Mary’s Gone Crackers, Inc.
Catalyst Fund Application (TTC) to Governor’s Office Of Economic Development
Applicant Information

BUSINESS SUBMITTING: Mary's Gone Crackers, Inc.

Authorized Representative
Name: Ron Kesselman
Title: CEO
Organization: Mary's Gone Crackers, Inc.
Street Address: 100 Kentucky St., Bldg. D, Gridley CA 95948
Mailing Address: PO Box 965, Gridley CA 95948
Phone Number: 530-846-5100
Email Address: rkesselman@marysgonecrackers.com

To the best of my knowledge and belief, the information contained in this Catalyst Fund Application is true and correct, as evidenced by my signature below.

Signature __________________________ (Company Representative)  Date 5/11/2016
BUSINESS SUMMARY

Describe the proposed new business or expansion in a brief summary including the applicant's business structure:

The proposed facility would hold the corporate headquarters, manufacturing facility, research and development, human Resources, accounting, and G&A offices and operations.

☐ Attach a copy of a company presentation

Total real property investment - $1,500,000

Total personal property investment - $19,070,000

Projected start date - TBD Completion date - TBD

☐ Attach a schedule of jobs created with skills identified

Number of primary jobs that will be new to Nevada - 220 Average wage of new jobs – $21.03

Cost of employee healthcare benefits (annual premiums paid by employer) - $4,200

Percentage paid by employer – 100%

Healthcare Summary (check all that apply):

☐ Medical  ☒ Dental  ☒ Vision  ☐ Disability  ☐ Life Insurance  ☒ Dependent Coverage

☐ Attach a schedule of employee benefits used in recruiting

Other Employee Benefits – Overtime, PTO, Bonus, 401K, Merit Increases, COLA Adjustments, Tuition Assistance
Catalyst Fund Application (TTC) from Business Applicant

PROJECT CHARACTERISTICS (Check all that apply)

☐ Construct New Facility
☐ Expand/Renovate Existing Facility
☐ Purchase Machinery & Equipment
☐ New Business / Start-up
☐ Relocation from Out-of-State
☐ Relocation within Nevada

INDUSTRY CLUSTER

☐ Aerospace and Defense
☐ Agriculture
☐ Business IT Ecosystems
☐ Other
☐ Health & Medical Services
☐ Logistics & Operations
☐ Manufacturing
☐ Mining & Materials
☐ Renewable Energy
☐ Tourism, Gaming & Entertainment

A Statement of project relevance to supply chains, sectors and clusters targeted by the State Plan for Economic Development:

Mary’s Gone Crackers would bring a significant expansion to the manufacturing sector in the state. They will move their headquarters to the State bringing high paying jobs and further diversifying jobs in the region. This projects aligns with the state plan from a wage and sector prospective.

GRANT SUMMARY

Amount Requested:

Award Per FTE: $2,500

Disbursement Terms:

Year 1 – For new primary jobs which pay average wage ($25.00):
No payment if less than 20 primary jobs are created
$2,500 per job created up to 40 new executive and management jobs

Maximum Payment per Year:

Year 1: $100,000

The Proposed plans, projects, or programs to which the grant will apply:

The grant will be used to train employees from the region
The expected benefits of the grant expressed as jobs, investments, and wage levels:

Mary’s Gone Crackers, Inc. plans to hire 220 full-time employees over a two year period at and average hourly wage exceeding a notable $21.03, along with above average health insurance and other employee benefits. Mary’s Gone Crackers is also estimating a capital investment of over $19 million dollars in just a two year period with an estimated additional $16 million dollars by year five.

A statement on the significance of this grant to the company’s described plans:

The task of potentially planning for a new facility, while training a new workforce and remaining operational is significant. Given the task to find a cost effective location, and the significant risk it entails, the granting of financial assistance is a material factor in the overall decision making process to move forward with the project in Nevada or remain in place and expand at our current location.

A statement on the estimated return-on-investment to the state in job creation, wage levels and capital investment for the term of the proposed grant:

ECONOMIC IMPACT ESTIMATES** (10-Year Cumulative)

Total Jobs Supported** 633
Total Payroll Supported $275,949,608
Total Output Estimate $1,579,117,893

** Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses. These impacts only reflect first year jobs required under the company’s abatement application.

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)

<table>
<thead>
<tr>
<th>Local Taxes</th>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$2,217,907</td>
<td>$8,767,899</td>
<td>$10,895,806</td>
</tr>
<tr>
<td>Sales</td>
<td>$55,819</td>
<td>$4,560,481</td>
<td>$4,616,300</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$222,573</td>
<td>$222,573</td>
</tr>
</tbody>
</table>

State Taxes

| Property           | $103,652   | $458,643   | $562,295    |
| Sales              | $400,900   | $1,710,888 | $2,111,788  |
| Modified Business  | $1,545,806 | $1,792,345 | $3,338,151  |
| Lodging            | $0         | $6,420     | $6,420      |
| Total              | $4,234,084 | $17,519,249| $21,753,333 |
COST-BENEFIT ASSESSMENT**

<table>
<thead>
<tr>
<th>Econ. Impact/Abated $</th>
<th>New Tax/Abated $</th>
</tr>
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<tbody>
<tr>
<td>$740</td>
<td>$10.19</td>
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</table>

** Does not include impacts related to the Catalyst Fund grant.

A statement of the fiscal character of the company:

See attached financial statements

- Schedule of jobs to be created during Catalyst Fund grant period (Exhibit "A")
- Schedule of proposed employee health insurance benefits (Exhibit "B")
- 3-year financial statements for the business, audited preferred (Exhibit "C")