



Laborers Way 1

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name	Laborers Way 1
Project Summary	The applicant is planning on developing approx. 75,000 square feet of manufacturing space in Buffalo.
Applicant Name	Laborers Way 1, LLC
Applicant Address	700 Second Street
Applicant Address 2	NA
Applicant City	Encinitas
Applicant State	California
Applicant Zip	92024
Phone	(310) 480-6766
Fax	
E-mail	Slevin@zephyrpartners.com
Website	NA
NAICS Code	531120

Business Organization

Type of Business	Limited Liability Company
Year Established	2021
State in which Organization is established	Delaware

Individual Completing Application

Name	Seth Levin
Title	EVP
Address	700 Second Street
Address 2	
City	Encinitas
State	California
Zip	92024
Phone	

Fax

E-Mail SLEVIN@ZEPHYRPARTNERS.COM

Company Contact - Authorized Signer for Applicant

Contact is same as individual completing application No

Name Brad Termini

Title CEO

Address 700 Second Street

Address 2

City Encinitas

State California

Zip 92024

Phone

Fax

E-Mail Brad@Zephyrpartners.com

Company Counsel

Name of Attorney Adam Perry

Firm Name Hodgson Russ LLP

Address 140 Pearl Street

Address 2 Suite 100

City Buffalo

State New York

Zip 14202

Phone (716) 848-1422

Fax (716) 819-4679

E-Mail APerry@hodgsonruss.com

Benefits Requested (select all that apply).

Exemption from Sales Tax Yes

Exemption from Mortgage Tax Yes

Exemption from Real Property Tax Yes

Tax Exempt Financing* No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

The subject Project includes a total of two buildings in one-story steel-framed structures with approximately 72 surface parking spaces and located on approximately 5.3 net acres of unimproved land along the waterfront in Buffalo Lakeside Commerce Park. The Property was adjacent to a former steel mill and is a designated brownfield site that is owned by the Buffalo Urban Development Corporation ("BUDC") and included within a city-approved redevelopment plan to revitalize the historically industrial area. The Applicant is under contract to purchase the Property from BUDC with an anticipated land closing date in June/July 2022 and the Applicant has spent several years and invested capital to entitle the Project, which has received land use approvals by the City of Buffalo, allowing the development to proceed. Planning Board approved the Project in October 2021, and the design team anticipates receiving a building permit in June/July 2022. Additionally, the Project has received support from the City of Buffalo Mayor's Office and BUDC. The Applicant will remediate the site prior to occupancy under the standards and requirements outlined within the New York State Brownfield Cleanup Program. The Applicant plans to acquire the Property, build the Project, install equipment and lease the space to a tenant who will operate the facility. The Applicant has an executed Memorandum of Understanding (MOU) and is finalizing a lease with a tenant, RIV Capital, who will sublease the property to their subsidiary, Etain, for the initial 75,000 square feet of space. Furthermore, the additional site acreage at the Property allows for up to 1.25 million square feet and the long-term plan is to continue expansion at the site as the New York state market matures over time. The Project will be used primarily as a cannabis production facility, with space for a variety of uses including manufacturing, cultivation, packaging, and distribution. The facility will focus on both recreational and medical cannabis consistent with New York State (NYS) laws and the Office of Cannabis Management (OCM) regulations. NYS has a process by which they are converting medicinal licenses to adult-use/recreational, as regulations are introduced. Etain currently has a medicinal license for one manufacturing facility and four retail dispensaries. In June 2022, Etain submitted their request to OCM to add our Buffalo facility to their license. The request is considered "by right". The Applicant's tenant will comply with all NYS cannabis regulations and licensing laws, and products include raw cannabis flower and other cannabis-based products such as oil, edibles, and extracts for adult-use. 100% of the products produced at the facility will be created and sold within NYS. Once the Project is fully operational, the facility is expected to be running 24 hours a day and 7 days a week. Including the land acquisition, the Project is estimated to cost approximately \$27,800,000. Upon completion of the Project, the facility is anticipated to produce 20 new full-time jobs and 34 new part-time jobs, for a total of 54 new jobs. The completed Project will include jobs for skilled manufacturing, product development specialists, maintenance technicians, packaging technicians, administrative staff, and marketing professionals. It is anticipated that the part-time employees will work on average between 20-30 hours per week, but we have budgeted for up to 40 hours per week on average. Project employment policies will have a commitment to promoting social equity and diversity, with a focus on hiring members of disadvantaged communities to create a diverse, equitable, and inclusive environment. Additionally, reinvestment will be focused on communities that have been significantly impacted by cannabis-related convictions. Beyond the jobs that will be created once fully operational, construction jobs will also be immediately created with specific goals for hiring minority and communities that have been disproportionately impacted by cannabis-related crimes. Priority employment will also be given to employees that live locally in Buffalo. The Project will also include facilities geared towards helping new operators establish a business with minimal capital investment, onsite job training, and business mentoring. Laborers Way 1, LLC will be the owner/landlord and LW1 Operator, LLC, which is wholly owned by Laborers Way 1, LLC, is set up to be the operating entity. Project ownership is fully controlled by Laborers Way Partners, LLC with 50% controlled by Zephyr Laborers Way, LLC and 50% controlled by USA DRES, LLC. Additionally, Brad Termini is a member with an indirect ownership of more than 20%.

Estimated % of sales within Erie County	10 %
Estimated % of sales outside Erie County but within New York State	90 %
Estimated % of sales outside New York State but within the U.S.	0 %
Estimated % of sales outside the U.S.	0 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

20

Describe vendors within Erie County for major purchases

Cleaning, Service/Maintenance, Food Service, Hardware (tools, PVC/tubing, screws, nails, bolts, and other miscellaneous supplies), and Hard Goods (pots, hoses, fans, etc.)

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

310 Ship Canal Parkway

Town/City/Village of Project Site

Buffalo

School District of Project Site

City of Buffalo School District

Current Address (if different)**Current Town/City/Village of Project Site (if different)****SBL Number(s) for proposed Project**

132.15-2-1

What are the current real estate taxes on the proposed Project Site

0

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 400,800

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

If No, indicate name of present owner of the Project Site**Does Applicant or related entity have an option/contract to purchase the Project site?**

Yes

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

Vacant land

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

Project is new construction of 75,000 square feet to be used for cannabis cultivation facilities including production, packaging and distribution.

Municipality or Municipalities of current operations

City of Buffalo

Will the Proposed Project be located within a Municipality identified above?

Yes

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the

state?

No

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

We are only considering New York State for this expansion project.

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

Yes

If yes, please indicate the Agency and nature of inquiry below

State Department of Environmental Conservation's Brownfield Cleanup Program - TBD

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

The Agency's financial assistance is necessary for our business operations and expansion within the New York market. When determining which market to expand to, we analyzed various locations and determined that the subject site in Buffalo and the ability to apply for financial assistance was essential in attracting the tenant and current investor stakeholders. If financial assistance from the Agency and other local incentive programs are not received our business would need to be reevaluated from the stakeholders perspective.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

Applicant would need to reassess business expansion to this location and explore other locations for expansion.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Bus stop at Fuhrmann Blvd & Buffalo Harbor for the 42 bus line.

Has a project related site plan approval application been submitted to the appropriate planning department?

Yes

If Yes, include the applicable municipality's and/or planning department's approval resolution, the related State Environmental Quality Review Act ("SEQR") "negative declaration" resolution, if applicable, and the related Environmental Assessment Form (EAF), if applicable.

If No, list the ECIDA as an "Involved Agency" on the related EAF that will be submitted to the appropriate municipality and/or planning department for site plan approval.

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

Zoning of D-IL

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

Yes

If yes, please explain

Site is being enrolled into the Brownfield Cleanup Program for known slag fill materials, petroleum and metals in the soils.

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

No

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

Yes

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

Yes

If yes, describe the efficiencies achieved

Equipment selection will be made to ensure efficient use of energy. Energy recovery measures will also be evaluated and considered when equipment is secured for the project

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

Yes

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

5%

Select Project Type for all end users at project site (you may check more than one).

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales No **Services** No

Please check any and all end uses as identified below.

No Acquisition of Existing Facility	No Assisted Living	Yes Back Office
No Civic Facility (not for profit)	No Commercial	No Equipment Purchase
No Facility for the Aging	No Industrial	No Life Care Facility (CCRC)
No Market Rate Housing	No Mixed Use	No Multi-Tenant
No Retail	No Senior Housing	Yes Manufacturing
No Renewable Energy	No Other	

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	68,040 square feet	\$	25,200,000	91%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	7,000 square feet	\$	2,600,000	9%
Specify Other	square feet	\$	0	0%

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

Standard

Provide estimate of additional construction cost as a result of LEED certification you are seeking < BLANK >

Will project result in significant utility infrastructure cost or uses Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

8/30/2022

End date : Estimated completion date of project

6/30/2023

Project occupancy : estimated starting date of occupancy

7/1/2023

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 425,000 square feet 6 acres

2.) New Building Construction

\$ 21,825,000 75,000 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 3,050,000

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 0

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 2,500,000

9.) Other Cost

\$ 0

**Explain Other
Costs**

Total Cost \$ 27,800,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 24,875,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 12,437,500
% sourced in Erie County	50%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 12,437,500
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 1,088,281

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 0

Have any of the above costs been paid or incurred as of the date of this Application? No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 27,800,000
Bank Financing:	\$ 0
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	Brownfield Tax Credit (amount of tax credits are not known at this time)
Total Sources of Funds for Project Costs:	\$27,800,000
Have you secured financing for the project?	Yes

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing). 16,000,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$120,000

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other): No

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Describe your company's internal practices that promote MBE/WBE hiring and utilization

Project employment policy will have a commitment to promoting social equity and diversity, with a focus on hiring members of disadvantaged communities to create a diverse, equitable, and inclusive environment. Project will promote inclusion in the cannabis industry by making ongoing financial contributions to established nonprofits working on police and criminal justice reform related to cannabis. Additionally, reinvestment will be focused on communities that have been significantly impacted by cannabis-related convictions. Additional construction jobs will be immediately created with specific goals for hiring minority and communities that have been disproportionately impacted by cannabis-related crimes. Priority employment will also be given to employees that live locally in Buffalo. Project will also include facilities geared towards helping new operators establish a business with minimal capital investment, onsite job training, and business mentoring

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location).

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created
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					upon 24 months (2 years) after project completion **
Full time	0	0	20		20
Part time	0	0	34		34
Total	0	0	54		

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	1	\$ 150,000	\$ 22,500	\$ 0	\$ 0
Professional	3	\$ 110,000	\$ 16,500	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	\$ 0	\$ 0
Production	50	\$ 45,000	\$ 6,750	\$ 35,000	\$ 5,250
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	\$ 0	\$ 0

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

2,390,000

Estimated average annual salary of jobs to be retained (Full Time)

0

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

60,000

Estimated average annual salary of jobs to be created (Part Time)

35,000

Estimated salary range of jobs to be created

From (Full Time)	45,000	To (Full Time)	150,000
From (Part Time)	30,000	To (Part Time)	40,000

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

310 Ship Canal Parkway, Buffalo, New York 14218

Name and Address of Owner of Premises

Laborers Way 1, LLC 700 Second Street Encinitas, CA 92024

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

unimproved land with roadway bisecting Premises and preserved wetlands to the north.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

land to be developed into 75,000 square feet of manufacturing and office space

Describe all known former uses of the Premises

former steel mill and designated brownfield site

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

Yes

If yes, please identify them and describe their use of the property

Current owner is Buffalo Urban Development Corporation. Applicant is under contract to acquire the Premises.

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility.

Occupant Name TBD

Address 310 Ship Canal Parkway

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

SS

Section V: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

RIV Capital US Real Estate LLC

Property Address:

310 Ship Canal Parkway

City/Town/Village

Buffalo

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

75,000

What percentage of the building does this represent?

100

Are terms of lease:

NET

If GROSS lease, please explain how Agency benefits are passed to the tenant

Estimated date of occupancy

7/1/2023

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

RIV Capital US Real Estate LLC (a wholly-owned subsidiary of RIV Capital Inc.)

Local Contact Person:

Matt Mundy

Title:

General Counsel and Chief Strategy Officer

Current Address:

40 King St. West Suite 2504, Toronto, Ontario, Canada, M5H 3C2

Phone:

(905) 466-2191

Fax:

E-Mail:

matt@rivcapital.com

Website:

rivcapital.com

Company President/General Manager:

Mark Sims

Number of employees moving to new project location:

Full-Time:

0

Part-Time:

0

Total:

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

NAICS Code: 053 Type of Business: Real Estate Leasing/Subleasing Description of Business: RIV Capital US Real Estate LLC is engaged in the business of leasing and sub-leasing properties. It is a wholly owned subsidiary of RIV Capital Inc. RIV Capital US Real Estate LLC will sublease the property to Etain LLC, which owns and operates legally licensed medical cannabis cultivation and retail dispensaries in the state of New York. Percent of total sales in Erie County and United States: 10% and 100%, respectively

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

About RIV Capital: For complete detail on the history of RIV Capital Inc. (the "Company"), please refer to the Annual Information Form filed with the Canadian Securities Administrators ("CSA") at sedar.com On March 30, 2022, the Company entered into definitive agreements (the "Etain Purchase Agreements") to acquire (the "Etain Acquisition") ownership and control of Etain IP LLC and Etain, LLC, owners and operators of legally licensed cannabis cultivation and retail dispensaries in the state of New York, (the "Etain Companies" or "Etain"). About Etain: Etain is one of the original five medical cannabis license recipients in the state of New York and is currently one of ten approved vertically integrated operators. Etain was founded by Amy Peckham, Hillary Peckham, and Keeley Peckham with another strong woman in mind - their grandmother, Frances "Granny Franny" Keeffe. During Granny Franny's battle with ALS, the Peckham women began researching medical marijuana and discovered all the potential benefits it could provide. Determined to provide similar relief to others, Etain received its medical marijuana license in 2015, and the Peckham women have been focused on delivering high-quality wellness products. Etain currently operates four dispensaries across New York State, with a flagship location in Manhattan and prominent locations in Kingston, Syracuse and Yonkers. As a Registered Organizations ("ROs"), Etain expects to be grandfathered in as one of ten vertically-integrated cannabis companies in New York State's adult-use program, and will be permitted to open four additional dispensaries. Additionally, Etain operates a greenhouse cultivation facility in Chestertown, which is currently undergoing expansion increasing its size from 12,000 sq. ft. to 56,000 sq. ft. Etain retained Moelis and Company LLC in late-2021 to explore and consummate a sale of its New York operations, and after two rounds of bidding, RIV Capital emerged as the exclusive party to consummate a deal. Pursuant to the transaction, Etain submitted a request ("Request") to the New York Cannabis Control Board and the New York State Office of Cannabis Management to authorize a change in control in the ownership of Etain. As part of the Request, Etain requested regulatory approval to establish an additional cannabis cultivation and manufacturing facility located in Buffalo, New York. Currently, RIV Capital has entered into a Memorandum of Understanding (the "MOU") with LABORERS WAY 1, LLC, for development of a site in Buffalo, New York (the "Zephyr Project"). RIV Capital is finalizing a long-term lease for the property identified as part of the Zephyr Project pursuant to the terms and subject to the conditions of the MOU. RIV Capital would then sublease the property to Etain. The goal is to create an approximately 211,000 square foot campus comprised of 3 buildings supporting cultivation and manufacturing operations (collectively, the "Zephyr Facility"). The first phase includes the 75,000 square foot facility at the Project location. The Zephyr Project would be in addition to the Chestertown Expansion.

Please list the square footage which the proposed tenant will lease at the Project location

75,000

Please list the square footage which the proposed tenant leases at its present location(s)

0

Describe the economic reason for either the increase or decrease in leased space.

Tenant is expanding

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

No

If owned, what will happen to the existing facility once vacated?

If leased, when does lease expire?

7/31/2038

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

No

If yes, please provide details as to location, and amount of leased space, how long leased?

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below. **If no, proceed to the next section.**

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

700 Second Street

City/Town

Encintas

State

California

Zip Code

92024

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

No

What factors have lead the project occupant to consider remaining or locating in Erie County?

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No