

CAURD SPONSORED LOCATIONS & ALTERNATE FUND LOCATIONS

Location Approval Process

Alternate Fund Locations (AFL's) are proposed dispensary locations where a Conditional Adult-Use Retail Dispensary (CAURD) licensee advances a dispensary location for potential Social Equity Investment Fund ("the Fund") support. CAURD Sponsored Locations (CSL's) are proposed dispensary locations advanced by CAURD licensees for approval and are NOT seeking Fund support. The following business rules will apply for approval of these proposed locations for either the Fund to pursue or the CAURD licensee to pursue.

A. CAURD Sponsored Locations (CSL's):

1. CAURD Licensee first receives a provisional CAURD license by the OCM Board.
2. The CAURD Licensee sends the proposed address to OCM and to locations@sei-ventures.com; this request is received by the Fund, the Social Equity Servicing Corporation (SESC, a subsidiary of Dormitory Authority of the State of New York, or DASNY), and the Office of Cannabis Management (OCM).
3. OCM completes a proximity analysis to determine compliance with law and regulation on proximity to places of worship, schools, etc.; if the address is valid and non-proximate, OCM sends the address to SESC for a trade area analysis.
4. SESC completes a trade area analysis for the proposed address. If the address is within the protected trade area, it is rejected. If the address is outside the protected trade area, SESC informs OCM it is approved for the CAURD licensee to pursue without Fund support.
5. SESC will inform the CAURD recipient, OCM and the Fund of the proposed AFL determination. If approved, the CAURD licensee can proceed and submit a post-selection application.

B. Alternate Fund Locations (AFL's)

1. The CAURD Licensee sends the proposed address to locations@sei-ventures.com; this request is received by the Fund, SESC and OCM.
2. OCM completes a proximity analysis to determine compliance with law and regulation relating to distances from places of worship, schools, etc.; if approved as non-proximate, the address advances to SESC for trade area review.
3. SESC completes a trade area analysis for the proposed address.
 - a. If the proposed AFL is within a protected trade area, SESC will review the opportunity to see if the Fund has an anticipated location already. If the Fund has an anticipated location, the site is rejected.

- b. If the proposed AFL is within a protected trade area and the Fund does NOT have an anticipated location, business rules will then be applied to determine pursuit, including:
 - i. Building conditions (i.e. potential renovation costs, frontage, amenities)
 - ii. Rental Cost and lease terms
 - iii. Facility size and if too large evaluate potential to subdivide
 - iv. Zoning
 - v. Mortgage on property and if so, lender approval of use
 - vi. Landlord willingness to lease for dispensary use and under Fund terms.
 - vii. Market analysis
 - viii. Fund through their Tenant Broker must negotiate the terms/lease with the Landlord and/or the Landlord's designated Listing Broker.
 - ix. Other as needed
 - c. If the proposed AFL is outside the protected trade area, business rules will then be applied to determine Fund pursuit, including:
 - i. Building conditions (i.e. potential renovation costs, frontage, amenities)
 - ii. Rental Cost and Deal Terms
 - iii. Facility size & subdivision potential
 - iv. Zoning
 - v. Mortgage on property
 - vi. Landlord willingness to lease for dispensary use under Fund terms
 - vii. Market viability
 - viii. Premium retail analysis
 - ix. Market coverage and potential competitive detriment to current or planned Fund sites
 - x. Fund through their Tenant Broker must negotiate the terms/lease with the Landlord and/or the Landlord's designated Listing Broker.
Other as needed
4. SESC will inform the CAURD recipient, OCM and the Fund of the proposed AFL determination.
- a. In the case of straightforward 3.a. it is anticipated these AFL determinations will be finalized and communicated every Thursday for review requests received by close of business the previous Friday.
 - b. For 3.b. and 3.c. conditions, application of business rules may require more time to make the determination. Final determinations, however, will be communicated every Thursday.