APPLICATION HIGHLIGHTS
- Medolac Laboratories is considering opening a corporate headquarters and central processing facility in Clark County.
- The company plans to create partnerships with Nevada State College, and other Nevada higher learning institutions to provide learning opportunities for manufacturing, healthcare and life science focused college students and to select graduates for various skilled positions.
- The company has only one commercial competitor worldwide.

PROFILE
Medolac Laboratories specializes in innovative, human donor milk products for clinical use (in the NICU), applying proprietary biopharmaceutical processing methods that preserve many of the immune components in human milk. The company was founded to address the shortage of human donor milk negatively impacting the growing number of preterm infants in the USA and abroad. The company has the only commercially sterile human milk products that can be shipped and stored at room temperature. Medolac ships its product throughout all 50 states and serves a global market for 15 million preterm infants being cared for by neonatal intensive care units. The company will be expanding its product line to serve infants and children with immune and metabolic disorders. Source: Medolac Laboratories

SIGNIFICANCE OF ABATEMENTS IN THE COMPANY’S DECISION TO RELOCATE/EXPAND
The company is considering moving its operation to Henderson due to many factors including the benefit of the State Incentive Program. The approval of abatements sought is a critical factor in the company’s decision to locate a facility in Nevada. Source: Medolac Laboratories

REQUIREMENTS
<table>
<thead>
<tr>
<th>Statutory</th>
<th>Application</th>
<th>Sufficient</th>
<th>% Over / Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Creation</td>
<td>50</td>
<td>50</td>
<td>Yes</td>
</tr>
<tr>
<td>Average Wage</td>
<td>$21.35</td>
<td>$21.38</td>
<td>Yes</td>
</tr>
<tr>
<td>Equipment Capex (SU &amp; MBT)</td>
<td>$1,000,000</td>
<td>$5,614,138</td>
<td>Yes</td>
</tr>
<tr>
<td>Equipment Capex (PP)</td>
<td>$5,000,000</td>
<td>$5,614,138</td>
<td>Yes</td>
</tr>
</tbody>
</table>

INCENTIVES
<table>
<thead>
<tr>
<th>Requested Terms</th>
<th>Estimated $ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Abmt.</td>
<td>2% for years $345,270</td>
</tr>
<tr>
<td>Modified Business Tax Abmt.</td>
<td>50% for 4 years $57,214</td>
</tr>
<tr>
<td>Personal Property Tax Abmt.</td>
<td>50% for 10 years $185,553</td>
</tr>
<tr>
<td>Total</td>
<td>$588,037</td>
</tr>
</tbody>
</table>

JOB CREATION
<table>
<thead>
<tr>
<th>Contracted</th>
<th>24-Month Projection</th>
<th>5-Year Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>50</td>
<td>85</td>
</tr>
</tbody>
</table>

OTHER CAPITAL INVESTMENT
<table>
<thead>
<tr>
<th>Land</th>
<th>Building Purchase</th>
<th>BTS / Building Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20,000</td>
<td>$0</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)
<table>
<thead>
<tr>
<th>Total</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>172</td>
<td>2</td>
</tr>
<tr>
<td>$71,532,948</td>
<td>$92,064</td>
</tr>
<tr>
<td>$415,028,982</td>
<td>$317,357</td>
</tr>
</tbody>
</table>

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)
<table>
<thead>
<tr>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>$398,727</td>
<td>$2,201,399</td>
</tr>
<tr>
<td>Sales</td>
<td>$7,995</td>
<td>$1,281,042</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$77,004</td>
</tr>
<tr>
<td>State Taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>$21,808</td>
<td>$128,179</td>
</tr>
<tr>
<td>Sales</td>
<td>$114,883</td>
<td>$443,504</td>
</tr>
<tr>
<td>Modified Business</td>
<td>$358,510</td>
<td>$518,092</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$2,406</td>
</tr>
<tr>
<td>Total</td>
<td>$901,923</td>
<td>$4,651,626</td>
</tr>
</tbody>
</table>

IMPACT ASSESSMENT
<table>
<thead>
<tr>
<th>Economic Impact per Abated Dollar</th>
<th>New Total Tax per Abated Dollar</th>
</tr>
</thead>
<tbody>
<tr>
<td>$706</td>
<td>$9.44</td>
</tr>
</tbody>
</table>

EMPLOYEE BENEFITS
- Percentage of health insurance covered by company: 65%.
- Health care package cost per employee - $4,963 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Tuition Assistance, Merit Increases, Retirement Plan / Profit Sharing / 401(k), Bonus.

NOTES
- Percentage of market outside of Nevada: 100%.
- The company is also considering Washington and California as potential locations.
June 7, 2017

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

Dear Mr. Hill,

Medolac Laboratories is applying to the State of Nevada for tax abatement incentives to include the Sales and Use Tax Abatement, Modified Business Tax Abatement, and Personal Property Tax Abatement. We request that Medolac be placed on the agenda for the July GOED Board meeting.

Medolac Labs will hire 50 new employees in the first 24 months of operations, making an average hourly wage of $21.38. The company will make a capital investment of just over $5.6 million in equipment.

The Las Vegas Global Economic Alliance has reviewed Medolac Laboratories' application and found it to be in compliance to receive incentive abatements. Medolac Labs has the full support and endorsement of the Las Vegas Global Economic Alliance.

Sincerely,

[Signature]

Morgan Bunker  
VP Community and Economic Development  
Las Vegas Global Economic Alliance
Attn: Steve Hill, Executive Director, Nevada Governor’s Office of Economic Development

Dear Mr. Hill,

We are writing to you to request that you consider our Company for abatements and other incentives that are made available to companies considering a new facility in Nevada. These abatements and cash incentives are a significant factor as we make our final decision.

1. Major markets for the products to be distributed from Nevada: We will serve a global market for 15 million preterm infants being cared for by neonatal intensive care units. We currently ship throughout all 50 States and are beginning to export. We serve preterm and critically ill infants and will be expanding our product line to serve infants and children with rare immune disorders, inborn errors of metabolism and autoimmune diseases.

2. Job and growth plan. We plan on recruiting the majority of employees from within the State of Nevada and plan to collaborate with Nevada State College and other institutions of higher learning within Nevada to select graduates for various skilled positions as we grow.

3. Month/year that the company will start construction of the new facility: Construction would start on July 17, 2017.

4. Company history and operations plan for Nevada as well as community involvement. The Company was founded to end the shortage of human donor milk that is negatively impacting the growing number of preterm infants born in the US and abroad. Starting in 2009, the Company spent 5 years in research and development prior to commercialization of its products. Our human milk products are the first commercially sterile human milk products that can be shipped and stored at room temperature. Medical studies have indicated that infants who received our products tolerated them well and gained weight. Because of our use of technology, we enjoy significant economies of scale which allows us to offer our products at affordable prices to hospitals that care for preterm and sick infants in their neonatal intensive care units. If we decide to locate in Nevada, this facility will be our corporate headquarters and central processing facility where raw milk from qualified donors will be received, tested, processed and shipped to hospitals.

Community involvement will occur in two ways. First, our conversations with medical directors of large neonatal intensive care units in Nevada have indicated that there is a great need in Nevada for our product. Also, the supply side of the business, the Mother’s Milk Cooperative offers incentives for healthy nursing mothers to provide milk to the Cooperative and receive payment of $1/ounce if their milk qualifies. At the present time, we have thousands of donors and the average donor receives $800/month for her milk. We think that reaching out to the local community for participation in the Cooperative could provide a way for new mothers in Nevada to delay the return to work and breastfeed their own babies longer, in line with federal and state health policies.
There are economic reasons for Medolac to recruit donors from the local area on a priority basis. The raw milk from the donors must be shipped overnight to our production facility. Collecting milk from within the State will provide optimum/low shipping costs.

**Recruiting Nevada Donors Delivers Positive Economic Benefit to Nevada**

- 35,861 births per year in Nevada (2014)
- 23,310 of these new mothers breastfeed (65%)
- 2,330 will participate in the Mother's Milk Cooperative (10%)
- $1.8 M per month will be paid to Nevada mothers based on established averages ($800)
- $22M per year to be paid to milk donors in Nevada

**Positive Health Impacts to Preterm Infants Born in Nevada**

- 3,586 very low birthweight preterm infants born in Nevada each year (2014)
- 717 are extremely low birthweight with a high risk of necrotizing enterocolitis (the 2nd leading killer of preterm infants)
- 358 of these babies will get NEC if NOT given an exclusively human milk diet
- 179 of these babies will die
- $1.8 billion total cost of 179 NEC deaths (American Academy of Pediatrics)

Nevada has the opportunity to lead the country in standardization of neonatal nutrition. Conversations with medical directors in Nevada have indicated an interest in a State-wide program to provide the optimum nutrition to preterm and medically fragile infants.

5. Possible future expansion plans within the State. By concentrating our investment in the Nevada processing plant, we will be able to increase the number of jobs as well as support ancillary services required by production facility.

I have attached an executive summary of the company as well as other materials. We appreciate the opportunity to explore locating in Nevada and look forward to hearing from you.

Sincerely yours,

Elena Taggart Medo  
Chairman and CEO
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Sincerely yours,

Elena Taggart Medo
Chairman and CEO
June 3, 2017

Mr. Steve Hill
Director
Nevada Governor’s Office of Economic Development
808 West Nye Lane
Carson City, NV 89703

Dear Mr. Hill:

I am pleased to send this letter in support of Medolac Laboratories concerning their request for sales and use tax abatements, modified business tax abatements and personal property tax abatements from the Governor’s Office of Economic Development (GOED).

This is an exciting opportunity for Henderson as this project is bringing 40 high paying jobs to our community with an investment of more than $2,000,000. In addition, Medolac will be able to create partnership opportunities alongside Nevada State College as their manufacturing process may offer learning opportunities for our healthcare and life science focused college students.

Our Economic Development team has worked diligently to assist this recruitment effort, and we look forward to welcoming this business to Henderson. If you have any additional questions, please do not hesitate to reach out.

Sincerely,

[Signature]
Mayor Andy Hafen
The City of Henderson

cc: Morgan Bunker, Las Vegas Global Economic Alliance
cc: Aaron Medo, VP Production, Medolac
June 11, 2018

Mr. Paul Anderson
Executive Director
Nevada Governor's Office of Economic Development
555 E. Washington 808 W. Nye Lane
Carson City, NV 89703

RE: REQUEST FOR CONFIDENTIALITY OF RECORDS AND DOCUMENTS

Dear Director Anderson:

On June 17, 2017 Medolac Laboratories, A PBC submitted an application to you as the Executive Director of the State of Nevada Governor's Office of Economic Development ("GOED") requesting approval of economic incentives for their new operation in Nevada. The purpose of this letter is to request confidentiality pursuant to Section 4 of Assembly Bill No. 17 (2015 Regular Session) as codified in NRS 231.069.

Please be advised [Company Name] specifically deems the following information proprietary and confidential:

1) The detailed schedule of Employment List
2) The detailed schedule of Capital Equipment List

Thank you for your consideration. If you have any questions or require any further information, please do not hesitate to contact me.

Very truly yours,

[Elena Medo]
Chairman and CEO
Medolac Laboratories, A Public Benefit Corporation
REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to NRS 231.069, and upon the request of applicant Medolac Laboratories, 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: 6/12/2018
ECONOMIC DEVELOPMENT

Incentive Application

Company Name: Medolac Laboratories, A Public Benefit Corporation
Date of Application: May 24, 2017

Section 1 - Type of Incentives
Please check all that the company is applying for on this application:
- Sales & Use Tax Abatement
- Sales & Use Tax Deferral
- Modified Business Tax Abatement
- Recycling Real Property Tax Abatement
- Personal Property Tax Abatement
- Other:

Section 2 - Corporate Information

<table>
<thead>
<tr>
<th>COMPANY NAME (Legal name under which business will be transacted in Nevada)</th>
<th>FEDERAL TAX ID #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medolac Laboratories, A Public Benefit Corporation</td>
<td>26-4397531</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CORPORATE ADDRESS</th>
<th>CITY / TOWN</th>
<th>STATE / PROVINCE</th>
<th>ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>6305 SW Rosewood Street, Suite B</td>
<td>Lake Oswego</td>
<td>OR</td>
<td>97035</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MAILING ADDRESS TO RECEIVE DOCUMENTS (if different from above)</th>
<th>CITY / TOWN</th>
<th>STATE / PROVINCE</th>
<th>ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TELEPHONE NUMBER</th>
<th>WEBSITE</th>
</tr>
</thead>
<tbody>
<tr>
<td>866-599-7740</td>
<td><a href="http://www.medolac.com">www.medolac.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPANY CONTACT NAME</th>
<th>COMPANY CONTACT TITLE</th>
<th>E-MAIL ADDRESS</th>
<th>PREFERRED PHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaron Medo</td>
<td>VP Production</td>
<td><a href="mailto:aaron.medo@medolac.com">aaron.medo@medolac.com</a></td>
<td>971-322-4526</td>
</tr>
</tbody>
</table>

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 wage. 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:

<table>
<thead>
<tr>
<th>PERCENT OF COMPANY'S NEVADA LOCATION MARKET OUTSIDE OF NEVADA</th>
<th>EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>Jul-2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAICS CODE / SIC</th>
<th>INDUSTRY TYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>311511</td>
<td>Fluid Milk Processing</td>
</tr>
</tbody>
</table>

DESCRIPTION OF COMPANY'S NEVADA OPERATIONS
Central processing facility for human milk-based products designed to treat preterm and critically ill infants.

PROPOSED / ACTUAL NEVADA FACILITY ADDRESS
- CITY / TOWN: Henderson
- COUNTY: Clark County
- ZIP: 89014

WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?
### 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.

- [ ] Equipment List
- [ ] Employment Schedule
- [ ] Evaluation of Health Plan

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

<table>
<thead>
<tr>
<th>New Operations / Start Up - Plans Over the Next 10 Years</th>
<th>Expansions - Plans Over the Next 10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1. Are you currently/planning on leasing space in Nevada? <strong>yes</strong></td>
<td>Part 1. Are you currently leasing space in Nevada?</td>
</tr>
<tr>
<td>If No, skip to Part 2. If Yes, continue below:</td>
<td></td>
</tr>
<tr>
<td>What year(s)? <strong>2017</strong></td>
<td></td>
</tr>
<tr>
<td>How much space (sq. ft.)? <strong>22,000</strong></td>
<td></td>
</tr>
<tr>
<td>Annual lease cost of space: <strong>$264,000.00</strong></td>
<td></td>
</tr>
<tr>
<td>Do you plan on making building tenant improvements? <strong>yes</strong></td>
<td></td>
</tr>
<tr>
<td>If No, skip to Part 2. If Yes, continue below:</td>
<td></td>
</tr>
<tr>
<td>When to make improvements (month, year)? <strong>Jul-2017</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? no</strong></td>
<td></td>
</tr>
<tr>
<td>If No, skip to Part 3. If Yes, continue below:</td>
<td></td>
</tr>
<tr>
<td>Purchase date, if buying (month, year):</td>
<td></td>
</tr>
<tr>
<td>How much space (sq. ft.)?</td>
<td></td>
</tr>
<tr>
<td>Do you plan on making building improvements?</td>
<td></td>
</tr>
<tr>
<td>If No, skip to Part 3. If Yes, continue below:</td>
<td></td>
</tr>
<tr>
<td>When to make improvements (month, year)?</td>
<td></td>
</tr>
</tbody>
</table>

| **Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? no** | **Part 3. Do you plan on building or buying a new facility in Nevada?** | | |
| If Yes *, continue below: | | | |
| When to break ground, if building (month, year): |
| Estimated completion date, if building (month, year): |
| How much space (sq. ft.)? |

* Please complete Section 7 - Capital Investment for New Operations / Startup.

* Please complete Section 7 - Capital Investment for Expansions below.
### Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much capital investment is planned? (Breakout below):</td>
<td>How much capital investment is planned? (Breakout below):</td>
</tr>
<tr>
<td>Building Purchase (if buying): $0</td>
<td>Building Purchase (if buying): $0</td>
</tr>
<tr>
<td>Building Costs (if building / making improvements): $200,000</td>
<td>Building Costs (if building / making improvements): $0</td>
</tr>
<tr>
<td>Land: $20,000</td>
<td>Land: $0</td>
</tr>
<tr>
<td>Equipment Cost: $5,614,138</td>
<td>Equipment Cost: $0</td>
</tr>
<tr>
<td>Total: $5,834,138</td>
<td>Total: $0</td>
</tr>
</tbody>
</table>

Is the equipment purchase for replacement of existing equipment? 

Current assessed value of personal property in NV: 

(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.)

<table>
<thead>
<tr>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: 50</td>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?:</td>
</tr>
<tr>
<td>Average hourly wage of these new employees: $21.38</td>
<td>Average hourly wage of these new employees:</td>
</tr>
</tbody>
</table>

Average hourly wage of these existing employees: 

Total number of employees after expansion: 

* 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):**

### Section 9 - Employee Health Insurance Benefit Program

<table>
<thead>
<tr>
<th>Package includes (check all that apply):</th>
<th>Percentage of health insurance coverage by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Medical</td>
<td>Company: 65%</td>
</tr>
<tr>
<td>☐ Vision</td>
<td>Employee: 35%</td>
</tr>
<tr>
<td>☐ Dental</td>
<td></td>
</tr>
<tr>
<td>☐ Other:</td>
<td></td>
</tr>
</tbody>
</table>

Qualified after (check one):
- ☐ Upon employment
- ☐ Three months after hire date
- ☐ Six months after hire date
- ☐ Other: ____________________________

Health Insurance Costs:
- Cost of health insurance for company (annual amount per employee): $4,963.00
- Health Plan annual out-of-pocket maximum (individual): $1,750.00

[SIGNATURE PAGE FOLLOWS]
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 the requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to the 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 for the company’s legal counsel have reviewed the terms of the GOED Tax Abatement and Incentive Agreement, the company recognizes the agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Aaron Medo
Name of person authorized for signature

VP Production
Title

Signature
June 9th, 2017
Date
## Site Selection Factors

**Company Name:** Medolac Laboratories, A Public Benefit Corporation  
**County:** Clark County

### Section 1 - 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.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of qualified workforce</td>
<td>5</td>
</tr>
<tr>
<td>Labor costs</td>
<td>5</td>
</tr>
<tr>
<td>Real estate availability</td>
<td>4</td>
</tr>
<tr>
<td>Real estate costs</td>
<td>5</td>
</tr>
<tr>
<td>Utility infrastructure</td>
<td>5</td>
</tr>
<tr>
<td>Utility costs</td>
<td>5</td>
</tr>
<tr>
<td>Transportation infrastructure</td>
<td>4</td>
</tr>
<tr>
<td>Transportation costs</td>
<td>4</td>
</tr>
<tr>
<td>State and local tax structure</td>
<td>5</td>
</tr>
<tr>
<td>State and local incentives</td>
<td>5</td>
</tr>
<tr>
<td>Business permitting &amp; regulatory structure</td>
<td>5</td>
</tr>
<tr>
<td>Access to higher education resources</td>
<td>4</td>
</tr>
</tbody>
</table>

### OTHER FACTORS & RATINGS:

---

5
Equipment Schedule, Detailed

The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of Medolac Corporation, 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 Medolac Corporation, and is not a public record.
**5(C) Evaluation of Health Plans Offered by Companies**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Medolac Laboratories, A Public Benefit Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>County</td>
<td>Clark County</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Number of Full-Time Employees:</th>
<th>50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Hourly Wage per Employee</td>
<td>$21.38</td>
</tr>
<tr>
<td>Average Annual Wage per Employee (implied)</td>
<td>$44,470.40</td>
</tr>
<tr>
<td>Annual Cost of Health Insurance per Employee</td>
<td>$4,963.00</td>
</tr>
<tr>
<td>Percentage of Cost Covered by:</td>
<td></td>
</tr>
<tr>
<td>Company</td>
<td>65%</td>
</tr>
<tr>
<td>Employee</td>
<td>35%</td>
</tr>
<tr>
<td>Health Plan Annual Out-of-Pocket Maximum</td>
<td>$1,750</td>
</tr>
</tbody>
</table>

**Generalized Criteria for Essential Health Benefits (EHB)**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Covered employee’s premium not to exceed 9.5% of annual wage</th>
<th>6.0%</th>
<th>MMQ</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Out-of-Pocket Maximum not to exceed $6,600 (2015)</td>
<td>$1,750</td>
<td>MMQ</td>
</tr>
</tbody>
</table>

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 for GOED to independently confirm the same.

Name of person authorized for signature: Aaron Medo
Title: VP Production
Signature: Aaron Medo
Date: June 9th, 2017
Human milk based infant nutrition, naturally.
www.medolac.com
About Us

What do we do? Create high value nutritional products made from human milk.

Why? Our team is comprised of experts who recognized a serious gap in infant nutrition.

Who is the customer? Infants in the hospital and at home.

- Human milk products are life saving for preterm infants
- Usage trend includes a developing market segment for full term hospitalized infants
- Current demand for exclusive and supplemental feeds for babies at home

MEDOLAC®
Billion Dollar US Hospital Market

01
With human milk, <1% of these babies will develop NEC.

02
300,000 preterm babies are born each year in the US.

03
1500 Neonatal Intensive Care Units in US alone with a proven need for human milk.

04
With human milk, 17% of these babies will develop a deadly infection called NEC.

05
$1B market size for US hospitals.
Only One Commercial Competitor Worldwide

- Prolacta Bioscience, Inc.
  Founded by Elena Medo in 1999

- Frozen and not commercially sterile
  Short shelf life (6 months)

- Cost prohibitive for many hospitals
  No commercial competitor for global markets

- Competitor for US market only
  Revenue ~$100M/year at 150 hospitals (est.)

MEDOLAC®
Competitive Features

Prolacta Bioscience
- Frozen
- NOT commercially sterile
- NO extended shelf life
- NOT homogenized
- Discard 24 hours after thawing
- NO ground shipping (frozen)
- Direct distribution only
- Limited product offering
- Hospital use only

Medolac
- Ship/store at room temp
- Commercially sterile
- 3 year shelf life
- Homogenized
- Can be kept 7 days after opening
- Standard ground freight
- Home or hospital use
- Innovative, disruptive product pipeline
- Consumer market opportunity

MEDOLAC®
Current Products

**Benefit-20**
- Standardized to 20 cal/oz
- Nutritional Facts Panel
- Commercially-sterile
- Long shelf life
- Ready to feed

**Co-op Donor Milk**
- Standardized to 18 cal/oz
- Nutritional Facts Panel
- Commercially-sterile
- Long shelf life
- Ready to feed

**Lacfree-20**
- Lactose-free
- Standardized to 20 cal/oz
- Nutritional Facts Panel
- Commercially-sterile
- Long shelf life
- Ready to feed
Specialty Products Coming Q2 2017

Medolac is introducing new highly specialized human milk products to meet these requirements.

Preterm babies have special nutritional needs that mothers own milk cannot provide. “Food as pharmacology”

Large pent up demand as many hospitals are rationing human milk products due to high cost and limited product range.
Identified High Value Ingredients

**Human milk oligosaccharides:** milk sugars unique to human milk identified as potentially valuable anti-infective components

**Secretory IgA:** Opportunities exist for a purified compound of slgA and lactoferrin

**HAMLET** is a complex between alpha-lactalbumin and oleic acid that induces cell death in tumor cells, but not in healthy cells and is a possible chemotherapeutic agent with the ability to kill cancer cells. Alpha-lactalbumin is the primary protein component of human milk.

**Lactoferrin:** holds promise for drug resistant bacteria
Raw Milk Supply Chain

We’re helping save lives by providing affordable and high quality donor milk.

- Massive Supply Chain Developed
- Supply Partner 6,000 Members & Growing
- Start up funding through USDA Cooperative Development Grant
- Opportunity for branded products in mommy/baby sector
- Managed via custom database with donor demographic information

MEDOLAC®
Senior Management Team

Elena Medo  
Founder/CEO

Adrienne Weir  
EVP Business Dev.  
CEO of MMC

Doug Hawkins  
EVP Global Operations

John Wallingford, PhD  
Regulatory Affairs and Clinical Research

Donald Chace  
Chief Scientific Officer

MEDOLAC®
Board of Directors

- **Karen Andrews, JD:**
  General Council and SVP for the March of Dimes (Global)

- **Paul Feldstein, PhD:**
  Leading healthcare economist and policy expert

- **Doug Neugold:**
  Retired CEO of publicly traded company

- **Thomas Kalchik:**
  Ex-officio Chairman of the Mother’s Milk Cooperative

- **Alan Spitzer, MD:**
  Neonatologist, researcher, MEDNAX/Pediatrix

- **Elena Medo:**
  Chairman of the Board and CEO

- **Doug Hawkins:**
  Vice-Chair, Previously with Pfizer, Wyeth, United Nations, World Intellectual Property Organization

MEDOLAC®
CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

The information that follows is as of September 1, 2016 or such earlier dated indicated herein. The Company assumes no obligation to update forward-looking statements contained in these or any other materials as a result of new information or future events or developments.

This information contains forward-looking information about the Company’s financial results and estimates, business plans and prospects, products and product candidates, and other information that involves substantial risks and uncertainties. You can identify these statements by the fact that they use words such as “will,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “forecast” and other words and terms of similar meaning or use future dates in connection with any discussion of future operating or financial performance or business plans and prospects. The factors that could cause actual results to differ materially include, without limitation, the following: our ability to raise capital to continue as a going concern, our limited operating history, our ability to execute the business model, our ability to profitably commercialize our products, our ability to timely and cost effectively build required manufacturing facilities, product liability claims, adverse economic conditions, our ability to enter into definitive agreements with key strategic collaborators, changes in governmental regulations or other laws, medical reimbursement policies, our ability to protect our intellectual property rights, changes to demands in our products due to competitive developments or changes in scientific information, our ability to retain the services of key scientific and business personnel and other factors.

New factors may emerge from time to time, and it is not possible for management to predict all of such factors. Further, management cannot assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.