hearing and in other correspondence and/or documents, if any, submitted by the Company to the Agency, the Agency hereby finds and determines that:

(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 action to be taken by the Agency will induce the Company to develop and operate the Project in the County, thereby increasing employment opportunities 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 commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project 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; and

(F) The Project Facility constitutes a "project" within the meaning of the Act.

SECTION 2. Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project, that would otherwise be subject to New York State and local sales and use tax in an amount up to **\$26,500,000**, which result in New York State and local sales and use tax exemption benefits ("***Sales and Use Tax Exemption Benefits***") not to exceed **\$2,153,125**.

SECTION 3. Based upon the representations made by the Company to the Agency, and the reasons presented by the Company in support of its request for the PILOT Schedule, the Agency hereby approves the PILOT Schedule and the (Vice) Chairman and Chief Operating Officer, acting individually, are each authorized to execute and deliver the Tax Agreement providing for the PILOT Schedule, all in such form and substance as shall be substantially the same as approved by the Agency for other similar transactions, and consistent with this Resolution.

SECTION 4. 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 (the Lease Documents, in form and substance similar to other such agreements and documents used by the Agency for similar transactions, with changes in terms and form as shall be consistent with this Resolution and as the Chairman, Vice Chairman Chief Executive Officer and/or the Chief Operating Officer shall approve; provided, however, 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; and (D) and execute and deliver 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 5. Subject to the Company's execution, delivery and compliance of and with the Lease Documents (unless otherwise authorized by the Agency), the Agency hereby authorizes the Company to proceed with the acquisition, reconstruction, construction, renovation and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, reconstruct, construct, renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to a project operator, agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses (collectively, "***Additional Agents***") in accordance with the Lease Documents; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Company execute and deliver all Lease Documents and remit all amounts due thereunder to the Agency or its designees by March 16, 2023 (unless extended for good cause by the Agency).

SECTION 6. Pursuant to Section 875(3) of the New York General Municipal Law and the Agency's policies, which are all incorporated herein by reference, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any State and local Sales and Use Tax Exemption Benefits or other Financial Assistance in violation of the Act or the Agency's policies or in the event of a default under the Lease Documents. As a condition precedent of receiving Sales and Use Tax Exemption Benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, shall (i) cooperate with the Agency in its efforts to recover or recapture any Sales and Use Tax Exemption Benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands; and with respect to all other Financial Assistance the Company shall agree to cooperate with the Agency in its efforts to recover or recapture any Financial Assistance in the event of a Default; and promptly pay over any such amounts to the Agency that the Agency demands.

SECTION 7. The Company shall provide, or cause its Additional Agents to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project and the Company shall, and cause each Additional Agent, to make such records available to the State Commissioner of Taxation and Finance (the “*Commissioner*”) upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for the Project, identifying the Project, along with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Company or Project’s receipt of, or benefit from, any State or local sales and use tax exemptions, the Company must acknowledge and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Agency or its designee upon request. for purposes of exemption from New York State (the “*State*”) sales and use taxation as part of the Financial Assistance requested, “sales and use taxation” shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

SECTION 8. The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the Company’s execution and delivery of the Lease Documents, all other documents set forth herein and the payment by the Company of all administrative, legal and other fees of the Agency.

SECTION 9. 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 10. Should the Agency’s participation in the Project, or the appointments made in accordance herewith, be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement of the Agency’s counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

SECTION 11. 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 12. 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 13. 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 14. 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>
Michael Torelli	X			
Dean Tamburri	X			
Robert Kennedy III			X	
James Rinaldi	X			
Noel Spencer	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:**

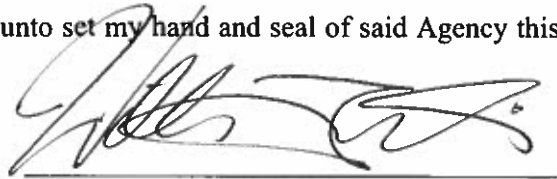
That I have compared the foregoing extract of the minutes of the meeting of the Orange County Industrial Development Agency (the "**Agency**") including the resolution contained therein, held on March 16, 2022, with the original thereof on file in the office of the Agency, and that the same is a true 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.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this 16th day of March, 2022.



William Fioravanti, Chief Executive Officer

(S E A L)

EXHIBIT A

PUBLIC HEARING MINUTES & NOTICE OF PUBLIC HEARING

[See Attached]

NOTICE OF PUBLIC HEARING

As a result of the public health emergency created by COVID-19, the Federal, State and local bans on meetings or gatherings, and pursuant to Executive Order 202.1 and Executive Order 11, suspending the Open Meetings Law, each as extended from time to time, and corresponding legislation, **NOTICE IS HEREBY GIVEN** that a public hearing, in accordance with the foregoing and pursuant to Section 859-a of the New York General Municipal Law, will be held **electronically** via Zoom by the Orange County Industrial Development Agency (the "Agency") on the 7th day of March, 2022, at 10:00 a.m., local time, in conjunction with the matter set forth below. **NO PUBLIC APPEARANCES WILL BE PERMITTED.** Members of the public may listen to the Public Hearing and provide comment by either logging into the Zoom meeting at:

<https://us06web.zoom.us/j/88991231260?pwd=Q0NFZ2dOTXVLY0x3aEVVK0Uydlo1QT09>, or by accessing the link on the Agency's website, using meeting ID: 889 9123 1260 and passcode: 649947 or via telephone at 1 (646) 558 8656, meeting ID: 889 9123 1260.

Comments may also be submitted to the Agency in writing delivered to Orange County Industrial Development Agency, 4 Crotty Ln #100, New Windsor, NY 12553 Attn: Bill Fioravanti **OR** submitted electronically to business@ocnyida.com, in either case **TO BE RECEIVED BY NO LATER THAN MARCH 3, 2022 at 5:00 p.m.** **ANY WRITTEN COMMENTS SO RECEIVED WILL BE READ INTO THE RECORD OF THE PUBLIC HEARING.** Minutes of the Public Hearing will be transcribed and posted on the Agency's website.

The following project is the subject of this public hearing:

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"), requested the Agency undertake a 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.

The Company will be the initial manager/owner of the Project.

The Agency will at the above-stated time hear all persons with views with respect to the proposed Financial Assistance to the Company, the proposed owner/operator, the location of the Project Facility and the nature of the Project.

A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, are available for public inspection during the business hours at the office of the Agency located at 4 Crotty Ln #100, New Windsor, NY 12553 or on its website at <https://www.ocnyida.com>.

Dated: February 18, 2022

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

1 THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
2 STATE OF NEW YORK

-----x

3 In The Matter of

4 Re: CITIVA MEDICAL LLC

5 -----x

6 March 7, 2022

7 10:00 a.m.

8 Zoom Meeting

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11
12 B E F O R E: WILLIAM FIORAVANTI
13 CEO OCNYIDA
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18
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20
21

22 FRANCES ROTH
23 Court Stenographer
24 168 North Drury Lane
25 Newburgh, New York 12550
Telephone (845) 566-1641

1

2 A P P E A R A N C E S:

3

4

WILLIAM FIORAVANTI

CEO OCNYIDA

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4 Crotty Lane

New Windsor, New York 12553

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ALSO PRESENT: Kelly Reilly

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Project Manager

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Dennis Brady

Audio/Visual Consultant

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CITIVA MEDICAL LLC

1 MR. FIORAVANTI: Good morning, my name is
2 William Fioravanti, I'm the CEO of the Orange
3 County Industrial Development Agency. I'm going
4 to open the public hearing this morning, Monday,
5 March 7, 2022 for Citiva Medical LLC. I'd like
6 to first mention who is on the call currently,
7 myself, Kelly Reilly, Project Manager for the
8 OCIDA, Fran Roth is our stenographer and we have
9 our audio-visual consultant, Dennis Brady, of 88
10 Studios on as well. I'm going to ask that we
11 rise for the Pledge of Allegiance.

12 (Whereupon, the Pledge of Allegiance was
13 recited.)

14 MR. FIORAVANTI: I'd like to begin by
15 reading the Public Notice for this hearing.
16 Notice is given that a public hearing in
17 accordance with foregoing and pursuant to Section
18 859-a of the New York General Municipal Law will
19 be held via Zoom on Monday, March 7, 2022 at
20 10:00 a.m. local time in conjunction with the
21 matter set forth below. The following project is
22 the subject of this public hearing. Citiva
23 Medical LLC, a New York limited liability company
24 and iAnthus Empire Holdings, LLC, a New York
25 limited liability company each for itself or on

CITIVA MEDICAL LLC

1 behalf of an entity to be formed collectively the
2 Company, requested the Agency undertake a project
3 known as the Project, consisting of the
4 acquisition of a leasehold interest in
5 approximately 8.5 acres of real property located
6 at 75 John Hicks Drive, Warwick, New York, the
7 Land, hereto known as the Land, improved by an
8 existing approximately 30,000 square foot
9 building, the Existing Building, the interior
10 buildout of the Existing Building to be used as a
11 headhouse and processing facility which will
12 serve as the operational nerve center for
13 manufacturing and processing activities, the
14 construction of the first phase of the greenhouse
15 consisting of approximately 38,000 square feet,
16 known as the First Phase, with anticipated second
17 phase consisting of the construction of an
18 additional approximately 60,000 square foot space
19 added to the greenhouse, known as the Second
20 Phase to be used for the cultivation of cannabis
21 plants, to provide safe access by patients to
22 high quality medical cannabis products,
23 collectively with the Existing Building known as
24 the Facility. The acquisition and installation
25 in and on the Facility of furniture, fixtures and

CITIVA MEDICAL LLC

1 equipment, known as the Equipment, and together
2 with the Land and the Facility, the Project
3 Facility, the granting of certain financial
4 assistance in the form of exemptions from state
5 and local sales and use tax and real property
6 tax, collectively the Financial Assistance.
7 Looking for anyone else joining us. The
8 appointment of the Company or its designee as an
9 agent of the Agency in connection with the
10 acquisition, construction, equipping and
11 completion of the Project Facility and the
12 acquisition of an interest in the Land and
13 Facility by the Agency pursuant to a sublease
14 agreement and the acquisition of an interest in
15 the Equipment pursuant to a bill of sale from the
16 Company to the Agency and a sublease of the
17 Project Facility back to the Company pursuant to
18 a sublease agreement as necessary. The Company
19 will be the initial manager/owner of the project.
20 The Agency will at the above stated time now hear
21 all persons with views with respect to the
22 proposed Financial Assistance to the Company, the
23 proposed owner/operator, the location of the
24 Project Facility and the nature of the Project.
25 A copy of the application filed by the Company

CITIVA MEDICAL LLC

1 with the Agency with respect to the project
2 including an analysis of the costs and benefits
3 of the project are available for public
4 inspection during the business hours at the
5 office of the Agency located here at 4 Crotty
6 Lane, Suite 100, New Windsor, New York 12553 or
7 on our website at www.ocnyida.com. So I'd like
8 to reference that having read the public notice
9 that a cost benefit analysis is available here at
10 the IDA headquarters or on our website, you go to
11 ocnyida.com, look at the menu on the top under
12 active projects and search for Citiva,
13 C-I-T-I-V-A and you'll be able to see the
14 application for assistance, the cost benefit
15 analysis and such. I would like to notify the
16 public now that we're going to keep this public
17 hearing open for the remainder of this week until
18 Friday, we will resume it on Friday because we
19 don't have a hundred percent verified tax PILOT
20 specifics verified by the local assessor but
21 various reasons, scheduling wise and such where
22 we don't have the confirmed amounts and we want
23 to keep the hearing open until we can give you
24 the absolute solid amounts. I will let you know
25 that we only received one letter after providing

CITIVA MEDICAL LLC

1 public notice about this public hearing inviting
2 public comments in writing or in person virtually
3 of course today. We received one letter and that
4 was from the Town Supervisor of the Town of
5 Warwick, Mr. Michael Sweeton and I'm going to
6 read that letter now. We received it in March,
7 it was dated March 2nd, I should say. Dear Mr.
8 Fioravanti: I am writing in regards to the
9 application of Citiva Medical LLC requesting
10 sales tax exemptions and a PILOT agreement. A
11 hearing is scheduled for March 7th, is scheduled
12 for March 7th, and it's my understanding that the
13 PILOT will only cover the new improvements going
14 forward to completion of the project and not on
15 what was already constructed. Based on this
16 information, the Town would support the
17 application with its commitment to provide 100
18 good paying jobs with over 80 coming from the
19 surrounding labor pool. Sincerely, Michael P.
20 Sweeton, Town Supervisor. And just to comment on
21 that, Mr. Sweeton is correct, the incentives that
22 Citiva is requesting of the Orange County IDA are
23 only for the condition of the property and the
24 building that they've constructed, the shell of a
25 building to date forward. Anything that has

CITIVA MEDICAL LLC

1 already been constructed, any building materials,
2 any equipment, anything that was purchased will
3 not be eligible for the sales tax exemption and
4 the PILOT or property tax abatement or a phase-in
5 of the new additional property taxes will only be
6 on what the current value of the property is now
7 after the improvements Citiva already made to
8 this point and going forward, just to be clear,
9 and that was Mr. Sweeton's understanding and his,
10 of course he lends his full support given that.
11 I'm going to talk further, no other letters or
12 comments were submitted, I did just want to talk
13 about the impacts of this project given our cost
14 benefit analysis that we did. First of all, the
15 project in total will create 187 jobs, \$15
16 million in earnings, local spending of \$42
17 million, direct jobs 100 jobs, indirect 64, total
18 earnings between direct and indirect of
19 \$164,289,293. Let's see, also cost to benefit
20 ratio, now this is just on the sales tax
21 exemptions, not on the proposed 50 year PILOT,
22 again we will confirm those figures when we have
23 a completed confirmed analysis, but the benefit
24 of the sales tax being provided, the local cost
25 is \$1,004,792, the local benefit received as a

CITIVA MEDICAL LLC

1 result of this project is \$161,601,437, so that
2 is a benefit to cost ratio of 161 to one, of
3 course it's good when the first number is higher,
4 that's the benefit to the cost 161 to one. At
5 the state level there aren't as many state
6 benefits, the cost to the state is \$1,148,333,
7 again, that's just on sales tax exemption, the
8 state portion, the benefit to the state is
9 \$8,352,118 and that is a cost, I'm sorry, benefit
10 to cost ratio for the state of seven to one,
11 overall the cost of the project, I'm sorry, the
12 cost of the incentives being awarded are
13 \$2,153,125, the total benefit, grand total local
14 and state is \$169,953,555, that is a grand total
15 for both local and state benefit to cost of 79 to
16 one. So you see just on sales tax exemption
17 alone the impact and why the IDA would consider,
18 the IDA board would consider authorizing these
19 benefits. Again, the PILOT is a 15 year proposed
20 PILOT, we don't have confirmed numbers so we're
21 going to represent those and post those to our
22 website as soon as possible. I'm still, there
23 are no other, not seeing any hands for any
24 additional comments. We do have, we are remiss
25 in not mentioning representing Citiva we have

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1 Sean Barravecchio, he is available to provide any
2 other comments. But right now that's all we have
3 at the moment, we have no other comments, I'm not
4 seeing anyone else present. We're going to keep
5 this public hearing open but we're going to end
6 the Zoom session now. You can continue to send
7 comments to the IDA or reappear, we're going to
8 resume this hearing on Friday and the date on
9 that just to verify is Friday, the 11th at 10:00
10 a.m. we will resume this public hearing, hear any
11 additional comments we have and at that point we
12 will close it. But thank you all for joining us
13 and we will be back on Friday. Thanks very much.

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16 (Proceedings concluded at 10:12 a.m.)

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CONTINUATION OF CITIVA PUBLIC HEARING

19
20 ON FRIDAY, 3/11/22

21 MR. FIORAVANTI: Good morning everyone,
22 welcome to the resumed public hearing for Citiva
23 Medical LLC. My name is Bill Fioravanti of the
24 Orange County Industrial Development Agency. We
25 are resuming this public hearing that began on

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1 Monday. Now that the cost benefit analysis has
2 been complete, that's in addition to receiving
3 any other public comment that's the main priority
4 for this resumed hearing is to make sure that the
5 public is aware of that. That information is on
6 our website and I'll clarify all that in a
7 moment. Let's start this morning though by the
8 Pledge of Allegiance, please, please stand and
9 I'll lead us in the Pledge.

10 (Whereupon, the Pledge of Allegiance was
11 recited.)

12 MR. FIORAVANTI: Thank you. Let me just
13 announce really who our attendees are. Again, my
14 name is Bill Fioravanti, I'm the Chief Executive
15 Officer of the IDA, Kelly Reilly, our Project
16 Manager is also present with us, Fran Roth is our
17 stenographer. We also have Dennis Brady, our AV
18 Consultant. We have a few board members I really
19 appreciate being on here as well, Mr. Noel
20 Spencer, Mr. Robert Kennedy. We also have
21 representing the applicant, Citiva Medical LLC,
22 we have Sean Baravecchio and Colleen Hughes,
23 thank you for joining us. If necessary, Shawn
24 and Colleen, I don't know that we'll need to hear
25 from you but if there are any comments that we

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1 feel that when we're done need to be responded to
2 I'll ask you for that. But I will remind you I'm
3 not going to read the entire public notice, but I
4 will remind you that this is a project for Citiva
5 Medical LLC to be located at 75 John Hicks Drive
6 in Warwick, New York, a 30,000 square foot
7 building that would be used for cannabis
8 manufacturing and production, it is at the
9 Warwick Tech Park that the IDA has played a key
10 role in. The applicant is looking for sales tax
11 exemption and a 15 year property tax abatement.
12 We have not received any other public comment
13 yet. I'm going to read the cost benefit
14 analysis, just the highlights of it and then I
15 will look for any comments that are remaining and
16 that's really mostly what we have. Let me just
17 pull that up. So the cost benefit analysis we
18 did based upon an estimated, the sales tax
19 exemption requested and the estimated property
20 tax abatement schedule. The final cost benefit
21 analysis produced the following facts. We are
22 talking about a local benefit, well, sorry, start
23 with the property tax exemption, the value of
24 that benefit is \$6,585,207, discounted it's
25 \$5,839,559. The sales tax exemption, the value

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1 of that exemption both nominally is not
2 discounted in this analysis, \$2,153,125, and
3 that's the split of that. As most people know,
4 that sales tax is split between local, county and
5 the state, the local share of that is \$1,004,792,
6 and the state portion of the sales tax exemption
7 is the benefit value is \$1,148,333, pardon me.
8 So the, thanks to payroll, thanks to construction
9 labor, other financial multipliers, the total
10 benefit of the project, economic impact is a
11 grand total of \$175,393,964. The split between
12 local and state is a local benefit of
13 \$167,041,846 and the state benefit of, I'm sorry,
14 yeah, the state benefit value of \$8,352,118. The
15 total cost, locally the total cost, grand total
16 is \$7,992,684, \$6.8 million being local, \$1.15
17 million being state, and that equates to benefit
18 to cost a grand total a ratio of 22 to one,
19 benefit to cost, again, benefit grand total
20 \$175 million to just under \$8 million and locally
21 it's a 24 to one benefit to cost, \$167 million
22 benefit and \$6.8 million in costs. So that is
23 the economic analysis. The cost benefit analysis
24 we have calculated in conjunction with the Orange
25 County Real Property Department, we want to thank

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1 them for their work in developing this. I just
2 want to repeat that this information, both the
3 PILOT schedule or model for the 15 year requested
4 PILOT as well as this, all the details of this
5 cost benefit analysis are available on the Orange
6 County Industrial Development Agency website,
7 that is www.ocnyida.com, ocnyida.com. There's a
8 menu at the top, you look for active projects,
9 look for Citiva Medical and all the documents,
10 the public hearing notice for this hearing is in
11 there, the cost benefit analysis, the original
12 application and again PILOT schedule so all the
13 details are in there. These documents are also
14 available at the IDA headquarters at 4 Crotty
15 Lane in New Windsor. Please contact us if you'd
16 like to come over and look at those documents
17 please, any time. Okay, lastly, I'd like to look
18 for any further comments before we close the
19 public hearing.

20 MS. LANCELOTI: Just brief, Bill.

21 MR. FIORAVANTI: Yes please, please state
22 your name and please go ahead with your comments.

23 MS. LANCELOTI: My name is Kaitlyn
24 Lancellotti and I am the Director of Business
25 Expansion and Retention with the Orange County

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1 Partnership. I'm just here to speak briefly and
2 say that we are in support of the project, with
3 the cost benefit that Bill just laid out and the
4 amount of capital investment that this project
5 would bring not only to Warwick but to Orange
6 County and the Hudson Valley region and it really
7 ties into what Governor Hochul is doing with all
8 the changes with recreational marijuana and the
9 ability to create jobs for those who previously
10 might not have been able to get them. So we are
11 of course in support of this since we're in
12 support of what all the local labor and all those
13 policies would entail and just wanted to say that
14 brief little comment and thank you guys for your
15 time.

16 MR. FIORAVANTI: Very good, thank you,
17 Katie, we appreciate that. Would anyone else
18 like to make comment? Okay, hearing none, we're
19 going to close the public hearing for Citiva
20 Medical LLC at 10:10 a.m. on Friday, March 11,
21 2022. Thank you all for participating. Again,
22 if anyone wants further information on this
23 project, you can refer to our website,
24 ocnyida.com or contact us at the IDA and come
25 visit us at 4 Crotty Lane. But thank you all for

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1 your participation, have a good day and weekend.

2 Thanks very much.

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5 (Proceedings concluded at 10:10 a.m.)
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C-E-R-T-I-F-I-C-A-T-I-O-N

I, FRANCES ROTH, a Stenographic Reporter and Notary Public
of the State of New York, do hereby certify:

That the foregoing is an accurate record of the testimony,
as given, to the best of my knowledge and belief, the same
having been stenographically recorded by me and transcribed
under my supervision.

That I am not related to any of the parties involved in
this matter, and that I have no personal interest
whatsoever in the outcome thereof.

A handwritten signature in cursive script, appearing to read "Frances Roth", written over a horizontal line.

FRANCES ROTH

EXHIBIT "B"
PROPOSED PILOT SCHEDULE

