

November 2014

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Applicant Name Lazarus Properties, LLC

Applicant Address 65 Vandalia Street

Phone 716-465-5158

Fax

E-mail steve@barrelfactory.com

Website www.barrelfactory.com

Federal ID# 46-4654491

NAICS Code 312140
Will a Real Estate Holding No

Company be utilized to own the Project property/facility
What is the name of the Real Estate Holding Company

Federal ID#

State and Year of

Incorporation/Organization

List of stockholders,

members, or partners of Real Estate Holding Company

Individual Completing Application

Name Steve Bystran

Title Managing Member

Address 6112 Boston Ridge Rd.; Orchard Park, NY 14127

Phone 7166491104

Fax

E-Mail bystran@verizon.net

Company Contact (if different from individual completing application)

Name

Title

Address

Phone

Fax

E-Mail

Company Counsel

Name of Attorney

Brian Lewandowski

Firm Name

Lewandowski & Assoc.

Address

721 Center Rd.; West Seneca, NY 14224

Phone

716-674-4710

Fax

E-Mail

blewandowski@lewandowskiandassoc.com

Identify the assistance being requested of the Agency

Exemption from Sales Tax

Yes

Exemption from Mortgage

Yes

Tax

Exemption from Real

No

Property Tax

Tax Exempt Financing*

No

Business Organization

Type of Business

Limited Liability Company

Year Established

2014

State of Organization

New York

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

Stephen D. Bystran And Andrea L. Bystran (jointly) - 50% Bruce J. Mack Jr. and Heidi L. Mack (jointly) - 50%

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

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

Lazarus Properties, LLC owns and operates the Barrel Factory, a 45,000 sq. ft. manufacturing facility in the Old First Ward. The focus of all current and prospective tenants is agriculture based manufacturing and local job creation. The primary tenant is Lakeward Spirits, a Craft Distillery holding NY SLA Class A and D (Farm Distillery) licenses. The Class D license specifically requires significant usage of NY farm based raw materials. Lakeward Spirits will produce Gin, Vodka and Whiskey for sale to the location's onsite visitors and through restaurants and spirit retail outlets across WNY. Lakeward Spirits projects \$1.35 million in overall sales with the bulk (over 85%) being wholesaled to bars, restaurants and liquor stores. The second tenant is Queen City Malting. Queen City Malting will be the first active malt house in Western New York in nearly 40 years, taking barley and other grains from local farms and adding additional value through the malting process. Their primary customers will be local breweries and distilleries with a small percentage (less than 5%)being sold directly to home brewers. The project includes 45,000sq.ft. of space in two buildings, the smaller of which is intended to be demolished so that adequate parking for the primary structure's manufacturing tenants is available as they come on stream. The resulting space totals approximately 43,000sq.ft. 21,950sq. ft. will be utilized by the Lakeward Spirits manufacturing operations, of which 1,000sq.ft. will be allotted to the retail aspects of their operations. 4,019 sq.ft. will be utilized by Queen City Malting's manufacturing operations. The remaining 17,000sq.ft. is vacant pending the involvement of other similar agri-based manufacturing tenants. Three potential tenants are currently in final negotiations at this time. Were they all (as anticipated) reach final agreement, an additional 4,500sq.ft. will be consumed as manufacturing space. Any small retail aspects of these future tenants as well as the small portion of Queen city Malting's will be handled by Lakeward Spirits in their small retail space.

Estimated % of sales within Erie County	100
Estimated % of sales outside Erie County but within New York State	0
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%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

grains - 100% Bottles - 100% packaging - 100% corks - 100% labels - 100% legal - 100% accounting - 100% yeast - 0% enzymes - 0% barrels - 0% Please Note: Lakeward Spirits and Queen City Malting are both start ups and final vendor selection is not complete. However, both entities are plugged into the "farm" brewery and distillery license designations that require exceptionally high NY-State content in final products.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

None - start up businesses

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

Yes

In which Municipality will the proposed project be located

City of Buffalo, NY

Address

65 Vandalia St.; Buffalo, NY 14204

If the Proposed Project is located in a different Municipality 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 Section V of this Application

SBL Number for Property upon which proposed Project will be located

122.48-4-17

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

7,110

Assessed value of land

\$17,400

Assessed value of building(s)

182,600

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

City of Buffalo, NY

School District of Project Site

City of Buffalo, NY

Does the Applicant or any related entity currently hold fee title to 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?

No

Describe the present use of the Proposed Project site

The site is currently vacant and has been severely underutilized previously. Under the previous owners, it has been largely vacant, used as a single user/employee operation. Over his years of ownership it was used as a small bottling and distribution facility for windshield washer fluid and most recently as a minimally active warehouse. To the outside observer it probably appeared to be a refuse dump for the owners terminated projects. As an example, just prior to our taking possession, 3 tractor trailer loads of 1 gallon plastic jugs were remove by a local recycler.

Please provide narrative of project (new build, renovations, 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)

The project is to include significant building repurposing and rehabilitation. The building currently has no divisions of any of the floor plates and inadequate utilities throughout. UTILITIES: While there does exist a reasonably large electrical service(s) it is not distributed in the building and will require electrical updating. Although served by a 6" fire suppression water line (a working dry system is in place), the basic water service is very small and is a very old lead service, no longer supported by the City's water department. This clearly needs to be replaced. For the manufacturing purposes intended a larger water service must be installed in any case. Additionally all sanitary facilities have been turned off for an unknown number of years. It is also combined with the storm water drains and must be separated for current code compliance. The gas service and meter is of adequate size for the intended purposes but has been removed some years ago. All the gas lines inside the building are sufficiently deteriorated. ROOF/WEATHER TIGHTNESS: The existing roof has multiple leaks that have been in place for an extended and unknown period of time. They have been there long enough for certain areas of the underlying roof deck and some flooring to have rotted significantly. There are approximately seven layers of built up roofing in place now. Code states a maximum of two layers are allowed. Due to the winter weather it has been determined that spot repairs and sealing will be accomplished this Fall and Winter so that a complete tear off and replacement of the roofing materials can be accomplished in Spring. At that time, the deteriorated portions of the roof decking will be repaired or replaced as well as shaped solid core insulation being installed above the deck. This will add much needed energy efficiency as well as an increase pitch and drainage on the generally flat roof. Windows in the structure are either bricked over, boarded over, corrugated fiberglassed over or missing altogether. These must be opened back up and replaced. It is intended that window replacement will be rolled out as the manufacturing operations present in the project building require. For example the production space for Lakeward Spirits on the first floor will be done before the second floor barrel storage areas. The doors and overhead doors in the building are all in severe dis-repair and/or do not meet egress and safety standards in the current code. These must all be replaced. LIGHTING: The minimal lighting that there is in the structure is cobbled together and extremely old. It must all be updated to be useful and safe in a modern manufacturing setting. HEATING: As stated above the structure has not been heated for an unknown period of time. All the unit heaters that remain do not appear to be functional and are certainly not efficient by current standards. They must all be replaced. LAVATORIES: There remains evidence of 3 formerly active lavatory locations in the building. Non are working or appear to have worked in perhaps 20 years. These must be removed an current handicapped accessible facilities must be distributed throughout the facility to support occupancy by the manufacturing tenants. ELEVATOR: There is an existing elevator serving the 2 story portion of the structure. It has been inspected and is indeed in working condition, however the safety interlocks are not up to current safety standards and must be replaced/updated. Additionally an additional elevator needs to be added in the 3 story section of the building to maximize the tenant use of the building. EGRESS/SAFETY. Non of the existing exterior fire escapes are usable. We intend to replace them with the appropriate number of interior stairways. Fire separations are needed (to code) between all occupied areas including between floors. None of these separations are in place currently. TENANTS: LAKEWARD SPIRITS: partial equipment list: - 1000 Gallon jacketed, insulated and clad stainless steel Mash Tun with 3 phase agitator. Used to cook grains in a water solution to break down starch into fermentable sugars. - (2) 550 gallon jacketed, insulated and clad stainless steel still boilers. One with 3 phase explosion proof agitator. one with pneumatic explosion proof agitator. - Stripping Still column and Spirit Still column, including condensation towers and dephlegmator. - Fermenters (2) 1000 gallon and (2) 550 gallon all jacketed 2 sides stainless steel tanks with instrumentation ports and CIP loop and air locks -Grain mill and augers -Glycol chiller - Pumps for cooling water loops as well as pump capable of pumping water/grain slurry and high strength alcohol -Boiler minimum 150 HP steam boiler - minimum 185 CFM rotary screw 3 phase compressor - (10) IBC totes - plastic and (3) stainless for WIP and finished spirits - Bottling machine manual filler 4 bottle stations - spirit capable cartridge filter - lab equipment for QC and testing - Barrels . Barrels may seem like a packaging medium, but in a distillery they are an extraordinarily important part of adding value to spirits and changing the character as aging occurs. Lakeward Spirits specific build out requirements: Due to the presence of high strength alcohol in the manufacturing plant, certain fire code rules necessitate the building of a H3 storage area with dedicated ventilation and perimeter floor drains. Due to the constant flow of liquids floor trench drains throughout portions of the facility are required. Queen City Malting: Partial equipment list: Malting vessel - sized to accommodate a 1000 gallon volume of water plus 1 ton of grain per batch with integrated agitation fluid input and output controls forced heated air inductions system all 208 volt 3 phase power trench drains required throughout

Describe the reasons why the Agency's Financial Assistance is necessary and how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

Starting all three of the involved enterprises is difficult due to very high capital requirements: The costs required for building renovations and rehabilitation are significant. A short review of the previous answer outlines the multitude of categories necessary to bring a building that has suffered a history of a lack of maintenance and dis-use back into a productive, value addative and neighborhood revitalizing workspace. Each category represents large investment and capitalization. Together the cumulative costs are significant. The updates and safety considerations alone, needed to bring the space into compliance with current code and safety norms is huge. Additionally, the cost to execute the building renovations at a level of quality sufficient to

create a "destination" at the Barrel Factory and have it be part of the re-making of the Old First Ward is daunting. Lakeward Spirits' manufacturing operation has a myriad of challenges. Licensing is an exceptionally long process. It is not just the cost involved nor the burden of a great deal of documentation that are problematic. The fact that so very much cost must be sunk into the project before the licenses can even be applied for presents difficult financial challenges. The long waiting period adds to the needed capital as so very much time transpires before any revenue stream can begin. The necessity to acquire equipment of sufficient size to achieve the economies of scale needed for efficient operations in any manufacturing setting is also quite large. Finally, the distillery enters a marketplace dominated by global sized competitors with distribution and marketing budgets to match. To effectively compete requires a sound financial footing. Queen City Malting enters the capital intensive manufacturing sector without some of licensing concerns that Lakeward Spirits has. However, they bring malting back to Buffalo and are doing something no one has done here in 40 odd years. The revenue start is indeed also very far in the future after a great deal of investment. Each of these challenges requires significant funding to overcome. Many of these challenges also become opportunities for the building and manufacturing tenants as they become established and expand. The impact of tax abatements sought allows the owners significant cash investments to stretch further to overcome the cost and funding difficulties both in startup and ongoing operations. It is a very real and essential evidence of the communities support for the project and the catalyst effects we anticipate it having on the Old First Ward. It also provides that evidence to the funding partners required for project completion that the ownership and community are working together toward long term success, job and value creation.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

At this time, it is anticipated that equipment will be purchased rather than leased.

Site Characteristics

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

Yes

Describe the present zoning/land use

The Project location is currently zoned M2. The intended uses are allowed with this zoning. Nevertheless, the City of Buffalo does require projects above a certain size threshold to submit information to the Planning Board. This project was required to do so and secured Planning Board approval on 12/2/2014 to proceed.

Describe required zoning/land use, if different

none

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

none

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

No

If yes, please explain

Prior to the completion of the building purchase and transfer of ownership our counsel executed a FOIL search that uncovered no information to lead to concern over this topic. It is assumed that a Phase I assessment will be required by the lenders that make up final funding for the project.

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

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?

No

If yes, please provide copies of the study.

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

We intend to utilize equipment that keeps our operating costs as low as possible through the use of energy efficient equipment. This factor has been a primary guiding tenet in the selections we have made. The distillation process involves the transfer of heat an energy form a liquid and vapor stream. We have designed a water and heat recovery system that takes advantage of an 8ft deep cistern within the project location to minimize water use and disposal as well as serve as a heat sink to recover the heat that

might normally be drained into the sewer to heat the building. Exploratory discussions are underway with a future tenant that would utilize the Distillery's waste heat further as well as waste grain and carbon dioxide.

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, please explain.

Research and development of new products will be an ongoing part of operations to seek changes in customer demand and new opportunities.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

Not known at this time

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

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales Yes Services Yes

For purposes of this question, 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.

Yes Manufacturing	Yes Multi-Tenant	Yes Mixed Use
Yes Acquisition of Existing Facility	No Commercial	No Facility for the Aging
No Housing	No Back Office	No Civic Facility (not for profit)
Yes Equipment Purchase	Yes Retail	No Other

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 125,000 45,000 square feet approx 1 acre acres

New Building Construction

\$0 square feet

New Building addition(s)

\$0 square feet

Infrastructure Work

\$ 246,000

Renovation

\$ 1,218,000 square feet

Manufacturing Equipment

\$ 755,000

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

\$55,000

Soft Costs: (professional services, etc.)

\$ 69,000

Other Cost

\$ 15,000

Explain Other Costs

site clean up and debris removal, temporary roof repairs and safety repairs

Total Cost

\$ 2,483,000

Project Refinancing; estimated amount (for refinancing of existing debt only)

50

Sources of Funds for Project Costs:

Estimated Mortgage Amount

\$1,658,000

Lender Name, if Known

Equity

166,000

Have any of the above costs been paid or incurred as of the date of this Application?

Yes

If Yes, describe particulars:

Building purchase - \$125,000 Clean up, debris removal, misc. repairs - \$15,000

Construction Cost Breakdown:

Total Cost of Construction

\$ 1,519,000 (sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 760,000

% sourced in Erie County

100%

% sourced in State

% (including Erie County)

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

\$ 760,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$ 66,500

For proposed facility please include # of sq ft for each of the uses outlined below

			Cost	% of Total Cost
Manufacturing/Processing	16,000	square feet	\$ 1,000,000	68
Warehouse	14,000	square feet	\$ 30,000	20
Research & Development	500	square feet	\$ 25,000	2
Commercial		square feet	\$0	0
Retail	1,500	square feet	\$ 37,000	3
Office	1,000	square feet	\$ 28,000	2
Specify Other	10,000	square feet	\$ 75,000	5

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

<BLANK>

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

<BLANK>

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

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date: acquisition of equipment or construction of facilities

1/31/2015

End date: Estimated completion date of project

4/15/2015

Project occupancy: estimated starting date of operations

4/15/2015

Have construction contracts been signed?

No

Have site plans been submitted to the appropriate planning department for approval?

Yes

Has the Project received site plan approval from the appropriate planning department?

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	If project is to retain jobs, number of jobs to be retained	Total # of jobs 2 years after project completion	Net total new jobs
Full time	0	0	11	11
Part time	0	0	0	0
Total	0	0	11	

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

Address	N/A		
Full time	0	0	0
Part time	Ó	0	0
Total	0	0	0

Will any of the facilities described above be closed or subject to reduced activity?

No

Pavroll Information

Annual Payroll at Proposed Project Site

\$ 380,000

Estimated average annual salary of jobs to be retained

\$0

Estimated average annual salary of jobs to be created

\$ 35,000

Estimated salary range of jobs to be created

From

\$ 25,000

To \$ 80,000

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

<BLANK>

If yes, please explain and identify out-of-state locations investigated

this is a new venture

What competitive factors led you to inquire about sites outside of New York State?

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

<BLANK>

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

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

485a; NYSERDA

Section III: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program?	No
What is the age of the structure (in years)?	111
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)	Yes
If yes, number of years vacant?	15
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)	<blank></blank>
If yes, please provide dollar amount of income being generated, if any	\$
Does the site have historical significance?	Yes
Are you applying for either State/Federal Historical Tax Credit Programs?	No
if yes, provide estimated value of tax credits	\$

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities

Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments

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Section IV: Retail Determination

Will any portion of the project (including that portion of the costs to be financed from equity or Yes 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? If yes, complete the Retail Questionnaire Supplement below. What percentage of the cost of the project will be expended on such facilities or property primarily 3 % used in making sales of goods or services to customers who personally visit the project? If the answer to this is less than 33% do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination). If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project: Will the project be operated by a not-for-profit corporation? <BLANK> Is the project location or facility likely to attract a significant number of visitors from outside the <BLANK> economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? If yes, please provide a third party market analysis or other documentation supporting your response. Is the predominant purpose of the project to make available goods or services which would not, but <BLANK> for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? If yes, please provide a market analysis supporting your response. Will the project preserve permanent, private sector jobs or increase the overall number of <BLANK> permanent private sector jobs in the State of New York?

Is the project located in a Highly Distressed Area?

<BLANK>

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Section V: 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.

Will the project result in the removal of an industrial or manufacturing plant of the Project

No

occupant from one area of the state to another area of the state?

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 or abandonment of an existing facility?

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?

<BLANK>

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 VI: Facility Type - Single or Multi Tenant

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

Multi-Tenant Facility

For Single Use Facility

Occupant Name

Address

Contact Person

Phone

Fax

E-Mail

Federal ID#

SIC/NAICS Code

Multi-Tenant Facility

Please explain what market conditions support the construction of this multi-tenant facility

The project location is larger than required for the primary tenant, Lakeward Spirits. By involving multiple similarly positioned tenants certain economies and benefits are possible. For example the co- location of a malt house and a distillery place the raw material manufacturer and value added processor in close proximity for deliveries and collaboration.

Have any tenant leases been entered into for this project?

Yes

If yes, please fill out a tenant form in section VII, for each tenant.

Tenant Name Current Address (city, state, zip)	•	business, products services, % of sales in Erie Co.
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Section VII: Environmental Questionnaire

General Background Information

Address of Premises 28, 65, 83 Vandalia St.; Buffalo, NY 14204

Name and Address of Owner Lazarus Properties, LLC 65 Vandalia St. Buffalo, NY 14204

of Premises

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

the premises is in the Old First Ward of the City of Buffalo, NY. The area is made up of a mix of residential and industrial building as well as railroad tracks. It is fronted on 2 sides by City Streets and is approximately 400ft from the Buffalo River

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

The premises consists of two buildings and a vacant lot. The larger brick structure is approximately 43,000 sq. ft. and was constructed in 1903, updated in 1908 and repaired after a fire in 1927. This structure will house the Distillery and Malting operations of the two current tenants as well as those of all future manufacturing tenants. The smaller building is of poor T-11 construction and was constructed as an adjacent office building in the mid 1950s. We have used this building as our temporary office and project headquarters. It is anticipated that this structure will be removed at some future date to enhance onsite parking availability.

Describe all known former uses of the Premises

The original use of the building was as a cooperage facility to manufacture slack barrels for the prevalent flour milling industry in Buffalo. It was later converted to a steel supply and fabrication warehouse and then most recently as a windshield washer fluid bottling facility and general warehouse. In the last 15 years there have been minimal operations of any kind.

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

No

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

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

Our FOIA search only turned up one piece of information noting a spill of a modest amount (less than 100 gal) of windshield washer fluid in 2002. It was determined that it posed no concern and the then owner was instructed to rinse it down the sewer.

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?

Νo

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

no discharges into water bodies will occur or are contemplated

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

Waste Water discharge from onsite lavatory facilities. Storm water from roof drains and parking lot runoff. Waste water from grain rinsing and steeping, waste water from still leavings, we are currently considering minimizing this by using it as a compost additive. Non contact cooling water will be stored in tanks and reused after ambient cooling wherever possible. No septic tanks are onsite. Non of the proposed or anticipated activities requires special permitting.

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?

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?

<BLANK>

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

N/A

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

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

n/A

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?

Yes

If yes, please identify the materials

Preliminary testing has shown that approximately 2% of the roof flashing adhesive/mastic contains asbestos in the solid mass.