

Board Summary

Fulcrum Sierra BioFuels, LLC
4900 Hopyard Rd, Suite 220, Pleasanton, CA 94588
Jeanne Benedetti, Vice President
Recycling Materials / Waste Materials Processing

Date: May 17, 2018
 Main Location: Carson City

Business Type: Expansion County: Storey County Development Authority Representative: Nancy McCormick - EDawn

APPLICATION HIGHLIGHTS

- Fulcrum Sierra BioFuels, LLC plans to commence the Stage 2 expansion of its Feedstock Processing Facility located in Storey County, Nevada. This will include an additional 29,000-square feet of building to accommodate the installation of additional processing equipment.
- In addition to full-time permanent jobs, the construction component of the expansion is anticipated to generate approximately 50 jobs.

PROFILE

Fulcrum Sierra BioFuels, LLC is a wholly-owned subsidiary of Fulcrum BioEnergy, Inc (FBE). FBE was formed to develop a reliable and efficient process for converting municipal solid waste (MSW) into renewable transportation fuels. Fulcrum Sierra BioFuels, LLC's existing Feedstock Processing Facility in Storey County processes MSW-derived feedstock to be shredded and compacted for transport to the company's Biorefinery, where it will be converted into renewable transportation fuels, including jet fuel and diesel. The Biorefinery, also in Storey County, will produce transportation fuel that competes directly with high-priced fossil fuels, and is expected to have a lower cost, lower carbon, and lower emissions than traditional fossil fuel alternatives. Collectively the Feedstock Processing Facility and Biorefinery will convert approximately 175,000 tons per year of MSW, or household garbage, into approximately 10.5 million gallons per year (800 barrels per day) of renewable Syncrude that will be upgraded and processed into low-carbon transportation fuel products. To support the company's business plan it has multiple key strategic relationships already in place with organizations throughout the waste-to-fuels value chain including Andeavor, BP, United Airlines, Cathay Pacific Airways, Waste Management, Waste Connections and the United States Department of Defense. *Source: Fulcrum Sierra BioFuels, LLC*

SIGNIFICANCE OF ABATEMENTS IN THE COMPANY'S DECISION TO RELOCATE/EXPAND

Along with Nevada's outlook for renewable energy development, the tax incentives are critical to Fulcrum Sierra BioFuels, LLC's overall business plan. These incentives also bring social benefits to the state and local communities. The expansion of the Feedstock Processing Facility in the Lockwood Industrial Area will bring additional benefits to Storey County in the form of an increase in tax base and well-paying jobs. In addition, it will bring tremendous environmental benefits as the first-of-its-kind plant for the production of MSW into renewable fuels, launching the State of Nevada into the forefront of the advanced biofuels arena. *Source: Fulcrum Sierra BioFuels, LLC*

REQUIREMENTS	Statutory	Application	Sufficient	% Over / Under
Job Creation	6	13		117%
Average Wage	\$21.95	\$22.04	Company meets	0%
Equipment Capex (SU & MBT)	\$2,772,475	\$13,251,304	abatement eligibility requirements	378%
Equipment Capex (PP)	\$2,772,475	\$13,251,304		378%

INCENTIVES	Requested Terms	Estimated \$ Amount
Sales Tax Abmt.	2% for 2 years	\$742,073
Modified Business Tax Abmt.	50% for 4 years	\$13,539
Personal Property Tax Abmt.	50% for 10 years	\$449,031
Real Property Tax Abmt.	50% for 10 years	\$704,395
Total		\$1,909,038

NEVADA BUSINESS LICENSE

Current Pending Will comply before receiving incentives

JOB CREATION	Contracted	24-Month Projection	5-Year Projection
	6	13	25

OTHER CAPITAL INVESTMENT	Land	Building Purchase	BTS / Building Improvements
	\$0	\$0	\$12,923,253

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)	Total	Construction
Total Jobs Supported	59	134
Total Payroll Supported	\$20,790,687	\$4,792,420
Total Output Estimate	\$208,321,923	\$19,057,650

Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses.

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)	Direct	Indirect	Total
Local Taxes			
Property	\$1,156,627	\$125,225	\$1,281,852
Sales	\$470,406	\$20,233	\$490,639
Lodging	\$0	\$5,203	\$5,203
State Taxes			
Property	\$59,752	\$115,402	\$175,154
Sales	\$433,028	\$128,903	\$561,931
Modified Business	\$81,714	\$155,230	\$236,944
Lodging	\$0	\$203	\$203
Total	\$2,201,527	\$550,399	\$2,751,926

EMPLOYEE BENEFITS

- Percentage of health insurance covered by company: 100%.
- Health care package cost per employee - \$10,914 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Merit Increases, COLA Adjustments, Retirement Plan / Profit Sharing / 401(k), Bonus.

NOTES

- Percentage of revenue generated by the new jobs contained in this application from outside Nevada: 100%.
- The company is also considering the Pacific northwest, and mid-west as potential locations.

April 2, 2018

Mr. Paul Anderson
Executive Director
Governor's Office of Economic Development
555 E. Washington Avenue
Las Vegas, NV 89101

Dear Mr. Anderson,

Fulcrum Sierra BioFuels LLC (Fulcrum), headquartered in Pleasanton, Ca is preparing to expand its existing Feedstock Processing Facility (FPF) in Storey County which processes municipal solid waste (MSW). The MSW-derived feedstock will be shredded and compacted for transport to their Biorefinery, where it will be converted into renewable transportation fuels, including jet fuel and diesel. The Biorefinery, also in Storey County, will produce transportation fuel that competes directly with high-priced fossil fuels, which is expected to have a lower cost, lower carbon, and lower emissions than traditional fossil fuel alternatives. Multiple key strategic relationships are already in place to support their business plan.

The expansion of the FPF includes the installation of an additional 29,000 square foot building to accommodate new equipment, which will further process the light fraction material into MSW Feedstock. The equipment investment will total approximately \$13.25M, and the building costs will exceed \$12.9M, bringing the total expansion investment to over \$26M. Fulcrum intends to add 13 positions to their existing 10, at an average hourly rate of \$22.04.

Fulcrum is requesting a Sales and Use Tax Abatement, Modified Business Tax Abatement, Personal Property Tax Abatement and Real Property Tax Abatement for Recycling, and qualifies for three out of three of the abatement criteria. The incentives received previously for this multi-phased project was a key reason that Fulcrum elected to locate their first MSW-to-fuels plant in the State, and Nevada's outlook for renewable energy development was also a major consideration. These incentives are a critical part of the overall financial package needed to support this large project.

Fulcrum's employee compensation package includes, overtime pay, PTO/Sick/Vacation, bonus retirement plan/profit-sharing/401K and merit increases. Full-time employees are eligible for insurance benefits (medical/dental/vision) starting the first day of the month following the date of hire. 100% of the health insurance is paid by the company.

EDAWN supports the application of Fulcrum Sierra BioFuels, LLC which aligns with multiple strategic objectives of the State, including positioning Nevada as a leader in renewable energy technology. Your consideration and support of this incentive application is a significant component of their pending decision to continue to expand in Northern Nevada.

Sincerely,



Mike Kazmierski
EDAWN
President/CEO



March 27, 2018

Mr. Paul Anderson
Nevada Governor's Office of Economic Development
555 E. Washington Avenue, Suite 5400
Las Vegas, NV 89101

**RE: Fulcrum Sierra BioFuels, LLC
Request for Incentives for an Expansion of Operations in Storey County**

Dear Mr. Anderson,

Enclosed is the application requesting approval of economic incentives (including Sales and Use Tax Abatement, the Personal Property Tax Abatement, the Real Property Tax Abatement for Recycling, and the Modified Business Tax Abatement) for Fulcrum Sierra BioFuels, LLC ("Sierra BioFuels"), a wholly-owned subsidiary of Fulcrum BioEnergy, Inc. ("Fulcrum"). Sierra BioFuels is expanding its operations by beginning the Stage 2 expansion of its Feedstock Processing Facility ("FPF") located in Mustang, Storey County Nevada.

The existing FPF is situated on a 10-acre parcel located at 350 Saddle Court, Mustang, Storey County Nevada ("FPF Site"). In 2016, Sierra BioFuels completed a majority of the construction and began testing the operations of Stage 1 of the FPF. As of October 27, 2017, Sierra BioFuels had spent approximately \$23.2 million to construct the FPF under an Agreement for Tax Abatements and Incentives dated January 2, 2015, as subsequently amended, between the Nevada Governor's Office of Economic Development ("GOED") and Sierra BioFuels.

Stage 1 of the FPF Site includes a 65,000-square foot pre-fabricated metal building that covers the tipping floor, the MSW processing system and equipment, as described below, and the administrative offices. Other equipment and facilities at the FPF Site include a truck scale, truck tipper, 660,000-gallon fire water tank, a fire response building housing diesel firewater pumps for the fire suppression system and propane and diesel tanks. The FPF has the capacity to process more than 1,500 tons of MSW per day.

The Stage 2 expansion of the FPF includes an additional 29,000-square feet of building to accommodate the installation of additional processing equipment to further process the municipal solid waste ("MSW") into one-inch minus in size MSW Feedstock and compact it into trailers for transport to a Biorefinery.

Sierra BioFuels is expected to make an additional total project investment of approximately \$26 million with the construction of the Stage 2 expansion of the FPF. Construction management

fulcrum-bioenergy.com



March 27, 2018

Mr. Paul Anderson
Executive Director
Nevada Governor's Office of Economic Development
555 E. Washington Avenue
Las Vegas, NV 89101

Re: *Fulcrum Sierra BioFuels, LLC*
Application for Incentives
Letter Designating Confidential Items in Lead Participants Application

Dear Mr. Anderson,

With the date of this letter, Fulcrum Sierra BioFuels, LLC ("Sierra BioFuels") filed an application for incentives ("Application") to the Economic Development Authority of Western Nevada for submittal to the State of Nevada Governor's Office of Economic Development ("GOED") requesting approval of certain economic incentives for the expansion of operations in Storey County, Nevada. The purpose of this letter is to request that certain information as part of that Application be deemed "a trade secret or other confidential proprietary information" pursuant to subsection 7 of Section 12 of Senate Bill No.1 (2014 Special Session).

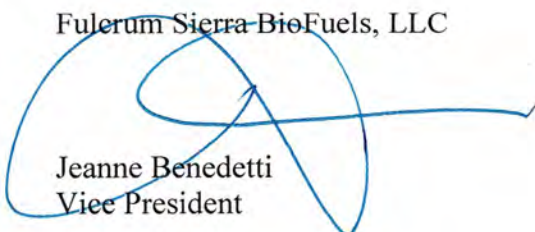
Sierra BioFuels deems the following information confidential:

1. The detailed schedule of operational employment labor and wages designated "Employment Schedule";
2. The detailed schedule of capital improvement designated "Equipment List"; and
3. The detailed description of employee health insurance and benefits package designated as "Exhibit 2 – Employee Health Benefits Summary" in Attachment 1 to the Application.

Thank you for your consideration. If you have any questions or require any further information, please do not hesitate to contact me at (925) 224-8248 or jl.benedetti@fulcrum-bioenergy.com

Very truly yours,

Fulcrum Sierra BioFuels, LLC


Jeanne Benedetti
Vice President

fulcrum-bioenergy.com

REQUEST FOR CONFIDENTIALITY DETERMINATION

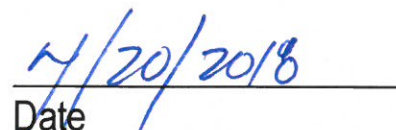
Pursuant to NRS 231.069, and upon the request of applicant Fulcrum Sierra BioFuels, LLC the Executive Director of the Office has determined the:

- (i) The detailed schedule of Capital Equipment List, 5(A)
- (ii) The detailed schedule of Employment List, 5(B)

are confidential proprietary information of the business, are not public records, and shall be redacted in its entirety from the copy of the application that is disclosed to the public.



Paul Anderson
Executive Director



Date

ECONOMIC DEVELOPMENT

Incentive Application

Company Name: Fulcrum Sierra BioFuels, LLC
 Date of Application: April 3, 2018

Company is an / a: (check one)
 New location in Nevada
 Expansion of a Nevada company

Section 1 - Type of Incentives

Please check all that the company is applying for on this application:

- Sales & Use Tax Abatement
- Modified Business Tax Abatement
- Personal Property Tax Abatement
- Sales & Use Tax Deferral
- Recycling Real Property Tax Abatement
- Other: _____

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada) Fulcrum Sierra BioFuels, LLC		FEDERAL TAX ID # 26-1971833	
CORPORATE ADDRESS 4900 Hopyard Rd, Suite 220	CITY / TOWN Pleasanton	STATE / PROVINCE CA	ZIP 94588
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)	CITY / TOWN	STATE / PROVINCE	ZIP
TELEPHONE NUMBER 925-224-8248	WEBSITE www.fulcrum-bioenergy.com		
COMPANY CONTACT NAME Jeanne Benedetti	COMPANY CONTACT TITLE Vice President		
E-MAIL ADDRESS jbenedetti@fulcrum-bioenergy.com	PREFERRED PHONE NUMBER 925-224-8248		

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development? Yes No
 If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

Section 3 - Program Requirements

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of \$1,000,000 in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly in rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "urban" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "rural" area).

Section 4 - Nevada Facility

Type of Facility:

- Headquarters
- Technology
- Back Office Operations
- Research & Development / Intellectual Property
- Service Provider
- Distribution / Fulfillment
- Manufacturing
- Other: _____

PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA 100%	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) Operational April 2019		
NAICS CODE / SIC NAICS 423930/SIC 5093	INDUSTRY TYPE Recycling Materials/Waste Materials Processing		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS: Feedstock Processing Facility processes municipal solid waste into feedstock which will be transported to a biorefinery in the TRIC to be converted into renewable fuels. Recyclable materials (i.e. ferrous/non ferrous metals, and plastics) are recovered for sale to the commodity markets.			
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS 350 Saddle Ct	CITY / TOWN Mustang	COUNTY Storey County	ZIP 89434
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP? Pacific Northwest, Mid-west			

Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)

Check the applicable box when form has been completed.

- 5 (A) Equipment List
- 5 (B) Employment Schedule
- 5 (C) Evaluation of Health Plan, with supporting documents to show the employer paid portion of plan meets the minimum of 65%.

Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up - Plans Over the Next <u>Ten</u> Years	Expansions - Plans Over the Next <u>10</u> Years
<p>Part 1. Are you currently/planning on leasing space in Nevada? _____</p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p>What year(s)? _____</p> <p>How much space (sq. ft.)? _____</p> <p>Annual lease cost of space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p>If No, skip to Part 2. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>Purchase date, if buying (month, year): _____</p> <p>How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? _____</p> <p>If Yes *, continue below:</p> <p>When to break ground, if building (month, year)? _____</p> <p>Estimated completion date, if building (month, year): _____</p> <p>How much space (sq. ft.)? _____</p>	<p>Part 1. Are you currently leasing space in Nevada? <u>Yes</u></p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p>What year(s)? <u>2016-present</u></p> <p>How much space (sq. ft.)? <u>3,300</u></p> <p>Annual lease cost at current space: <u>\$44,300.00</u></p> <p>Due to expansion, will you lease additional space? <u>No</u></p> <p>If No, skip to Part 3. If Yes, continue below:</p> <p>Expanding at the current facility or a new facility? _____</p> <p>What year(s)? _____</p> <p>How much expanded space (sq. ft.)? _____</p> <p>Annual lease cost of expanded space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? <u>Yes</u></p> <p>If No, skip to Part 3. If Yes, continue below:</p> <p>How much space (sq. ft.)? <u>65,000</u></p> <p>Current assessed value of real property? <u>\$2,129,012.00</u></p> <p>Due to expansion, will you be making building improvements? <u>Yes</u></p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p>When to make improvements (month, year)? <u>Apr-2019</u></p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? <u>Yes</u></p> <p>If Yes *, continue below:</p> <p>Purchase date, if buying (month, year): _____</p> <p>When to break ground, if building (month, year)? <u>Jul-2018</u></p> <p>Estimated completion date, if building (month, year): <u>Apr-2019</u></p> <p>How much space (sq. ft.)? <u>30,000</u></p>
* Please complete Section 7 - Capital Investment for New Operations / Startup.	* Please complete Section 7 - Capital Investment for Expansions below.

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

The Company will be making improvements to the existing facility and installing additional equipment, including shredders to prepare the municipal solid waste for utilization as feedstock in its Biorefinery located in the Tahoe-Reno Industrial Center (See Attachment 1)

Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up	Expansions
How much capital investment is planned? (Breakout below):	How much capital investment is planned? (Breakout below):
Building Purchase (if buying): _____	Building Purchase (if buying): _____
Building Costs (if building / making improvements): _____	Building Costs (if building / making improvements): <u>\$12,923,253</u>
Land: _____	Land: <u>\$0</u>
Equipment Cost: _____	Equipment Cost: <u>\$13,251,304</u>
Total: _____	Total: <u>\$26,174,557</u>
	Is the equipment purchase for replacement of existing equipment? <u>No</u>
	Current assessed value of personal property in NV: <u>\$4,962,178</u>
	(Must attach the most recent assessment from the County Assessor's Office.)

Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up	Expansions
How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: _____	How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: <u>13</u>
Average hourly wage of these <u>new</u> employees: _____	Average hourly wage of these <u>new</u> employees: <u>\$22.04</u>
	How many FTE employees prior to expansion?: <u>10</u>
	Average hourly wage of these <u>existing</u> employees: <u>\$31.04</u>
	Total number of employees after expansion: <u>23</u>

* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that apply):

- Overtime
 Merit increases
 Tuition assistance
 Bonus
 PTO / Sick / Vacation
 COLA adjustments
 Retirement Plan / Profit Sharing / 401(k)
 Other: _____

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

(See Exhibit 2 of Attachment 1)

Section 9 - Employee Health Insurance Benefit Program

Is health insurance for employees and an option for dependents offered? Yes No

Package includes (check all that apply):

Medical
 Vision
 Dental
 Other: Life Insurance, Short-term and Long-term Disability

Qualified after (check one):

Upon employment
 Three months after hire date
 Six months after hire date
 Other: 1st day of the month following date of hire

Health Insurance Costs:	Percentage of health insurance coverage by (min 65%):
Cost of health insurance for company (annual amount per employee): <u>\$ 10,914.00</u>	Company: <u>100%</u>
Health Plan annual out-of-pocket maximum (individual): <u>\$ 6,800.00</u>	Employee: <u>0%</u>

[SIGNATURE PAGE FOLLOWS]

Section 10 - Certification

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and/or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Jeanne Benedetti
Name of person authorized for signature

Signature

Vice President - Fulcrum Sierra BioFuels, LLC
Title

Date

3-27-2018

Nevada Governor's Office of Economic Development
555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • www.diversifynevada.com

Site Selection Factors

Company Name: Fulcrum Sierra BioFuels, LLC

County: Storey County

Section I - Site Selection Ratings

Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

Availability of qualified workforce:	<u>5</u>	Transportation infrastructure:	<u>4</u>
Labor costs:	<u>4</u>	Transportation costs:	<u>4</u>
Real estate availability:	<u>4</u>	State and local tax structure:	<u>5</u>
Real estate costs:	<u>5</u>	State and local incentives:	<u>5</u>
Utility infrastructure:	<u>5</u>	Business permitting & regulatory structure:	<u>5</u>
Utility costs:	<u>5</u>	Access to higher education resources:	<u>5</u>

Please summarize the importance of the abatement program to your decision (please include at least a paragraph summary):

Equipment Schedule, Detailed

The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of Fulcrum Sierra BioFuels, LLC, and is not a public record.

Employment Schedule, Detailed

The Office has determined the detailed employment schedule as described in this application constitutes confidential proprietary information of Fulcrum Sierra BioFuels, LLC, and is not a public record.

5(C) Evaluation of Health Plans Offered by Companies

Company Name: Fulcrum Sierra BioFuels, LLC

County: Storey County

Total Number of Full-Time Employees:	13
Average Hourly Wage per Employee	\$22.04
Average Annual Wage per Employee (implied)	\$45,843.20
Annual Cost of Health Insurance per Employee	\$10,914.00
Percentage of Cost Covered by:	
Company	100%
Employee	0%
Health Plan Annual Out-of-Pocket Maximum	\$6,800

Generalized Criteria for Essential Health Benefits (EHB)

[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]

Covered employee's premium not to exceed 9.5% of annual wage	0.0%	<input type="text" value="MMQ"/>
Annual Out-of-Pocket Maximum not to exceed \$7,150 (2017)	\$6,800	<input type="text" value="NQ"/>

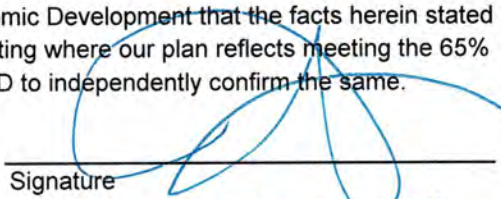
Minimum essential health benefits covered (Company offers PPO):

- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached sufficient plan information highlighting where our plan reflects meeting the 65% minimum threshold for the employe paid portion of the plan for GOED to independently confirm the same.

Jeanne Benedetti
Name of person authorized for signature


Signature

Vice President
Title

3-27-2018
Date

SECRETARY OF STATE



NEVADA STATE BUSINESS LICENSE

FULCRUM SIERRA BIOFUELS, LLC
Nevada Business Identification # NV20081018106

Expiration Date: February 28, 2019

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on January 2, 2018

Barbara K. Cegavske

Barbara K. Cegavske
Secretary of State

You may verify this license at www.nvsos.gov under the Nevada Business Search.

License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which by law cannot be waived.



Attachment 1 to Application for Incentives

Fulcrum Sierra BioFuels, LLC

A. Company History

Fulcrum BioEnergy, Inc. (“Fulcrum”), headquartered in Pleasanton, California, was incorporated in the State of Delaware on July 19, 2007. Founded by E. James Macias, Fulcrum President and Chief Executive Officer, and James A.C. McDermott, Managing Partner of USRG and Fulcrum Chairman of the Board, the Company was formed to develop a reliable and efficient process for converting municipal solid waste (“MSW”) into renewable transportation fuels.

Over the past ten years, Fulcrum has developed, tested, demonstrated and validated its MSW-to-fuels process which combines commercially-demonstrated gasification and Fischer Tropsch (“FT”) technologies with other standard refining subsystems for the efficient, low-cost production of renewable transportation fuels including jet fuel and diesel. The MSW-to-fuels process was demonstrated at a fully-integrated demonstration plant (the “Demonstration Plant”) that utilized the same processes and same MSW feedstock and produced the same product that will be produced at Sierra.

Fulcrum has also entered into key strategic relationships with organizations throughout the waste-to-fuels value chain including Andeavor, BP, United Airlines, Cathay Pacific Airways, Waste Management, Waste Connections and the United States Department of Defense (“DoD”). Through these partnerships, Fulcrum has raised equity capital and entered into feedstock supply, technology, product offtake and fuel logistics agreements to support Fulcrum’s first MSW to fuels project, the Sierra BioFuels Plant, as well as Fulcrum’s North American development program.

Fulcrum’s plants will be producing a drop-in transportation fuel that competes directly with high-priced fossil fuels. Fulcrum’s renewable fuel is expected to have a lower cost, lower carbon and lower emissions than traditional fossil fuels. By securing large volumes of MSW feedstock supply at a fixed cost and securing fuel offtake agreements with established commercial customers, Fulcrum has eliminated much of the market risk from its business, which is expected to help secure attractive project cash flows.

The renewable fuels process developed by Fulcrum is expected to provide significant economic and environmental benefits for Fulcrum’s customers, suppliers and communities in which it operates. With the diversion of MSW from landfills, Fulcrum’s plants are expected to help extend the life of the landfill and help cities and communities solve their growing waste disposal problems. Renewable fuel produced at Fulcrum’s plants is expected to provide customers with a competitively-priced, low-carbon drop-in fuel product. Furthermore, Fulcrum’s process reduces GHG emissions by more than 80% when compared to traditional petroleum products.

Fulcrum Sierra BioFuels, LLC (“Sierra BioFuels”), a wholly-owned subsidiary of Fulcrum, is the owner of the Sierra BioFuels Plant, which is comprised of a Feedstock Processing



Facility (“FPF”) and a Biorefinery, collectively defined as “Sierra.” Sierra will convert approximately 175,000 tons per year of MSW, or household garbage, into approximately 10.5 million gallons per year (800 barrels per day) of renewable syncrude that will be upgraded and processed into low-carbon transportation fuel products.

Sierra is being constructed in two phases. Phase 1 of Sierra was Stage 1 of the FPF where MSW is sized, sorted and processed into a light fraction MSW material. Phase 2 of Sierra is the construction of the Biorefinery and the Stage 2 expansion of the FPF to produce a MSW Feedstock that meets with the Biorefinery specifications.

Sierra BioFuels issued a full notice to proceed to the engineering, procurement and construction contractor in October 2017 for the construction of the Biorefinery. The Biorefinery is expected to begin operations in February 2020.

B. Feedstock Processing System

The FPF is designed to process a total of 100 tons per hour of MSW on two identical 50 tons per hour processing lines. The dual-line system provides redundant processing capacity to support equipment maintenance and other contingencies.

MSW is delivered to the FPF in transfer trailers where it is weighed prior to processing. After it is weighed, the MSW is tipped onto the tipping floor where oversize bulky waste, such as water heaters, refrigerators, propane tanks, large metal pieces, hazardous items and other items incompatible with the remainder of the processing train are manually removed.

After the initial sorting, the MSW is pushed onto an in-feed conveyor which feeds to a shear-type shredder that shreds the MSW. The shredded, or sized, MSW is screened in a cascading finger-type waste screen to remove fine material such as dirt, glass, inerts and other materials less than two inches in size. The rejected fine materials are passed under a magnet to remove ferrous material and the residual material is loaded into transfer trailers for delivery to the Lockwood Landfill.

The screened MSW greater than two inches is then separated in density separators using the density variance of the heavy (e.g. dirt, gravel, glass and metal,) and light (e.g. wood waste, paper, plastics, textiles and some inerts) fractions of the MSW. Here, the light fraction is blown upwards by an air jet and dispersed onto a conveyor for further processing. The heavy fraction drops down onto a transfer belt where along with the residual material from the waste screens it passes under over-belt magnets and through an eddy current separator for recovery of ferrous and non-ferrous metals before being loaded into residual trailers and transported to the Lockwood Landfill for disposal.

The light fraction material also passes under over-belt magnets and through an eddy current separator for recovery of ferrous and non-ferrous metals before being sent to a set of near-infrared optical sorters to separate out high value plastics. Recovered materials (e.g. ferrous and nonferrous



metals, mixed plastics) sorted from the MSW for recycling are loaded into trailers or baled for shipment to market.

Feedstock Processing Equipment and System in Operation



The remaining light fraction material, which is the feedstock for the Biorefinery, is re-shredded to approximately one-inch minus in size. The MSW feedstock is compacted into walking-floor trailers for transport to the Biorefinery.

C. Phase 1: Feedstock Processing Facility

The FPF is situated on a 10-acre parcel identified as Assessor Parcel Number 004-111-37, which is zoned for I-2 Heavy Industrial under Storey County’s zoning ordinance. The site is located at 350 Saddle Court, Mustang, Storey County Nevada (“FPF Site”).

In 2016, Sierra BioFuels completed a majority of construction and began testing the operations of Stage 1 of the FPF. As of October 27, 2017, Sierra BioFuels had spent approximately \$23.2 million to construct the FPF under an Agreement for Tax Abatements and Incentives dated January 2, 2015, as subsequently amended, between the Nevada Governor’s Office of Economic Development (“GOED”) and Sierra BioFuels.

Stage 1 of the FPF Site includes a 65,000-square foot pre-fabricated metal building that covers the tipping floor, the MSW processing system and equipment, as described below, and the administrative offices. Other equipment and facilities at the FPF Site include a truck scale, truck tipper, 660,000-gallon fire water tank, a fire response building housing diesel firewater pumps for the fire suppression system and propane and diesel tanks. The FPF has the capacity to process more than 1,500 tons of MSW per day.



D. Phase 2: Expansion of Feedstock Processing System

Stage 2 of the FPF includes the installation of an additional 29,000 square-feet of building to accommodate additional processing equipment to further process the light fraction material into MSW Feedstock of approximately one-inch minus in size and compact it into trailers for transport to the Biorefinery. The additional equipment included in the Stage 2 expansion of the FPF is provided in the application.

Sierra BioFuels is currently working with third-party systems integrators and reviewing bids for improvements to the FPF and the installation of the remaining equipment in the existing building. Selection of the contractor and the start of construction of this Stage 2 expansion work at the FPF is expected to take place in the second quarter of 2018.

E. Benefits of MSW Feedstock

The MSW feedstock produced at the FPF is the organic fraction of the MSW remaining after sorting and shredding. This organic fraction is rich in carbon and hydrogen, which are the building blocks for jet fuel and diesel. Inorganic materials not suitable for MSW feedstock, including metals, glass, dirt, concrete, etc., are removed from the MSW at the FPF.

The low carbon fuels process developed by Fulcrum and integrated into the design of Sierra is expected to provide significant economic and environmental benefits for Sierra BioFuels' customers, suppliers and communities in which it operates. With the diversion of MSW from the local landfill, Sierra is expected to help extend the life of the landfill and help and the local communities solve their growing waste disposal problems. Low carbon fuel produced at the Biorefinery is expected to provide customers with a competitively-priced, low-carbon drop-in fuel product. Furthermore, Fulcrum's process reduces greenhouse gas ("GHG") emissions by more than 80% when compared to traditional petroleum products.



MSW is an abundant and widely available feedstock that is not susceptible to geopolitical risks, food and commodity price fluctuations or natural disasters. As a true waste product, it has no competing uses, is not sought after by food producers and has no impact on food prices. Decomposition of MSW in landfills produces methane, which is considered a potent GHG emission with a greenhouse effect equivalent to 25 times that of carbon dioxide. Unlike other types of biomass feedstocks that are grown and harvested such as corn starch, sugarcane and crop residues, MSW is continuously generated every day in population centers across the United States at an annual rate of approximately one ton of MSW per year per person. With an abundant and interminable supply of MSW nationwide, the infrastructure and logistical networks for the collection, hauling and handling of MSW are already in widespread use. Fulcrum's feedstock strategy capitalizes on these factors to transform waste that would otherwise be landfilled into a new source of low-cost fuel that is domestic, renewable and low in GHG emissions.

F. Projected Impact on Local Economy

Nevada's tax structure continues to be one of the most favorable in the country, allowing both businesses and employees to flourish. Nevada's pro-business environment encourages the siting of businesses and relocation of employees. The GOED encourages businesses to come to the State of Nevada by offering a variety of tax incentives, including sales, use and property tax abatement incentives and employee training incentives.

Along with Nevada's outlook for renewable energy development, these tax incentives are critical to Sierra BioFuels' overall business plan. These incentives also bring social benefits to the state and local communities. The expansion of the FPF in the Lockwood Industrial Area will bring additional benefits to Storey County in the form of an increase in tax base and well-paying jobs. In addition, it will bring tremendous environmental benefits as the first-of-its-kind plant for the production of MSW into renewable fuels, launching the State of Nevada into the forefront of the advanced biofuels arena.

Sierra BioFuels will provide both economic and fiscal benefits to the local and regional economies. There are two distinct forms of benefits – construction and on-going benefits. Construction benefits will be “one-time” benefits as they arise during the period of construction. On-going benefits arise from continued business operations.

The Stage 2 expansion of the FPF is expected to have an estimated total equipment cost of approximately \$13 million. Construction management and labor is expected to total approximately \$3.4 million. The expansion of the FPF can be expected to generate nearly 50 jobs at the peak of construction and create an additional 13 permanent full-time jobs that will pay an average hourly wage of \$22.04; above the state wide average wage of \$21.95 per hour. For the 2018-2019 tax year, Storey County has assessed Sierra BioFuels' real property at \$2,129,082 and personal property at \$4,851,832 as provided in **Exhibit 1**.