Aqua Metals Reno, Inc.

USDA Rural Development

Business & Industry Guaranteed Loan Program

Loan Application

AquaMetals

Submitted By:

GREEN BANK

Kevin Coffman
Sr. Vice President
Government Guaranteed Lending Manger
713-274-8546

Packaged By:

nac NORTH AVENUE CAPITAL

GREEN BANK℠

June 12, 2015

Herb Shedd
Business and Cooperative Programs Director
US Department of Agriculture
Rural Development
1390 S. Curry Street
Carson City, NV 89703

Re: Aqua Metals, Inc - $10MM Business & Industry Loan
Lender: Green Bank

Mr. Shedd:

Thank you for your recent response to our Pre-Application regarding Aqua Metals Reno, Inc. This letter and the accompanying application represent Green Bank's supplemental response regarding the application.

Per the By-laws of Aqua Metals Reno, Inc., Article IX, the borrower has drafted and executed a resolution authorized by the Board of Directors to secure a USDA B&I loan. The resolution is provided as **Item 20** in the application under **Organizational Documentation**.

1. **In response to item (1), Green Bank submits the following:**

   Please find attached as **Item 4** in the application an executed Form 4279-1.

2. **In response to item (2), Green Bank submits the following:**

   As you know, the loan is a construction project, therefore, we have utilized a conservative approach to our valuation based on the cost approach. In our opinion, the value of the building once completed should be at the cost approach valuation, if not higher on a stabilized basis. Therefore, we fully expect the as-completed appraised value to come in higher and respectfully request the agency to approve the loan and issue a conditional commitment subject to receipt and review of final appraisals prior to closing.

3. **In response to item (3), Green Bank submits the following:**

   A detailed list of the assumptions for both the balance sheet and income statement are provided as **Item 10** in the application via the Lender's analysis for your reference.

4. **In response to item (4), Green Bank submits the following:**

   Please find attached as **Item 3** the completed Lender's Analysis on Aqua Metals Reno, Inc. While we have pulled a D&B report on the borrower, we do not have personal guarantors, nor will any of the principals own more than 20% of the company when we close the USDA B&I loan. Therefore,

per the USDA regulations, we did not provide credit reports on the principals of Aqua Metals Reno, Inc.

5. **In response to item (5), Green Bank submits the following:**

   Please find attached as **Item 11** in the application a D&B report on Aqua Metals Reno, Inc and the guarantor, Aqua Metals Inc.

6. **In response to item (6), Green Bank submits the following:**

   Please find attached as **Item 10** in the application the YTD financials on Aqua Metals Reno, Inc.

7. **In response to item (7), Green Bank submits the following:**

   Please find attached as **Item 6** in the application the proposed Term Loan Agreement for Aqua Metals Reno, Inc. including all the items referenced in (i-xiii) of your letter.

8. **In response to item (8), Green Bank submits the following:**

   At this time, Aqua Metals Reno Inc. is not governed by the Security and Exchange Commission regulations, however, upon successful execution of the IPO later in the year, the borrower will provide all pertinent data regarding SEC filing requirements.

9. **In response to item (9), Green Bank submits the following:**

   Please see language and signature in Form RD 4279-1 under General Lender Certification .

10. **In response to item (10), Green Bank submits the following:**

    Please find attached as **Item 12** in the application a completed Form AD-3030 for the borrower, Aqua Metals Reno, Inc.

Green Bank has completed a comprehensive analysis of the proposal, the applicant is eligible, the loan is for authorized purposes and there is reasonable assurance of repayment ability based on the borrower's history, projections and equity, and the collateral to be obtained.

Should you have any further questions, please do not hesitate to contact me.

Sincerely,

Kevin Coffman
Senior Vice President

USDA - Rural Development
Business & Industry

Table of Contents

Borrower Name: Aqua Metals Reno, Inc.

Lender Name: Green Bank

Loan Write Up:

Item #	Item	Form
1	Table of Contents	
2	Loan Summary	
3	Lender's Analysis	

Rural Development Application:

Item #	Item	Form
4	Application For Loan and Guarantee	4279-1
5	Lenders' Servicing Plan	
6	Term Loan Agreement	

Affiliates' Information (if applicable):

Item #	Item	Form
7	Historical Financial Statements	

Business Information:

Item #	Item	Form
8	Business Plan	
9	Feasibility Study	
10	Projected Financial Statements With Written Assumptions	
11	Business Credit Report	
12	Representations Regarding Felony Conviction	AD-3030
13	Land Purchase Agreements	

Other Items:

Item #	Item	Form
14	Appraisal	
15	Request For Environmental Information	1940-20
16	Phase I Environmental Site Assessment	
17	Survey / Legal Description	
18	Flood Hazard Determination	

19	State Clearinghouse Comments & Recommendations	
20	Organizational Documentation	
21	Architectural & Engineering Plans	
22	Construction Contract and Cost Estimates	
23	Permits	

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

LOAN SUMMARY

Proposed USDA Rural Development Business & Industry
LOAN SUMMARY
May 5, 2015

Borrower:	AQM Reno, Inc.	
Ownership:	Aqua Metals, Inc.	100%
Guarantor(s):	Aqua Metals, Inc.	100%

Purpose of Loan: To purchase land, construct a building and pay soft costs.

Loan Amount:	$10,000,000
Guaranteed Portion:	(b) (4)
Unguaranteed Portion:	

RD Loan Terms

Principal	$10,000,000
Rate* (P+ 2.00%)	INTEREST RATE FLOOR CURRENTLY PREVAILS
Interest Rate Floor	(b) (4)
Term**	
Amortization Period	
Initial Monthly Payment	

* The annual variable interest rate will be adjusted quarterly at 200 basis points over the lowest Wall Street Journal Prime Rate, as published in the Wall Street Journal. There is an interest rate floor on this loan of 6.00%.

** Prepayment penalties will approximate (b) (4) the amount prepaid during the first year, 4% of the amount prepaid during the second year, (b) (4) the amount prepaid during the third year, (b) (4) of the amount prepaid during the fourth year and (b) (4) the amount prepaid during the fifth year. After the fifth anniversary date there will be no prepayment penalty.

(b) (4)

(b) (4)

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

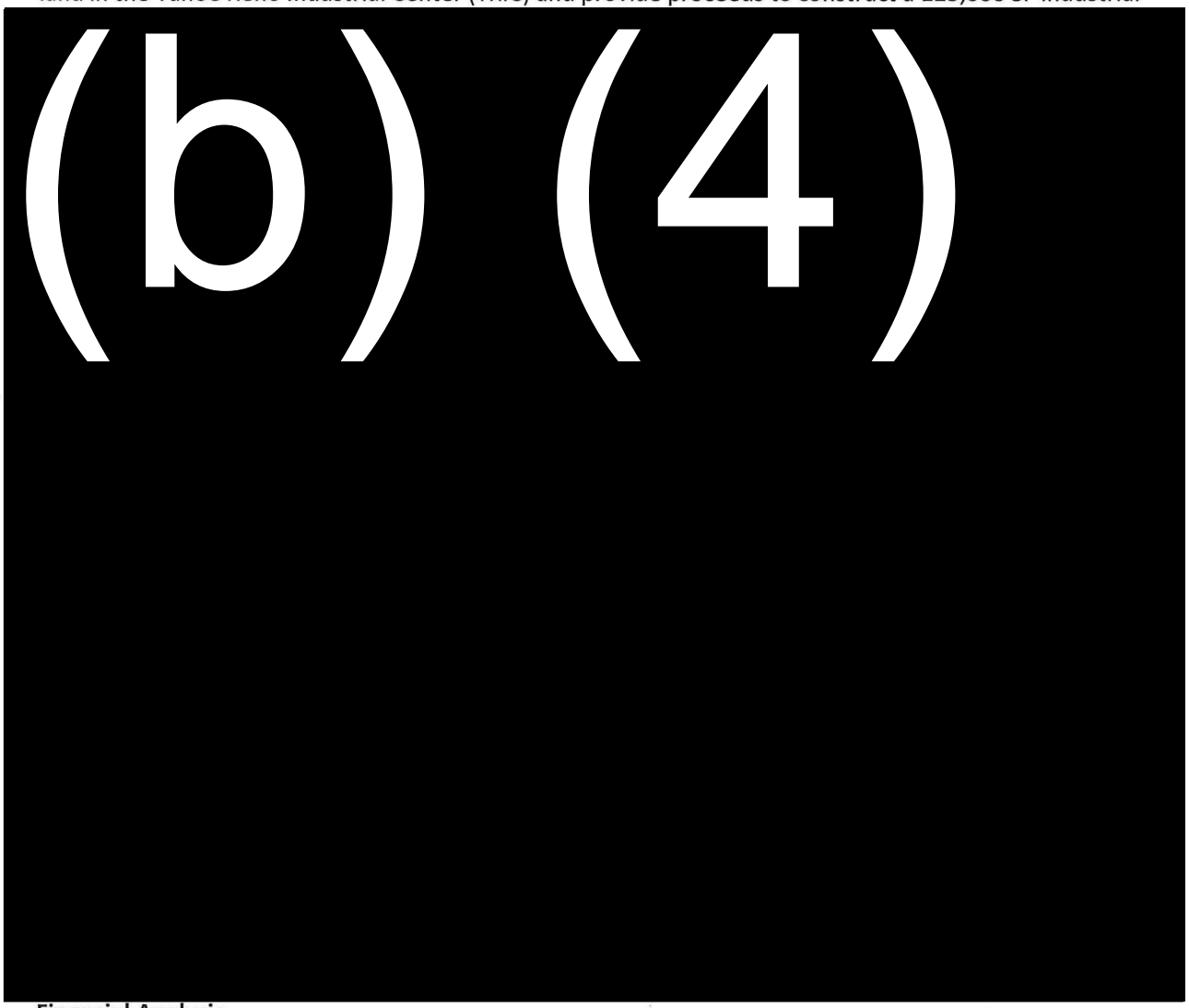
Aqua Metals Reno, Inc.

LENDER'S ANALYSIS

Lender's Analysis – Aqua Metals Reno, Inc.
USDA B&I Loan - $10,000,000

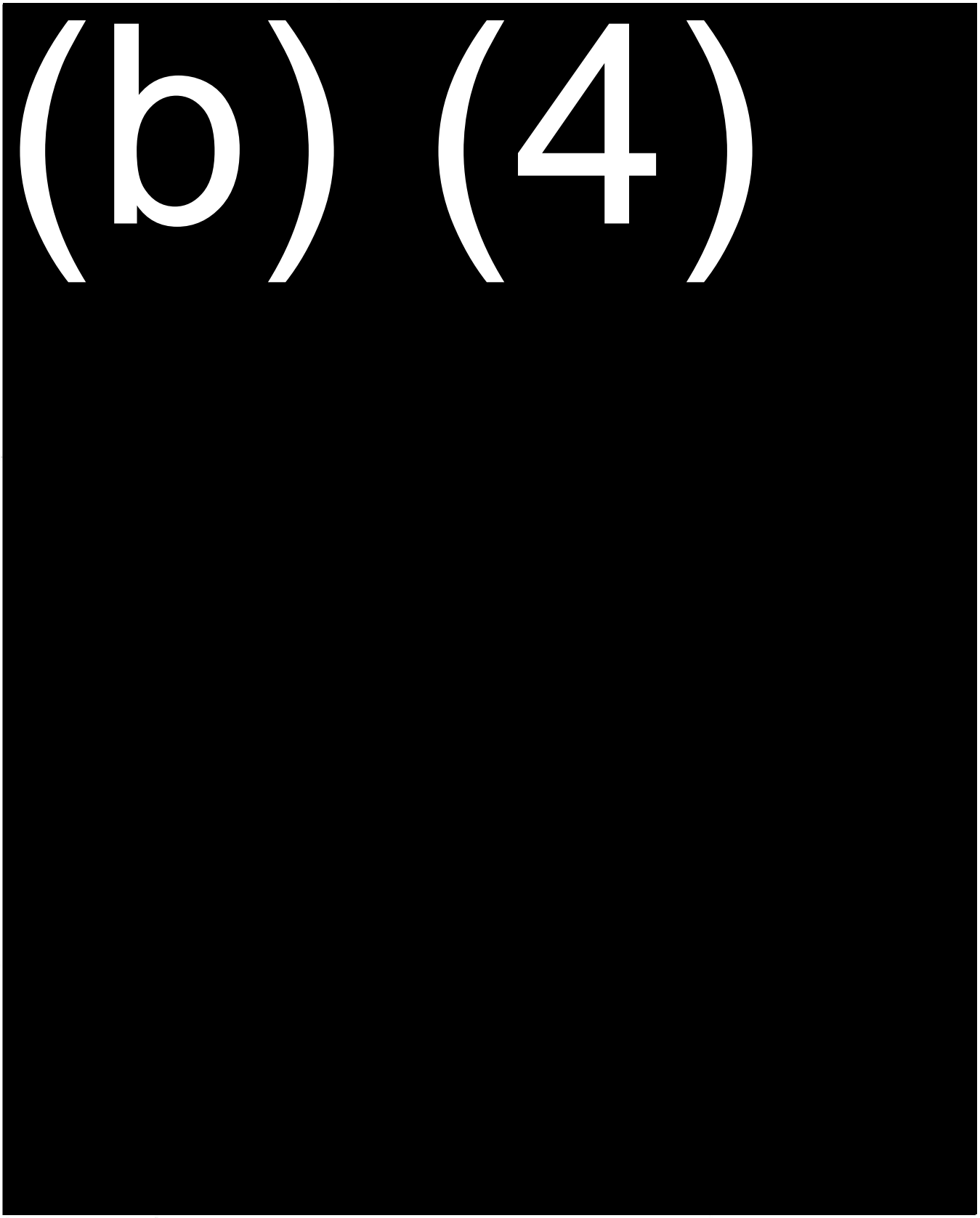
Overview

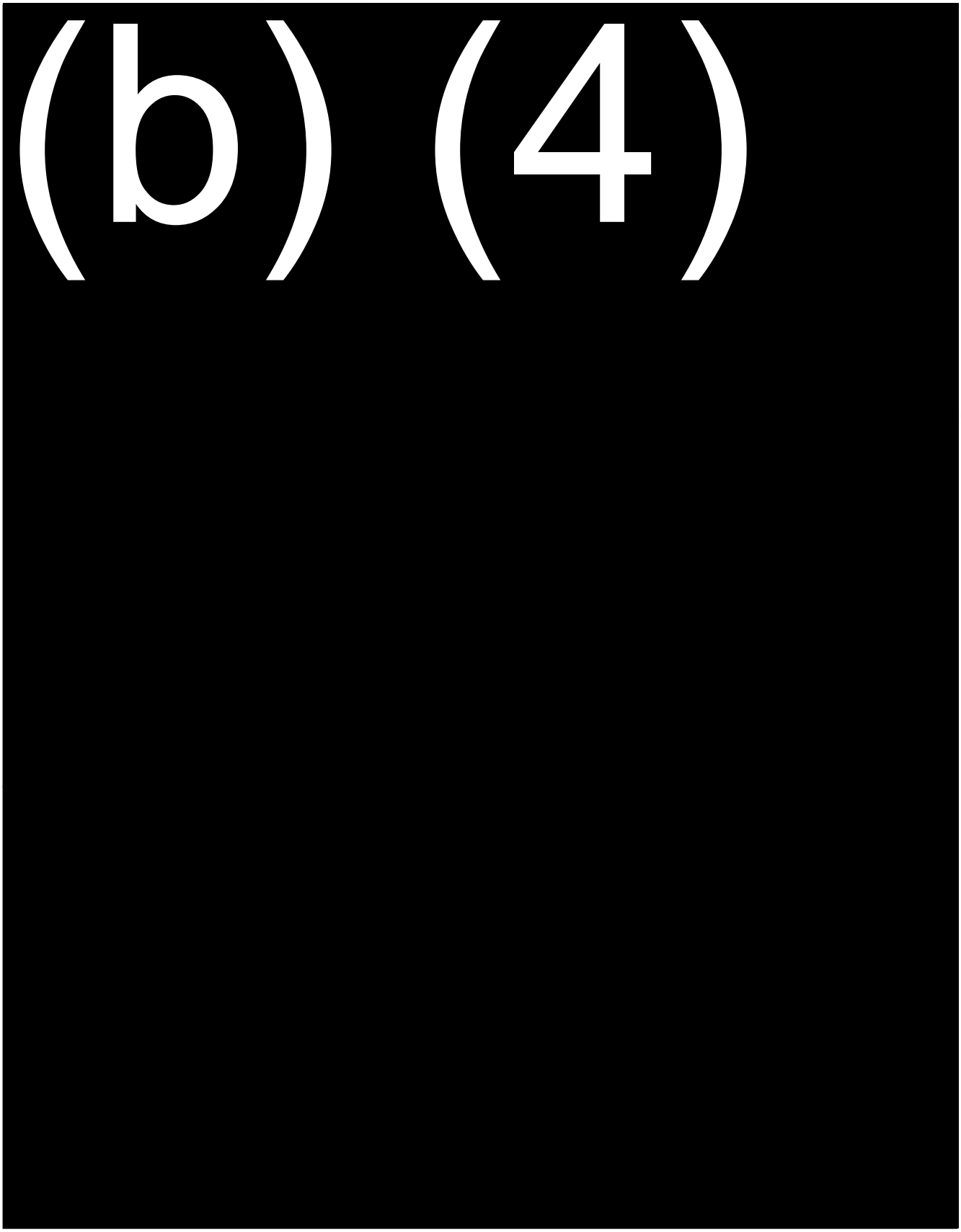
Aqua Metals Reno, Inc. is requesting USDA Rural Development guarantee 90% of Green Bank's $10,000,000 loan. The loan will provide permanent financing to facilitate the purchase of 12 acres of raw land in the Tahoe Reno Industrial Center (TRIC) and provide proceeds to construct a 125,000 SF industrial



Financial Analysis

The company's financial statements were compiled by the company's management team and presented in accordance with Generally Accepted Accounting Principles (GAAP) standards. A selected portion of the Proforma Balance Sheet, Income Statement and financial ratios are listed below:


(b) (4)


(b) (4)

(b) (4)

ULAB recycling is a $24 billion/year global industry. The U.S. has nearly 250 million passenger vehicles with batteries that will expire after 10 to 15 years of use. Around 500 to 750 million vehicle batteries will be discarded as ULABs, which the USEPA considers and regulates as toxic and hazardous materials. According to USGS, the amount of lead recovered annually from scrap batteries within the U.S. increased from around 900,000 metric tons in 1995 to more than 1,100,000 metric tons in 2012. The total percentage of U.S. lead production attributed to battery scrap increased from 65% in 1995 to 87% in 2012. The industry falls under the NAICS code 331410 (Nonferrous Metal – Except Aluminum – Smelting and Refining). As confirmed by Cindy Slick of The Risk Management Association (RMA), there is no current industry comparison data to review.

Aqua Metals' first commercial scale LAB recycling facility will be ideally located on a 15 acre site located in the Tahoe Reno Industrial Center (TRIC). TRIC is made up of 107,000 acres or 160 square miles, making it one of the world's largest industrial centers. In the past 10 years, 3,800 acres of industrial zoned property, 22,000 acres of mixed-use residential commercial property and 7,000 acres of alternative energy use land have been sold. TRIC is the logistics hub of the west, as it has a one-day ground shipping time to California, Arizona, Nevada, Utah, Colorado, Oregon, Idaho, and Washington. TRIC also provides a competitive advantage for manufacturers, processers, and recyclers by reducing transportation and occupancy costs while improving the supply chain process. The industrial park is located approximately 9 miles from Reno/Sparks and is only 15 miles from the Reno Tahoe International Airport. TRI Center has three interchanges accessing the park off of Interstate 80, with Exit 32 USA Parkway, State Route 805, being the main thoroughfare as it crosses the heart of TRI Center for 16 miles, eventually extending all the way to HWY 50.

The Aqua Metals building will be approximately 125,000 SF and built to house the following processes:

1. An integrated battery breaking and de-sulfurization plant, with a production capacity sufficient to support 80 Tons/day of lead production. Wirtz Manufacturing Co., Inc., based in Port Huron, MI, will supply this. Wirtz is an established and highly regarded manufacturer of LAB recycling and LAB manufacturing equipment. Wirtz, is also a Strategic Partner and investor in AMI, which shares Aqua Metals' commitment to eradicating smelter based recycling of LABs.
2. A 100 module Aqua Refining system, supplied by AMO out of its Oakland facility.
3. A lead refining and ingot production facility, which will also be supplied by Wirtz.
4. Offices.

Management Analysis

The Aqua Metals' Management Team has over 50 years of combined experience in operations, manufacturing, consulting, and battery production/recycling businesses. They have represented both private and public companies, overseeing successful IPO's and capital intensive projects.

Dr. Stephen Clarke (Chairman and CEO) holds over 20 years of experience in the development and commercialization of disruptive technologies in advanced batteries and battery materials. He co-founded and led Applied Intellectual Capital (AIC) through a successful IPO on the London Stock Exchange's Alternative Investment Market raising $40MM.

Sewlyn Mould (COO) has 12 years of experience in working with disruptive battery technologies and an additional 7 years of experience in consulting on large-scale international corporate turnarounds.

Thomas Murphy (CFO) also holds 12 years of experience with disruptive battery technologies and has extensive experience in public companies, international finance, tax efficient structures and high value equipment leasing.

Steve Cotton (Chief Commercial Officer) co-founded and grew a battery technology company which later became the global leader for providing innovative packaging of lead acid batteries, monitoring equipment, and lifecycle management services for the data center industry. Steve brings an extensive knowledge of the LAB industry to Aqua Metals.

Affiliate Analysis

Aqua Metals, Inc. was formed on June 20, 2014 as a holding company, whose stock will be traded when the company undergoes an IPO, planned for Q3 2015. The company has spent the previous year in research, development, and planning for the opening of its Reno facility. The company intends to manufacture the equipment it has developed, and will operate it at the lead acid battery recycling facilities.

The company raised (b) (4) (b) (4). In addition, Wirtz Manufacturing Co., an established and respected manufacturer of LAB (lead acid battery) recycling equipment also participated in the private placement.

(b) (4)

Company Credit Reports

Aqua Metals Reno, Inc.

The D&B report for Aqua Metals Reno, Inc. listed the Paydex Score and Commercial Credit Score as unavailable. The company's viability score was 5 on a scale of 9, denoted as low risk. The company's Portfolio Comparison score was 3 on a scale of 9, indicating low risk. The company has not been in full operations, thus there is limited data available for scoring.

Aqua Metals, Inc.

(b) (4) This indicates "prompt" payment and low risk.

The Credit Score Class was listed as 3 on a scale of 5, indicating moderate risk. The Financial Stress Class was listed as 3 on a scale of 5, indicating average risk. The company is not listed with any late payments, liens, judgments or open suits.

Loan Amortization Schedule:

USDA Loan ($10MM	(b) (4)	Year 1	Year 2	Year 3
Interest		(b) (4)		
Principal				
Total				

Enhanced Guarantee Request

The bank's approval of this loan is contingent upon the receipt of a Loan Note Guarantee issued by the USDA that guarantees ninety percent (90%) of the loan amount. The bank requests that the Administrator grant a 90% guarantee due to the following circumstances:

1. The project is a high-priority project in accordance with § 4279.155 on the Priority Points Scoring sheet (see attached).
2. The loan will not be made if the higher guarantee percentage is not approved due to the bank's loan policies.

**A detailed business plan is provided in a latter section to greater define the business opportunity, corporate structure, and the experience of corporate management.

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

APPLICATION FOR LOAN AND GUARANTEE

Form RD 4279-1
(Rev. 12-14)

Position 3

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB No. 0570-0017
OMB No. 0570-0050
OMB No. 0570-0055

APPLICATION FOR LOAN GUARANTEE

(Business and Industry and Section 9006 Program)

Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact or makes any false, fictitious, or fraudulent statements or representations or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry shall be fined under this title or imprisoned not more than 5 years or both."

Capitalized terms will have the meaning defined in the applicable program regulations.

CERTIFICATION: Information contained below and in attached exhibits is true and complete to my best knowledge. (Misrepresentation of material facts may be the basis for denial of credit by the United States Department of Agriculture ("USDA").)

PART A: Completed By Borrower

1. AMOUNT OF LOAN	2. NAME OF BORROWER	3. ADDRESS *(Include Zip Code)*
$ 10,000,000	Aqua Metals Reno, Inc	2500 Peru Drive McCarran, NV 89434
4. CONTACT PERSON (b) (4)	5. TELEPHONE NUMBER *(Include Area Code)*	6. TAX ID # OR SOCIAL SECURITY # FOR INDIVIDUALS (b) (4)
7. PROJECT LOCATION (Town/City) McCarron, Nevada	8. POPULATION 4010 / 9. COUNTY Storey County	10. TYPE OF BORROWER ☐ Proprietorship ☐ Cooperative ☐ Partnership ☐ Indian Tribe ☑ Corporation ☐ Political Subdivision
12. DATE BUSINESS ESTABLISHED 01-27-2015	13. DUNS Number (b) (4)	11. NAICS CODE 331410
14. a. THIS PROJECT IS ☐ An expansion ☑ New Business ☐ Refinancing ☐ Transfer of ownership ☐ Other b. JOBS Created 45 Saved	15. IF BORROWER IS AN INDIVIDUAL *(Item 10 checked proprietorship)* A. IS HE OR SHE A VETERAN? ☐ YES ☑ NO B. MARITAL STATUS - ☐ Married ☐ Separated ☐ Unmarried	16. HAS BORROWER OR RELATED INDIVIDUAL EVER BEEN IN RECEIVERSHIP OR BANKRUPTCY? ☐ YES ☑ NO

17. SCHEDULE OF INSTALLMENT DEBTS, CONTRACTS, NOTES AND MORTGAGES PAYABLE CORRELATED TO LATEST BALANCE SHEET DATED _____, INDICATE WITH ASTERISK (*) DEBTS TO BE REPAID WITH PROPOSED USDA GUARANTEED LOAN IF APPLICABLE. *(*Attach additional sheet if necessary.)*

CREDITOR	ORIGINAL LOAN AMOUNT	LOAN BALANCE	DATE OF LOAN	INTEREST RATE	MATURITY DATE	M - MONTHLY Q - QUARTERLY A - ANNUAL	CURRENT? Y - YES N - NO	SECURITY
None				%				
				%				
				%				
				%				
				%				
				%				

18. FOR EXISTING BUSINESSES ONLY - AGING OF ACCOUNT RECEIVEABLE, CORRELATED TO THE CURRENT BALANCE SHEET DATED _____, TYPICAL SELLING TERMS ARE:

☐ 30 Days or Less, ☐ 60 Days or Less, ☐ 90 Days or Less, ☐ Other *(Specify)* _____

30 Days or Less ..... $ _____ 61 to 90 Days ..... $ _____

31 Days to 60 Days ..... $ _____ Over 90 Days ..... $ _____

19. PROFESSIONAL SERVICE FEES FOR ENGINEERS, ARCHITECTS, LAWYERS, ACCOUNTANTS, LOAN PACKAGERS, APPRAISERS, PROVIDED IN THE PREPARATION OF THIS APPLICATION (SUBJECT TO USDA APPROVAL)

NAME	SERVICE	FEE/COMPENSATION	SOURCE OF FUNDING
(b) (4)	Legal Fees	(b) (4)	B&I Loan
McGinley & Associates	Environmental Phase I		B&I Loan
Ryantel LLC	Feasibility Study		B&I Loan
	Survey		B&I Loan
	Appraisal		B&I Loan

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control numbers for this information collection are 0570-0017, 0570-0050, and 0570-0055. The time required to complete this information collection is estimated to average 4 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

20. PROVIDE INFORMATION BELOW ON KEY PEOPLE (PROPRIETOR, PARTNERS, OFFICERS, DIRECTORS, KEYS EMPLOYEES, AND STOCKHOLDERS WITH 20 PERCENT OR MORE INTEREST IN THE BUSINESS). ALSO INCLUDE PERSONS OR CORPORATION THAT WILL GUARANTEE LOAN. *(*Optional, used for monitoring purposes only.)*

NAME AND POSITION	RACE*	SEX*	U.S. CITIZEN YES OR NO	ANNUAL COMPENSATION	PERCENT OF OWNERSHIP	OUTSIDE NET WORTH	PERSONAL/ CORPORATE GUARANTEE YES OR NO
Aqua Metals, Inc.					100		Yes

ATTACH THE FOLLOWING IF NOT ALREADY SUBMITTED (as required by applicable regulations):

☑ 21. Attach business plan that should at a minimum include a description of the business and project, management experience, products or services, proposed use of funds, availability of labor and raw materials or supplies, names of any corporate parent, affiliates, and subsidiaries with a description of the relationship.

☐ 22. Form RD 4279-2, "Certification of Non-Relocation and Market Capacity Information Report" *(for Business and Industry (B&I) Guaranteed Loans only).*

☑ 23. State Clearinghouse comments or recommendations.

☐ 24. For companies listed on major stock exchanges and/or subject to the Securities and Exchange Commission regulations, a copy of Form 10-K, "Annual Report Pursuant to Section 13 or 15D of the Act of 1934."

☑ 25. Form RD 1940-20, "Request for Environmental Information," and attachments *(If applicable).*

☑ 26. Independent feasibility study *(if applicable. For B&I, see 7 CFR 4279.150; for Rural Energy for America Program (REAP), see §4280.137(b)(1); for Biorefinery Assistance Program (BAP), see 7 CFR 4279.261(f)).*

☑ 27. Architectural or Engineering Plans. *(if applicable)*

☑ 28. Cost estimates and forecasts of contingency funds to cover cost increases or project changes.

☑ 29. Financial statements *(for B&I, see 7 CFR 4279.161(b); for REAP, see7 CFR 4280.137 (b)(2)(vii) and 7 CFR 4280.137(b)(2)(viii); for BAP, see §4279.261(c)).*

☐ 30. Record of any pending or final regulatory or legal (civil or criminal) action against the business, parent, affiliate, guarantors, subsidiaries, principal stockholders, officers, and directors.

☐ 31. If a health care facility, a "Certificate of Need" *(if required by state law)*

☐ 32. Form 4280-3C, "Renewable Energy Systems and Energy Efficiency Improvements, Total Project Cost of $200,000 and Greater," (for REAP only, see 7 CFR 4280.137(c)(1)).

By my signature, I certify that I have read the General Borrower Certifications contained in this application. My signature represents my agreement to comply with the limitations outlined in the General Borrower Certifications.

CORPORATE SEAL

BORROWER SIGNATURE

ATTEST _____

BY Thomas Murphy

TITLE _____

TITLE CFO

DATE 6-12-2015

GENERAL BORROWER CERTIFICATIONS

I. ASSURANCE AGREEMENT (TITLE VI, CIVIL RIGHTS ACT OF 1964)

"Recipient" herein hereby assures the United States Department of Agriculture (USDA) that Recipient is in compliance with and will continue to comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.), 7 C.F.R. part 15, and USDA regulations promulgated hereunder, 7 C.F.R. § 1901.202 of subpart E of part 1901. In accordance with that Act and the regulations referred to above, Recipient agrees that in connection with any program or activity for which Recipient receives Federal financial assistance (as such term is defined in 7 C.F.R. § 15.2) no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

A. Recipient agrees that any transfer of any aided facility, other than personal property, by sale, lease, or other conveyance of contract, shall be, and shall be made expressly, subject to the obligations of this agreement and transferee's assumption thereof.

B. Recipient shall:

1. Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain compliance with this agreement and the regulations.

2. Permit access by authorized employees of the USDA during normal business hours to such books, records, accounts, and other sources of information and its facilities as may be pertinent to ascertaining such compliance.

3. Make available to users, participants, beneficiaries, and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner as the USDA finds necessary to inform such persons of the protection assured them against discrimination.

C. The obligations of this agreement shall continue:

1. As to any real property, including any structure, acquired or improved with the aid of the Federal financial assistance, so long as such real property is used for the purpose for which the Federal financial assistance is made or for another purpose which affords similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer.

2. As to any personal property acquired or improved with the aid of the Federal financial assistance, so long as Recipient retains ownership or possession of the property.

3. As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.

D. Upon any breach or violation of this agreement the Government may, at its option:

1. Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service, or activity

2. Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the breach or violation occurs

Rights and remedies provided for under this agreement shall be cumulative.

II. EQUAL OPPORTUNITY AGREEMENT (EXECUTIVE ORDER 11246, AS AMENDED)

Recipient (whether one or more) and the USDA, pursuant to the rules and regulations of the Secretary of Labor (Secretary) issued under the authority of Executive Order 11246, as amended, agree:

In consideration of financial assistance (whether by a loan, grant, loan guarantee, or other form of financial assistance) made or to be made by the USDA to Recipient, Recipient hereby agrees, if the cash cost of construction work performed by Recipient or a construction contract financed with such financial assistance exceeds $10,000 unless exempted by rules, regulations, or orders of the Secretary issued pursuant to section 204 of Executive Order 11246 of September 4, 1965.

A. To incorporate or cause to be incorporated into any contract for construction work, or modification thereof, subject to the relevant rules, regulations, and orders of the Secretary or of any prior authority that remain in effect, which is paid for in whole or in part with the aid of such financial assistance, the following "Equal Opportunity Clause" is required:

During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated equally during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited, to the following: employment, upgrading demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the USDA setting forth the provisions of this nondiscrimination clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the USDA, advising the said labor union or workers' representative of the contractor's commitments under this agreement as required pursuant to section 202(3) of Executive Order 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The contractor will comply with all provisions of Executive Order 11246 and with all rules, regulations, and relevant orders of the Secretary of Labor, and of any prior authority which remain in effect.

5. The contractor shall furnish all information and reports required by Executive Order 11246, rules, regulations, and orders or pursuant thereto, and will permit access to his books, records, and accounts by the USDA, Office of Civil Rights, and the Secretary for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6. In the event of the contractor's noncompliance with the Equal Opportunity (Federally Assisted Construction) clause or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts on accordance with procedures authorized in Executive Order No. 11246, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246, or by rule, regulation, or order of the Secretary, or as provided by Law.

7. The contractor will include the provisions of this Equal Opportunity (Federally Assisted Construction) clause in every subcontract, or purchase order, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, so that such provisions will be binding upon each such subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order USDA may direct as a means of enforcing such provisions, including sanctions for non-compliance: Provided, however, that in the event the contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the USDA, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

B. To be bound by the provisions of the Equal Opportunity Clause in construction work performed by Recipient and paid for in whole or in part with the aid of such financial assistance.

C. To notify all prospective contractors to file the required "Compliance Statement," Form RD 400-6, with their bids.

D. Form AD-425, "Contractor's Affirmative Action Plan for Equal Employment Opportunity," will accompany the notice of award of the contract. Bid conditions for all nonexempt Federal and federally assisted construction contracts require inclusion of the appropriate "Hometown" or "Imposed" plan affirmative action and equal employment opportunity requirements. All bidders must comply with the bid conditions contained in the invitation to be considered responsible bidders and hence eligible for the award.

E. To assist and cooperate actively with the USDA and the Secretary in obtaining the compliance of contractors and subcontractors with the provisions of the Equal Opportunity Clause and the said rules, regulations, and orders, to obtain and furnish to the USDA and the Secretary, Form AD-560, "Certification of Nonsegregated Facilities", to submit the

Monthly Employment Utilization Report, Form CC-257, as required and such other information as may be required for the supervision of such compliance, and to otherwise assist the USDA in the discharge of its primary responsibility for securing compliance.

F. To refrain from entering into any contract or extension or other modification of a contract, subject to such Executive Order with a contractor debarred from Government contracts or Federally assisted construction contracts pursuant to part 11, subpart D, of such Executive Order or to prior authority; and to carry out such sanctions and penalties for violation of the provisions of the Equal Opportunity Clause as may be imposed upon contractors and subcontractors by the USDA or the Secretary pursuant to such subpart D.

G. That if Recipient fails or refuses to comply with these undertakings, the USDA may take any or all of the following actions: (a) cancel, terminate, or suspend said financial assistance in whole or in part; (b) refrain from extending any further assistance under the program involved until satisfactory assurance of future compliance has been received from Recipient; and (c) refer the case to the USDA Office of Civil Rights Enforcement and Adjudications Program Complaint and Adjudication Division for appropriate action.

III. FEDERAL COLLECTION POLICIES FOR CONSUMER OR COMMERCIAL DEBTS

A. The Recipient (Borrower) certifies, acknowledges, and agrees that any loss claim(s) paid by the Government to the Lender on account of any guarantee made pursuant to this application will be a Federal debt owed to the Government by the Recipient. In such a case, the Government may use all legal collection remedies, including those under the Debt Collection Improvement Act. The Government's right to collect this Federal debt will not be affected by any release provided to the Recipient by the Lender. Lender agrees that any collection by the Government of this Federal debt will not be shared with the Lender.

B. The Federal Government is authorized by law to take any and all actions in the event your loan payments become delinquent or you default on your loan:

- Report your name and account information to a credit reporting agency.
- Assess interest and penalty charges for the period of time that payment is not made.
- Assess charges to cover additional administrative costs incurred by the Government to service your account.
- Offset amounts to be paid to you under other Federal programs.
- Refer your account to a private collection agency to collect the amount due.
- Foreclosure on any security you have given for the loan.
- Pursue legal action to collect through the courts.
- Report any written off debt to the Internal Revenue Service as taxable income.
- If you are a current or retired Federal employee, take action to offset your salary, or civil service retirement benefits.
- Debar or suspend you from doing business with the Federal Government either as a participant or principal throughout the Executive Branch of the Federal Government for a period of debarment or suspension.

IV. STATEMENT REQUIRED BY THE PRIVACY ACT

The USDA is authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et. seq.), or other Acts administered by USDA to solicit the information requested on USDA application forms.

Disclosure of information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Identification Number, will result in the rejection of your application.

The principal purposes for collecting the requested information are to determine eligibility for USDA credit or other financial assistance, the need for interest credit, or other servicing actions, for the servicing of your loan, and for statistical analysis. Information provided may be used outside of the USDA for the following purposes:

- To provide the basis for borrower success stories in USDA news releases.
- Referral to the appropriate law enforcement agency as required by 40 FR 38924 (1975).
- Referral to employees, business, landlords, creditors or others to determine repayment ability and eligibility for USDA programs.
- Referral to a contractor providing services to USDA in connection with your loan.
- Referral to a credit reporting agency.
- Referral to a person or organization when USDA decides such referral is appropriate to assist in the collection or servicing of the loans.
- Referral to a Federal Records Center for storage.

Every effort will be made to protect the privacy of applicants and borrowers.

WARNING

All information supplied to USDA by you or your agents in connection with your loan application may be released to interested third parties, including competitors, without your knowledge or consent under the provision of the Freedom of Information Act (5 U.S.C. 522).

Much information not clearly marked "Confidential" may routinely be released if a request is received for same. Further, if we receive a request for information marked "Confidential," the Federal Government will release the information unless you can demonstrate to our satisfaction that release of the information would be likely to produce substantial competitive harm to your business or would constitute a clearly unwarranted invasion of personal privacy. Also, forms, consultant reports, etc., cannot be considered confidential in their entirety if confidential material contained therein can reasonably be segregated from other information.

Information submitted maybe made available to the public during the time it is held in Government files regardless of the action taken by USDA on your application.

V. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION - LOWER TIER COVERED TRANSACTIONS

The loan applicant certifies that neither it nor any of its principals:

A. Are presently excluded or disqualified:

B. Have been convicted within the preceding three year of any of the offenses listed in a (a) or had a civil judgements rendered against it for one of those within that time period;

C. Are presently indicted for or otherwise criminally or civilly charged by a Government entity (Federal, State, or local), commission of the offenses listed in §180.800 (a); or

D. Have had one or more public transactions (Federal, State, or local) terminated within the preceding three years for cause or default.

VI. FEDERAL DEBT COLLECTION IMPROVEMENT ACT CERTIFICATION

The loan applicant certifies that the applicant is not delinquent on any Federal debt. The applicant further certifies that no party with a 20 percent or more ownership interest in the applicant is delinquent on any Federal debt. The loan applicant certifies and acknowledges that any amounts paid by USDA on account of the liabilities of the guaranteed loan will constitute a Federal debt owed to USDA by the guaranteed loan Borrower. In such case, USDA may use all remedies available to it to collect the debt from the Borrower.

VII. ENVIRONMENTAL CERTIFICATION

The applicant business certifies that it is in compliance with all local, State, and Federal environmental laws and regulations and will continue to comply with these laws and regulations. In addition, the applicant business certifies it has no knowledge of any environmental contamination of any real or personal property to be pledged as collateral for the loan which violates any such laws and regulations (other than as disclosed on Form RD 1940-20, "Request for Environmental Information," submitted in connection with this application).

VII. AMERICANS WITH DISABILITIES ACT STATEMENT

All areas of public accommodation must be accessible to persons with disabilities in accordance with Americans with Disabilities Act of 1990.

VII. FEDERAL EQUAL CREDIT OPPORTUNITY ACT STATEMENT

Federal law does not allow discrimination of any kind. You cannot be denied a loan because of your race, color, religion, national origin, sex, marital status, handicap, or age (if you can legally sign a contract). You cannot be denied a loan because all or part of your income is from a public assistance program. If you believe that you have been discriminated against for any of these reasons, you can write the Secretary of Agriculture, Washington, D.C. 20250. You cannot be denied a loan because you exercised your rights under the Consumer Credit Protection Act. You must have exercised these rights in good faith. The Federal Agency responsible for seeing this law is obeyed is the Federal Trade Commission, Washington, D.C. 20580.

PART B: Completed By Lender

1. NAME OF LENDER	2. ADDRESS *(Include Zip Code)*
Green Bank	4000 Greenbriar Houston, Texas 77098

3. LENDER TAX ID NUMBER	4. CONTACT PERSON	5. TELEPHONE NUMBER *(Include Area Code)*
(b) (4)	(b) (4)	(713) 274-8546

6. IS LOAN WITHIN LENDER'S LEGAL LENDING LIMIT?	7. GUARANTEE PERCENT REQUESTED?	8. WHY IS GUARANTEE NEEDED?
☑ Yes ☐ No	90 %	Requested Terms

9. LIST ANY OFFICER, DIRECTOR, STOCKHOLDER OR EMPLOYEE WHO HAS A FINANCIAL INTEREST IN THE BORROWER, OR VICE VERSA AND DESCRIBE THE RELATIONSHIP AND INTEREST:
None

10. LIST ALL FEES LENDER WILL CHARGE FOR THE LOAN, INCLUDING THE USDA GUARANTEE FEE:
Guaranteed Fee -
Origination Fee (b) (4)

11. LENDER'S SERVICING PLAN (FIELD INSPECTIONS, INTERIM STATEMENTS, ANNUAL AUDITS CREDIT ANALYSIS, ETC.):

See Attachment in Lender's Servicing Plan Section

12. LIST ANY OTHER USDA GUARANTEED B&I, REAP, AND BAP LOANS MADE BY LENDER:

Borrower Name	Program Type	Total Loan Amount	Guaranteed Loan Amount	Closing Date
Maxim Real Estate	USDA B&I	$10,000,000.00	(b) (4)	06-01-2014

13. PROPOSED KEY EMPLOYEE LIFE INSURANCE, EMPLOYEE NAME(S) AND AMOUNT(S)

None — Assigned to Guaranteed Loan?

Assigned to Guaranteed Loan?

14. COLLATERAL AVAILABLE FOR THE USDA GUARANTEED LOAN:

Presently Owned or to be Acquired	Value	Value Type	Discount Factor	Prior Liens *	Net Collateral Value
Accounts Receivable					
Inventory					
Office Furniture and Equipment					
Automotive Equipment					
Machinery and Equipment					
Building	(b) (4)	Cost			(b) (4)
Land		Cost			
Other:					
TOTALS					

* Indicate by asterisk liens to be paid off with USDA guaranteed loan funds

15. PROJECT PURPOSED AND FUNDING

	Borrower Contribution	USDA Guaranteed Loan	Other Funds	Total
Working Capital				
Office Furniture and Equipment				
Automotive Equipment				
Machinery and Equipment				
Real Estate	(b) (4)	$8,356,400.00		(b) (4)
Debt Restructuring				
Fees: Professional, USDA Guarantee		$593,600.00		
Other		$1,050,000.00		
Total		$10,000,000.00		

16. PROPOSED FINJANCING

Financing Source	Loan Amount	Interest Rate "V" variable	Base Rate As of Today	Interest Rate Tied To	Days Interest is Computed On	Tenn "Y"- Yearly or "M" - Monthly	Monthly Payment
B&I Loan	$10,000,000.00	(b) (4)					
TOTAL	$10,000,000.00					(b) (4)	

17. TANGIBLE BALANCE SHEET EQUITY

B & I		Energy Programs	
Tangible book equity cannot include appraisal surplus or subordinated debt.		Cash equity injection or fair market value of equity in real property that is to be	
	When Loanis closed:		When Loan Note Guarantee is Issued:
Common Stock	$ (b) (4)	Cash equity:	$
Preferred Stock	$	Federal Grants:	$
Retained Earnings	$	Other:	$
Capital Surplus	$	TOTAL EQUITY:	$ 0
Other:	$	Total Eligible Project Cost:	$
Total:	$	Equity percentage: (=Total Equity/Eligible Project Costs.)	%

ATTACH THE FOLLOWING IF NOT ALREADY SUBMITTED:

☐ 18. Intergovernmental Review Clearance *(If applicable).*

☑ 19. Credit reports on the Borrower, its principals, and any parent, affiliate, or subsidiary firms.

☑ 20. Proposed term Loan Agreement between Lender and Borrower *(for B&I, see 7 CFR 4279.161 (b)(11); for REAP see 7 CFR 4280.137(b)(2)(xi); for BAP, see 7 CFR 4279.261(j)).*

☑ 21. Appraisal reports *(Submit as soon as available).*

☑ 22. Lender's analysis, with required financial spreads.

GENERAL LENDER CERTIFICATION

Lender certifies that it has reviewed, and agrees to comply with, the General Lender Certifications contained in this application.

Lender certifies that it meets all criteria to be considered as an Eligible Lender under applicable program regulations.

For B&I and REAP, the Lender certifies that it has completed a comprehensive analysis of the proposed loan and applicable program regulations and after such review certifies that the proposed Borrower is an eligible Borrower, the loan is for authorized program purposes, and there is reasonable assurance of repayment ability based on the proposed Borrower's history, projections, equity, and the collateral to be obtained.

Further, the officer signing on behalf of the Lender certifies that they are authorized to sign on the Lender's behalf.

Green Bank	6/15/2015
Lender's Name	*Date*
(b) (4) [redacted]	SVP, Government Guaranteed Lending Manager
	Officer Title

GENERAL LENDER CERTIFICATIONS

LENDER Green Bank

(1) RESTRICTIONS AND DISCLOSURE OF LOBBYING ACTIVITIES

If any funds have been or will be paid to any person for influencing, or attempting to influence, an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(2) CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -PRIMARY COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12649, Debarment and Suspension, 7 C.F.R. §180.355, Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed covered transaction.

The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out on this form. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause.

The prospective primary participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into a lower tier covered transaction with a person who is debarred, suspended, ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

The prospective primary participant further agrees by submitting this form that it will comply with 2 C.F.R. subpart C when entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

If a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

A. The prospective primary participant certifies that it has notified the Rural Business-Cooperative Service whether it or any of its principals:

   1. Are presently excluded or disqualified;

   2. Have been convicted within the preceding three years of any of the offenses listed in §180.800 (a) or had a civil judgment rendered against it for one of those offenses within that time period;

   3. Are presently indicted for or otherwise criminally or civilly charged by a Government entity (Federal, State, or local), commission of any of the offenses listed in §180.800 (a); or

   4. Have had one or more public transactions (Federal, State, or local) terminated within the preceding three years for cause or default.

B. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

LENDER'S SERVICING PLAN

USDA Rural Development
Application for Loan and Guarantee
Aqua Metals Reno, Inc.

Lender's Servicing Plan

Upon closing of the proposed RD loan, GREEN BANK will begin servicing as follows:

1. The Lender will review and analyze the annual financial statements of the Borrower, which will be submitted to the Lender within thirty (30) days of the end of each calendar year to ensure that the company is in compliance with all financial requirements of the Conditional Letter of Commitment for Guarantee and financial covenants.

2. The Lender will prepare a report, upon completion of the review, with comments to the specific loan covenants and any action needed to be taken, if any. The Lender will submit a copy of this report to the RD within thirty (30) days of receipt of said annual statements by Lender.

3. The Lender, in conjunction with the RD Area Office, will visit the facility semi-annually during the first year and thereafter will inspect the real and personal property annually or as necessary.

4. The annual financial statement reviews will include written reports and ratio tests to ensure compliance. If required, the written reports will comment on any action that needs to be taken and/or notification of any adverse actions, events, or circumstances in regard to the Borrower's compliance with the Conditional Letter of Commitment for Guarantee. The Lender will determine if the Borrower is in compliance with all covenants stated in the Term Loan Agreement and that all requirements are being met.

5. The Lender will review, on an annual basis, the adequacy of the Borrower's fire, hazard, and life insurance, and make notification to RD if any deficiencies are found and the course of action to be taken to remedy such deficiencies.

6. The Lender will visit, on an annual basis, with the Borrower to review annual financial statements, planned capital expenditures, strategic plans and monitor the company's business plan, including any amendments, to ensure that the overall corporate goals are being achieved.

7. The Lender will review, on an annual basis, to ensure that all local, state, federal, and excise taxes are being paid current.

8. The Lender will review, on an annual basis, that the business has all state and local licensing as required, as well as workman's compensation insurance, if necessary.

9. The Lender will review, on an annual basis, to determine if the loan is in compliance with all state and federal banking regulations.

10. The Lender understands its servicing responsibilities as set forth in Form 4279-4, "Lender's Agreement."

11. If the Borrower is over sixty (60) days past due, the Lender will arrange a meeting with RD and the Borrower.

12. If cumulative protective advances exceed (b) (4) then the lender will be required to obtain RD approval.

13. The bank will monitor all loan requirements and reporting requirements for a period of 24 months as stated in Paragraph #1-12. Upon receipt of the 24th scheduled loan payment and upon determining that all covenants, requirements, and payments have been made as agreed by the Borrower, the Bank then shall monitor the loan pursuant to its internal policies and will only report technical and monetary defaults in the future.

(b) (4)

6/15/2015

Date

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

TERM LOAN AGREEMENT

Page(s) 000032 thru 000090
withheld:

5 U.S.C. § 552, Exemption (b)(4) of the FOIA protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.

TABLE OF EXHIBITS

EXHIBIT	DESCRIPTION OF EXHIBIT	SECTION
A	Collateral Locations	1.1
B	Facility/Land	1.1
C	Permitted Encumbrances	1.1
D	Term Note	1.1
E	Board Resolutions	3.2
F	Borrower's Opinion of Counsel	3.8
G	Guaranty	3.16
H	Deed to Secure Debt	5.2
I	Security Agreement	5.2
J	Financial Statements	13.4
K	Material Litigation	11.11
L	Adverse Contracts	11.14
M	Payment Schedule	1.1

Exhibit A – "Collateral Locations"

Property belonging to the Borrower as described in the Term Loan Agreement is located at:

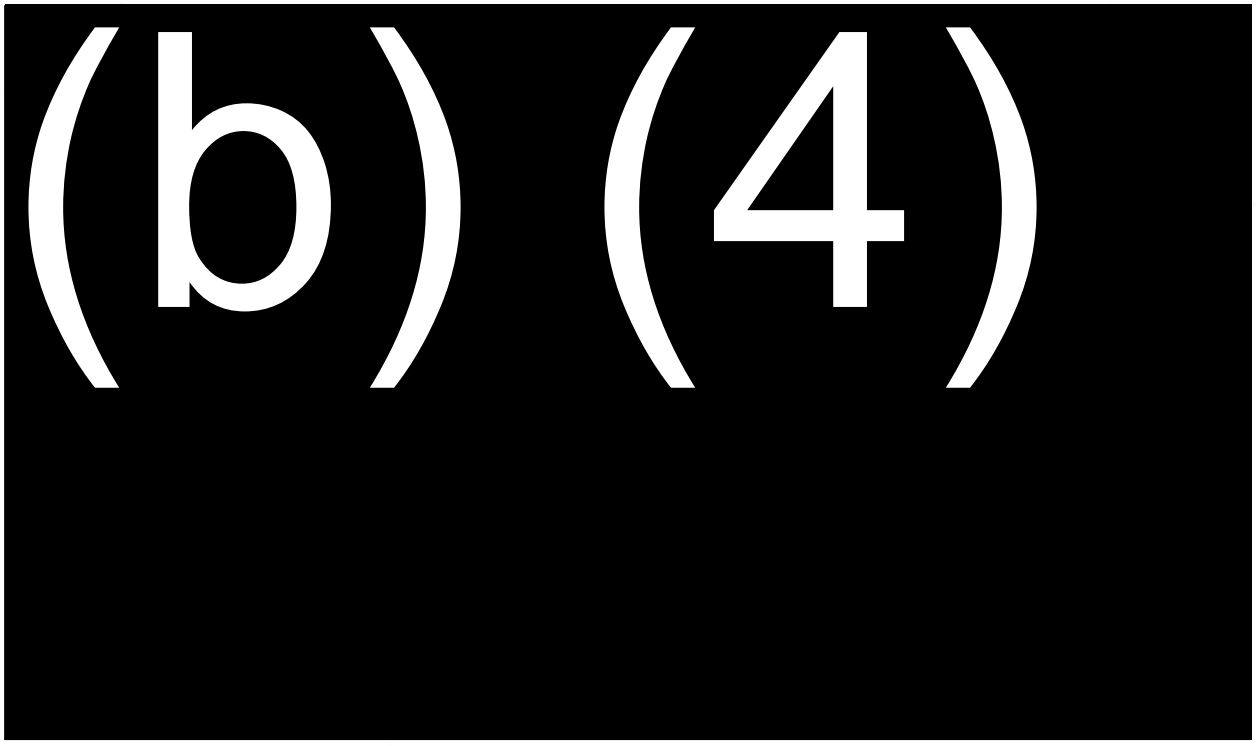
2500 Peru Drive
McCarran, Nevada 89434

Guarantor Location is as described:

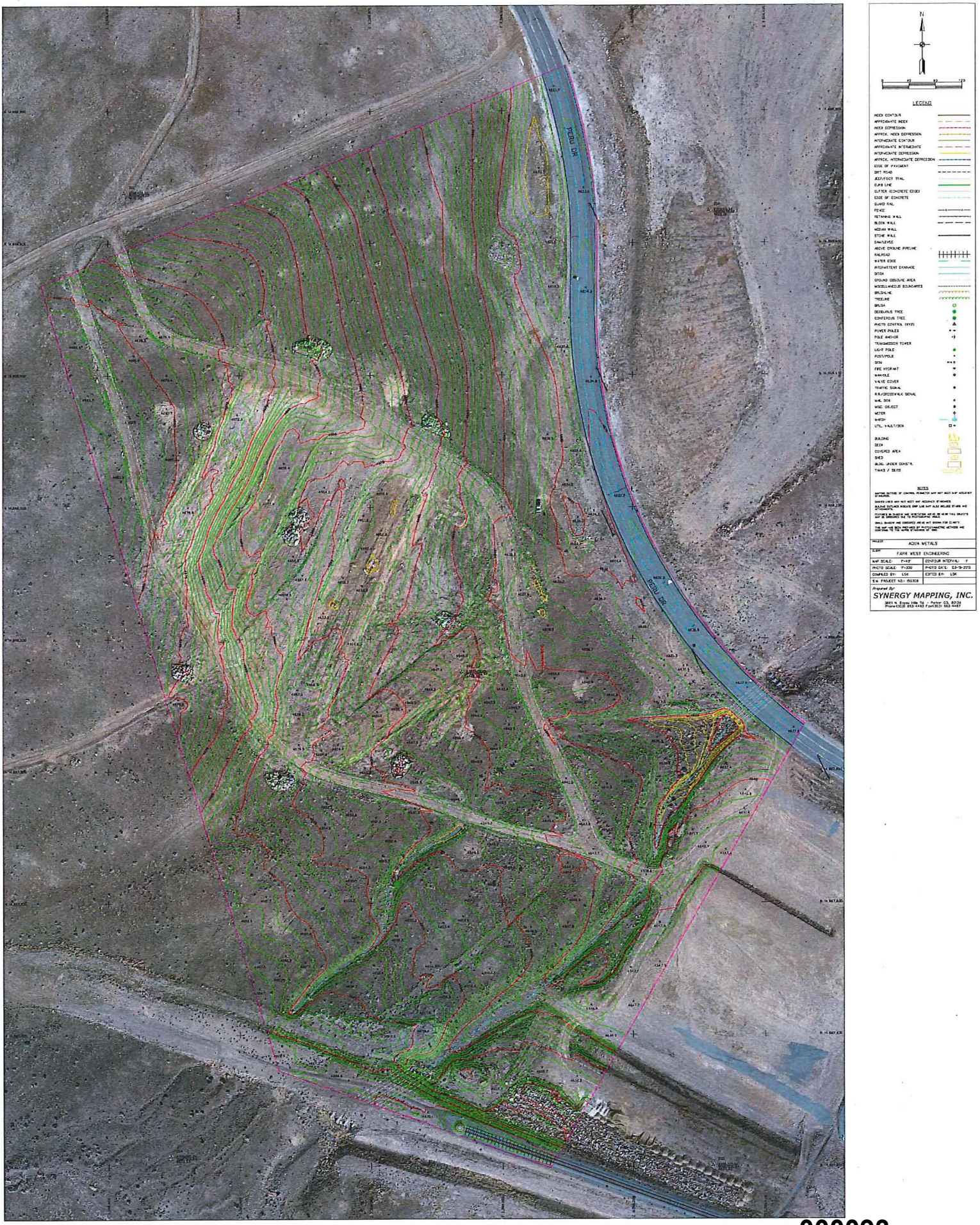
1035 22nd Avenue Unit 16
Oakland, California 94606

Exhibit B – "Facility/Land Renderings"

The below image diagrams the facility and equipment plan for the Aqua Metals Reno, Inc. recycling plant:



The following map constitutes the land upon which the facility will be constructed:



N

LEGEND

INDEX CONTOUR
APPROXIMATE INDEX
INDEX DEPRESSION
APPROX. INDEX DEPRESSION
INTERMEDIATE CONTOUR
APPROXIMATE INTERMEDIATE
INTERMEDIATE DEPRESSION
APPROX. INTERMEDIATE DEPRESSION
EDGE OF PAVEMENT
DIRT ROAD
JEEP/FOOT TRAIL
CURB LINE
GUTTER CONCRETE EDGE
EDGE OF CONCRETE
GUARD RAIL
FENCE
RETAINING WALL
BLOCK WALL
MORAY WALL
STONE WALL
DAM/LEVEE
ABOVE GROUND PIPELINE
RAILROAD
WATER EDGE
INTERMITTENT DRAINAGE
DITCH
GROUND OBSCURE AREA
MISCELLANEOUS BOUNDARIES
BRUSHLINE
TREELINE
BRUSH
DECIDUOUS TREE
CONIFEROUS TREE
PHOTO CONTROL (XYZ)
POWER POLES
POLE ANCHOR
TRANSMISSION TOWER
LIGHT POLE
POST/POLE
SIGN
FIRE HYDRANT
MANHOLE
VALVE COVER
TRAFFIC SIGNAL
PED/CROSSWALK SIGNAL
WELL SIGN
MISC. OBJECT
METER
WATER
UTIL. VAULT/BOX

BUILDING
DECK
COVERED AREA
SHED
BLDG. UNDER CONSTR.
TANKS / SILOS

NOTES

PROJECT: AQUA METALS
CLIENT: FARR WEST ENGINEERING

MAP SCALE: 1"=40'	CONTOUR INTERVAL: 1'
PHOTO SCALE: 1"=200'	PHOTO DATE: 03-19-2015
COMPILED BY: LSK	EDITED BY: LSK
SW PROJECT NO.: 150308	

Prepared By:
SYNERGY MAPPING, INC.
3611 N. Ensign 10th St. / Boise ID, 83714
Phone:(208) 863-9483 Fax:(855) 683-4487

000093

Exhibit C – "Permitted Encumbrances"

None provided at this time.

Exhibit D – "Term Note"

None provided at this time.

Exhibit E – "Board Resolutions"

See **Item 20 - Organizational Documentation** for company resolutions and bylaws.

Exhibit F – "Borrower's Opinion of Counsel"

Borrower to provide.

Exhibit G – "Guaranty"

Guarantor to provide.

Exhibit H – "Deed to Secure Debt"

None provided at this time.

Exhibit I – "Security Agreement"

None provided at the time.

Exhibit J – "Financial Statements"

See **Item 10 – Projected Financial Statements with Written Assumptions** section for full financials.

Exhibit K – "Material Litigation"

None provided at this time.

Exhibit L – "Adverse Contracts"

None provided at this time.

Exhibit M – "Payment Schedule"

The Borrower will (b) (4) $10,000,000 loan is deployed. In month
(b) (4)
(b) (4)

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

AFFILIATE HISTORICAL FINANCIAL STATEMENTS

Page(s) 000097 thru 000123
withheld:

5 U.S.C. § 552, Exemption (b)(4) of the FOIA protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

FEASIBILITY STUDY

RYANTEL LLC
COLLABORATIVE RENEWABLE ENERGY SOLUTIONS

RyanTel LLC

Feasibility Study of Aqua Metals Inc.

For Compliance with USDA RD Instruction 4279-B Appendix A

Maggie Teliska PhD
5-18-2015

Table of Contents

Project Description and Justification 4

A. Executive Summary 5

I. Economic Feasibility Determination/Opinion 6

II. Market Feasibility Determination/Opinion 6

III. Technical Feasibility Determination/Opinion 7

IV. Financial Feasibility Determination/Opinion 8

V. Management Feasibility Determination/Opinion 8

VI. Recommendations 8

B. Economic Feasibility 10

I. Availability of infrastructure, including utilities, and rail, air and road service to the site 10

II. Availability of trained or trainable labor 10

III. Risk Assessment 10

IV. Economic Feasibility Determination/Opinion 11

C. Market Feasibility 12

I. Information on the sales organization and management 12

II. Nature and extent of market and market area 12

III. Marketing plans for sale of projected output – pure lead and lead alloys 13

IV. Extent of competition including other similar facilities in the market area 14

V. Commitments from customers or brokers – principal products and byproduct 14

VI. Adequacy of raw materials and supplies - Acquisition of ULABs for feedstock 15

VII. Risk Assessment 15

VIII. Marketing Feasibility Determination/Opinion 16

D. Technical feasibility 17

I. Description of the Aqua Metals Inc. Process: 17

II. Risk Profile of Aqua Metals Process & Technology: 18

III. Suitability of the selected site for the intended use including environmental impact analysis 19

IV. Technical feasibility of achieving the levels of income or production 20

V. Constraints or limitations in the financial projections and any other facility or design related factors that might affect the success of the enterprise 21

VI. Project operation and development costs 21

VII. Risk Assessment 22

VIII. Technical Feasibility Determination/Opinion 22

E. Financial Feasibility 23
I. Projected revenues, operating costs, and net income and cash flow 23
II. Capital requirements, potential and actual sources of equity 23
III. Risk Assessment 23
IV. Financial Feasibility Determination/Opinion 23
F. Management Feasibility 24
I. Adequacy of Management 24
II. Risk Assessment 25
III. Management Feasibility Determination/Opinion 25
G. Summary of Findings 26
H. Appendix 27

List of Figures

Figure 1 LME Historical Pricing 12
Figure 2 Global Lead Consumption 13
Figure 3 Market Assessment 13
Figure 4 US/Canada Smelter Locations 14
Figure 5 Strategic Location of Reno NV 15
Figure 6 Production Facility Layout 17
Figure 7 Aqua Metals Inc. Process 17
Figure 8 AquaRefining Single Unit 20
Figure 9 Modular Build-Out Plan 20

Project Description and Justification

Description of the project

Aqua Metals Inc. is a Delaware based corporation in the business of recycling lead acid batteries using proprietary refining technology. For compliance with USDA funding Aqua Metals Inc. must provide a feasibility study done by an outside consultant to assess the following: economic feasibility, market feasibility, technical feasibility, financial feasibility and management feasibility. [Ref RD Instruction 4279-B Appendix A]

General setting and need for project

To comply with the USDA funding requirements Aqua Metals Inc. secured outside consulting with Dr. Teliska of RyanTel LLC. Dr. Teliska was chosen and approved by both Aqua Metals Inc. and the USDA to conduct this technical feasibility study for Aqua Metals Inc.

Work already completed, pertinent dates, and those involved in the project

Aqua Meals provided documents to Dr. Teliska via email for review prior and after the onsite visit. The onsite visit by Dr. Teliska was done on February 3-4, 2015 at Aqua Metals Inc. Oakland CA office and pilot production facility. During this time Dr. Teliska worked with the Aqua Metals Inc. leadership team: Dr. Stephen Clarke, CEO, Steve Cotton, CCO and Selwyn Mould, COO and Thomas Murphy CFO.

Special Notes

Aqua Metals Inc. has developed a disruptive technology in the lead refining space. Certain elements to their technology are proprietary. The onsite visit included witnessing the equipment operating and the proprietary nature of the technology. To protect Aqua Metals Inc. no reference will be made to the proprietary elements of their design and technology and will be referred to in this report as simply "AquaRefining".

Lead acid batteries at end of life have several different names in the industry. The industry commonly uses the terms "Scrap", "Cores", and "Junks" while the regulatory industry uses the terms "Used" and "Spent". For this report the term "Used Lead Acid Batteries" or the acronym "ULAB(s)" will be used for clarity to describe end of life lead acid batteries.

Limitations

The information presented in this study is based on information provided by Aqua Metals Inc. This includes 3 independent studies done by other consulting firms. RyanTel LLC makes no warranties or guarantees for the accuracy of the information provided by other firms.

A. Executive Summary

The executive summary briefly describes Aqua Metals Inc. lead recovery technology and provides a summary of the key findings and opinions of the author for economic, market, technology, finance and management feasibility for the future Aqua Metals Inc. production site located in McCarran, Nevada.

Used lead acid batteries (ULABs) currently are recycled using smelter technology. Batteries are broken apart via hammer mill and the plastic, lead, and electrolyte are separated for further processing. The recovery of lead is done using high temperatures in a furnace upon which lead and lead alloys are separated into ingots for resale. Lead acid recycling has been named one of the worst polluting industries as the smelting process emits large amounts of pollution in the form of toxic particulates, effluents and solid waste.[1] Workers in these facilities can suffer severe health issues from exposure to lead particulates in the air causing lead poisoning. The continuing demand for lead primarily driven by the automotive industry has led to the development of alternative technologies to recycle ULABs.

Aqua Metals Inc. has developed an environmentally clean alternative to refining and recycling lead versus a smelting process. Using a biodegradable and safe solvent extraction, lead is refined via a novel electrochemical process called "AquaRefining" to produce pure lead (LME grade >99.995% pure). AquaRefining is a more cost effective operating method than smelting. The process produces pure LME grade lead product electrochemically with an efficient recovery and collection method of the lead product. The process is also environmentally clean, emitting no toxic substances into the air or water streams.

Aqua Metals Inc. has developed prototype and pilot line equipment at its Oakland, CA facility. With this equipment they have demonstrated that they can take ULABs and recover pure lead and lead alloys via the AquaRefining process. Pure lead product from the process has been tested at an independent facility and data shows the AquaRefined product meets the LME standard for pure lead. The production facility will be built on a 12.5 acre piece of purchased land located in the Tahoe Reno Industrial Center (TRIC) in McCarron Nevada. They will build out the production facility in a modular format coupling 100 AquaRefining units. (b) (4)
(b) (4)

The property has been evaluated independently by McGinley & Associates for the Phase 1 Environmental Assessment and the Preliminary Air Quality Due Diligence. The report showed no risks at this time with respect to current, future or historical environmental issues at the site. (b) (4) . was also commissioned to report on issues related to construction at this site. (b) (4) potential issues with the handling of large boulders on the site as excavation occurs and the removal of clay fill soils.

(b) (4)

[1] http://www.worstpolluted.org/projects_reports/display/96

[redacted]

The following provides an analysis of the feasibility of the future production facility. Assessments and recommendations are given for the economic, marketing, technical/operations, financial and management feasibility for the build out.

I. Economic Feasibility Determination/Opinion

Aqua Metals Inc. first production facility will be located in the Tahoe Reno Industrial Center (TRIC) in McCarran, NV. This area is home to two major highways, the Union Pacific railroad, and several airline and trucking carriers which makes it attractive to manufacturing and distribution companies. According to the Reno Economic Development website Reno has also been named one of the 2014 "Best mid-size city to live in" and is positioning itself as a place for the clean energy and technology startups. The ability to attract talent in the Reno area is high and Nevada is a "right to work" state with no personal income tax.[2]

The TRIC complex will also be home to several other major companies including the new Tesla Gigafactory and Google datacenter. Battery Systems Inc., a strategic partner of Aqua Metals Inc., has a 150,000 sq. ft. distribution center adjacent to the production facility. The influx of technology companies into TRIC has also led to the development and improvements to 8 miles of the USA Parkway which will connect to HWY 50 reducing the time to commute (45 minutes) to other major metropolitans areas such as Las Vegas and Southern California.[3] The tenants of TRIC have access to several existing utilities including over 900 MW of available power from existing power plants.

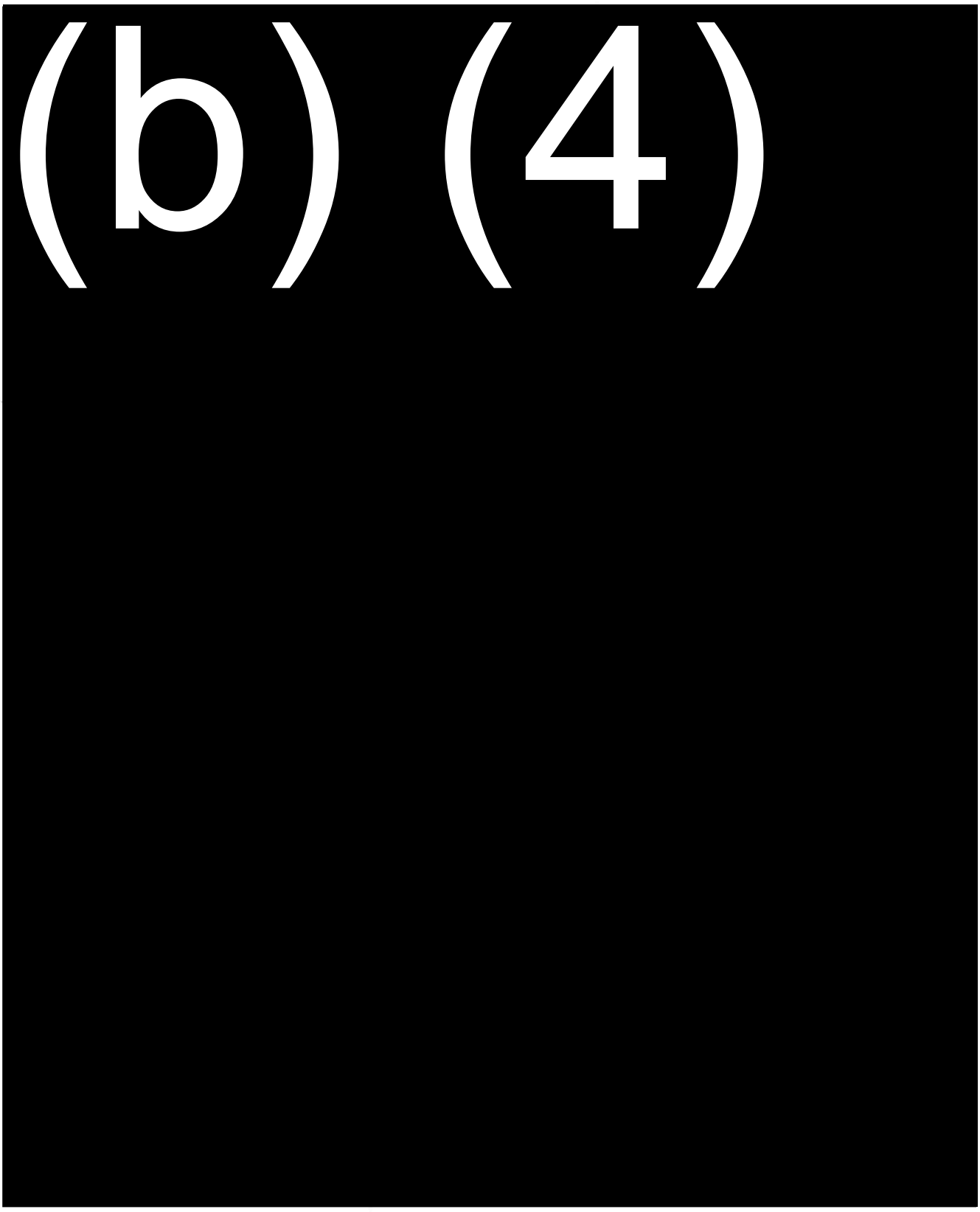
With the information provided at this phase of the project, it is the authors' opinion that the location and site selection of the first Aqua Metals Inc. production facility will have the infrastructure to support building and production with adequate transportation, utilities and employee resources.

II. Market Feasibility Determination/Opinion

Aqua Metals Inc. has developed a solid business plan featuring a step wise approach to the market as they scale up operations. The economic viability will depend on both acquiring ULABs and selling lead and lead alloys in the open market. [redacted]

[redacted]

[2] http://www.reno.gov/business/reno-s-economy
[3] http://www.tahoereno.com/maps/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IV. Financial Feasibility Determination/Opinion

(b) (4)

V. Management Feasibility Determination/Opinion

Aqua Metals Inc. executive leadership team has experience and success in creating and selling disruptive technologies in the marketplace particularly in the electrochemical and battery space. They have many relationships within the lead acid battery community which will be key to the development of buyer/seller relationships. The team is well rounded in the areas of commercial, finance, operations, and technical. They have previously worked together to successfully bring new technologies to market at Applied Intellectual Capital which developed advanced battery technologies.

VI. Recommendations

(b) (4)

4. *Risk Analysis:* Review often the risk analysis of the proposed production equipment during the production launch period.

VII. Summary

A review of Aqua Metals Inc. economic, marketing, technical/operation, financial and management areas shows that they are well positioned for a successful launch. At a time when the lead acid battery industry has been reflected negatively in the press, end customers are becoming more aware of the impact on health and the environment of their lead acid batteries. Aqua Metals Inc. has developed an alternative environmentally clean process to meet the needs that are evolving due to increasing regulatory, environmental and health issues associated with current lead recycling technology. The timing to introduce a clean environmentally friendly lead recycling process has never been better.

A. Economic Feasibility

Aqua Metals Inc. will build the first Aqua Metals production facility on the property located at 2500 Peru Drive in McCarran Nevada in the Tahoe Reno Industrial Center (TRIC). The property is approximately 12.5 acres that has not been previously developed. The TRIC complex is home to several companies in manufacturing, data centers and distribution facilities including the new Tesla Gigafactory and Google datacenter. Battery Systems Inc., a strategic partner, has built a 150,000 sq. ft. distribution center adjacent to the property.

I. Availability of infrastructure, including utilities, and rail, air and road service to the site

The TRIC complex is home to two major highways, the Union Pacific railroad and several airline and trucking carriers which makes it attractive to manufacturing and distribution companies. TRIC tenants have access to rail service, municipal water, sewer utility companies and high pressure gas to all sites. There is also access to 5 generating power plants on site with over 900 MW of available electrical power.

The influx of technology companies into TRIC has also led to the development and improvements of the 8 miles of USA Parkway which will connect to HWY 50 reducing the time to commute (45 minutes) to other major metropolitans areas such as Las Vegas and Southern California.[4]

II. Availability of trained or trainable labor

According to the Reno Economic Development website Reno has also been named one of the 2014 "Best mid-size city to live in" and is positioning itself as a place for clean energy and technology startups. The ability to attract talent in the Reno area is high and Nevada is a "right to work" state with no personal income tax.[5]

Aqua Metals Inc. has developed a staffing and compensation plan that will be competitive in this market with median income at $43K in 2012 for Reno, NV.[6] The proposed hourly wage is competitive and employees will be offered health care for themselves and their families. The staffing plan for the facility includes one skilled college degreed plant manager and several semi-skilled or trade workers to operate the facility. Analytical skills for quality work will only require associates or junior degrees. A major tier 1 school University of Nevada in Reno is close enough to attract the necessary skill sets. Also nearby is a community college and three business schools.

Aqua Metals Inc. has partnered with a top Professional Employment Organization to provide services commonly found with large organizations. These services include human resource, training, employee discounts and other benefits.

III. Risk Assessment

At this stage of project with the information given there does not appear to be any risks related to the selected project site for the first Aqua Metals Inc. production facility. The TRIC location offers the necessary infrastructure which include access roads for equipment transport and access to utilities, both

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[4] http://www.tahoereno.com/maps/
[5] http://www.reno.gov/business/reno-s-economy
[6] http://www.city-data.com/city/Reno-Nevada.html

sewer and power. The area will provide the necessary talent needed to run and manage the production facility.

IV. Economic Feasibility Determination/Opinion

With the information provided at this phase of the project development, it is the authors' opinion that the location and site selection of the Aqua Metals Inc. Reno Facility will has the infrastructure to support and provide adequate transportation, utilities and employee resources.

B. Market Feasibility

Aqua Metals Inc. has developed a solid business plan featuring a step wise approach to the market as they scale up operations. The economic viability will depend on both acquiring ULABs and selling lead and lead alloys in the open market.(b) (4)

(b) (4)

Aqua Metals Inc. will be developing a brand and marketing campaign which will bring attention to their process and product at a time when lead needs a good story in the market. More customers are aware of the environmental and health issues surrounding the lead acid battery industry and have a keen interest in where the material is sourced and disposed.

I. Information on the sales organization and management

Aqua Metals Inc. leadership team has extensive experience bringing new disruptive technology to market, particularly in the electrochemical and battery space. The team is well rounded in the areas of commercial, finance, operations, and technical. The strategic partnership with Wirtz Manufacturing Inc. and Battery Systems Inc. will also allow them access to more channels in the lead acid battery industry.

The recent addition of a Chief Commercial Officer will allow them the ability to gather interest while the production facility is being built out. The leadership team also has relationships with other major battery manufacturers and are currently in discussions with potential buyers of their product.

II. Nature and extent of market and market area

(b) (4)

Both the global and North American lead market continues to increase due primarily from the demand in the automotive sector with increases also expected in the industrial sector for data backup.[7] Competition in this space are battery manufacturers with recycling capacity, and other lead recycling companies.

The North American lead recycling industry operates in a global market and the price of refined lead is set by the London Metals Exchange (LME). LME lead pricing has remained relatively flat in the past year due to balanced global supply and demand as shown in Figure 1. [8]

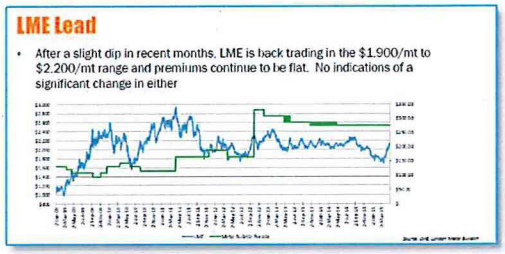


Figure 1 LME Historical Pricing

Demand for refined lead is primarily in the transportation industry and is used as base materials for lead acid batteries. In 2014 85% of global lead consumption was in the lead acid battery industry shown in Figure

[7] 2015 BCI Presentation's – NA Forecast Gospodarek, Industrial Forecast Bregman
[8] 2014 BCI Presentation. North American Forecast. Dale Gospodarek - JCI

2.[9] Global lead consumption is expected to grow at an annual rate of 3.5% in 2015-16 according to the Economist Intelligence Unit with the main driver in automotive and replacement batteries.[10]

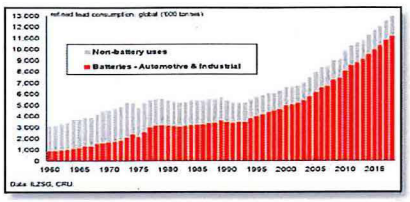


Figure 2 Global Lead Consumption

The NA lead market will be driven primarily by the lead acid battery market in the automotive sector. The US car parc is currently around 247M vehicles with an average age of 10.6 years, equivalent to 2-3 aftermarket battery replacements depending on location during the lifetime of the vehicle. Total North American shipments of automotive batteries is expected to grow at a 1.0% compounded growth rate (5.3M units) through 2019. OE shipments are expected to grow 2-3% through 2017 while aftermarket shipments are expected to remain flat growing at a compound rate of 0.6% over the next five years.

There are two types of refined lead used in the lead acid battery market. Primary lead denotes higher than 99.9995% purity and is processed from mining lead sulfide ores and refining via smelting in high temperature furnaces. Primary lead is used in lead oxide which is a precursor material for battery grid paste and in battery grid material for "pure lead" products such as Johnson Controls Optima® and Exide Orbital® spiral wound product as well as Enersys Genesis® flat plate designs.

Secondary lead primarily comes from recycling of ULABs. It is less than 99% pure and is used in lead acid battery oxide, grids, paste, intercell weld connectors and bushings and is based on the manufacturer's specifications. Lead can be recycled indefinitely.

(b) (4)

III. Marketing plans for sale of projected output – pure lead and lead alloys

(b) (4)

Figure 3 Market Assessment

Aqua Metals intends to target battery manufacturers without smelting capability as a secondary channel. These manufacturers are currently buying lead and lead alloy product from smelters or through the LME. This channel would be open to a new supply as they are not vertically integrated with lead product. Provided they are ISO/TS certified and pass the manufacturers quality audit there should be no issues in this channel. The North American customers without smelting capability in this channel include the following manufacturers: Concorde Battery Inc., Superior Battery Manufacturing Co Inc., US Battery

[9] 2014 BCI Presentation. Interesting Times for New and Recycled Battery Materials. Ray Kubis - ECOBAT
[10] Economist Intelligence Unit http://www.gfs.eiu.com/Article.aspx?articleType=cfh&articleId=1742685558

Manufacturing Co Inc., Trojan Battery Inc., and Enersys Inc. Additional opportunities exist globally. The main risk will be competition with existing smelters with long standing relationships with their customers.

(b) (4)

IV. Extent of competition including other similar facilities in the market area

An overview of the North American competition is shown in Figure 4. There are currently 13 smelters operating in the United States (including Puerto Rico) processing approximately 1,874,387 tons of lead annually. Canada has 10 smelters with an annual installed capacity of 475,550 tons,[11] and Mexico has 25 smelters processing 1,504,669 tons.[12] There remains only one smelter west of the Rockies which is owned by RSR Inc. in The City of Industry CA. Recently that smelter came under violations for high arsenic levels following the closure and public outrage over Exide's Vernon facility. Figure 4 also shows the location and estimated capacity of the smelters in the US and Canada. [13]

Figure 4 US/Canada Smelter Locations

V. Commitments from customers or brokers – principal products and byproduct

(b) (4)

[11] "Mexico's Toxic Lead-Acid Battery Industry Jan 27 2015 Equal Times" article http://www.equaltimes.org/mexico-s-toxic-lead-acid-battery#.VNY1rJXcnIV

[12] 2013 CEC report "Hazardous Trade? An Examination of Spent Lead Acid Battery Exports and Secondary Lead Recycling in Canada, Mexico and the United States"

[13] http://www.leadfreefrisco.com/2013/12/19/scaqmd-california-breaking-news-agency-orders-rsr-owned-quemetco-lead-smelter-perform-health-risk-study-source-test-shows-elevated-levels-arsenic-emissions/

VI. Adequacy of raw materials and supplies - Acquisition of ULABs for feedstock

(b) (4)

(b) (4)

Risk Assessment

(b) (4)

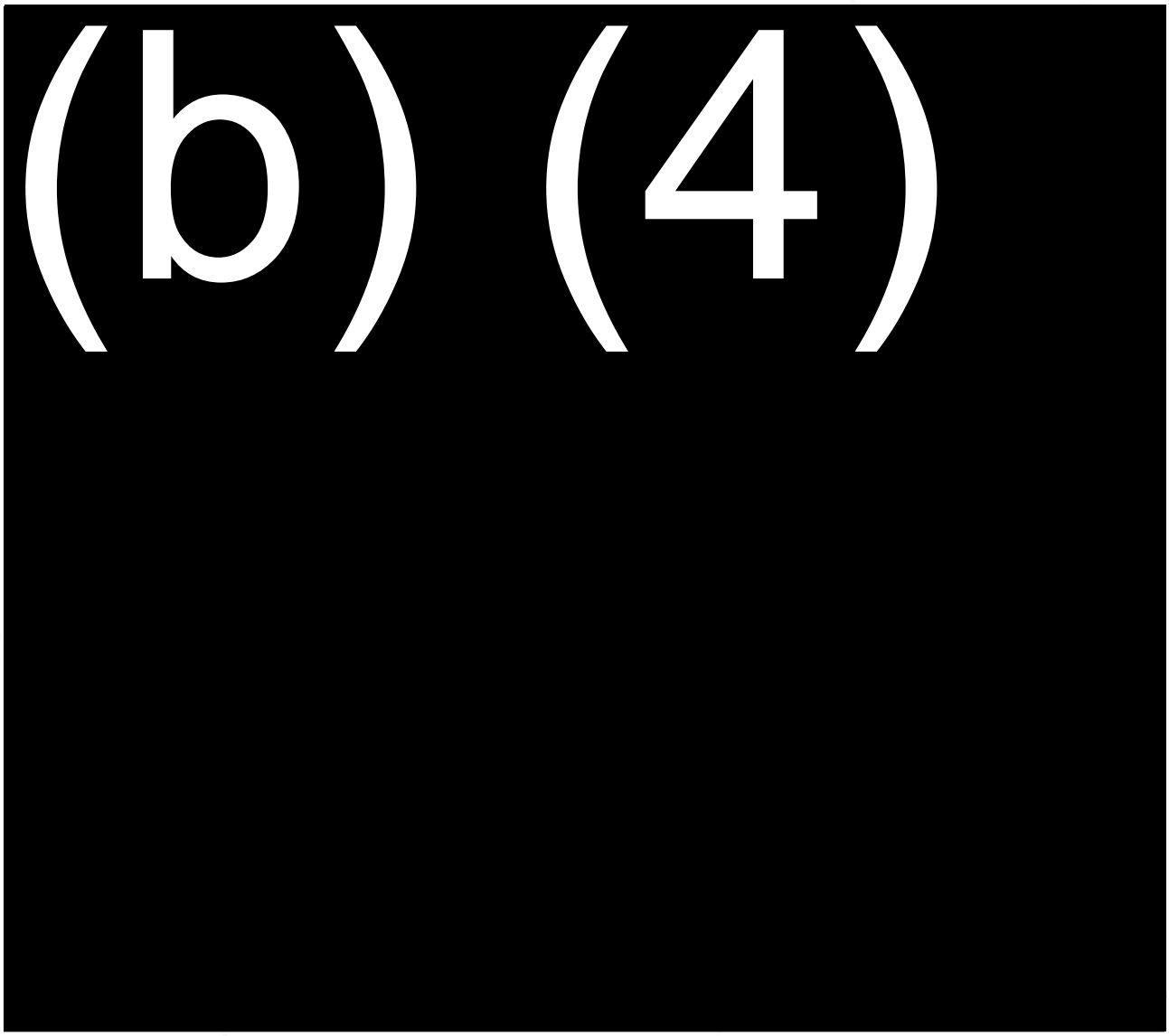
[14] Confidential source – Battery Manufacturer

Metals Inc. will have enough ULAB feedstock for their first production facility. Development of future facilities will require acquisition of additional ULABs.

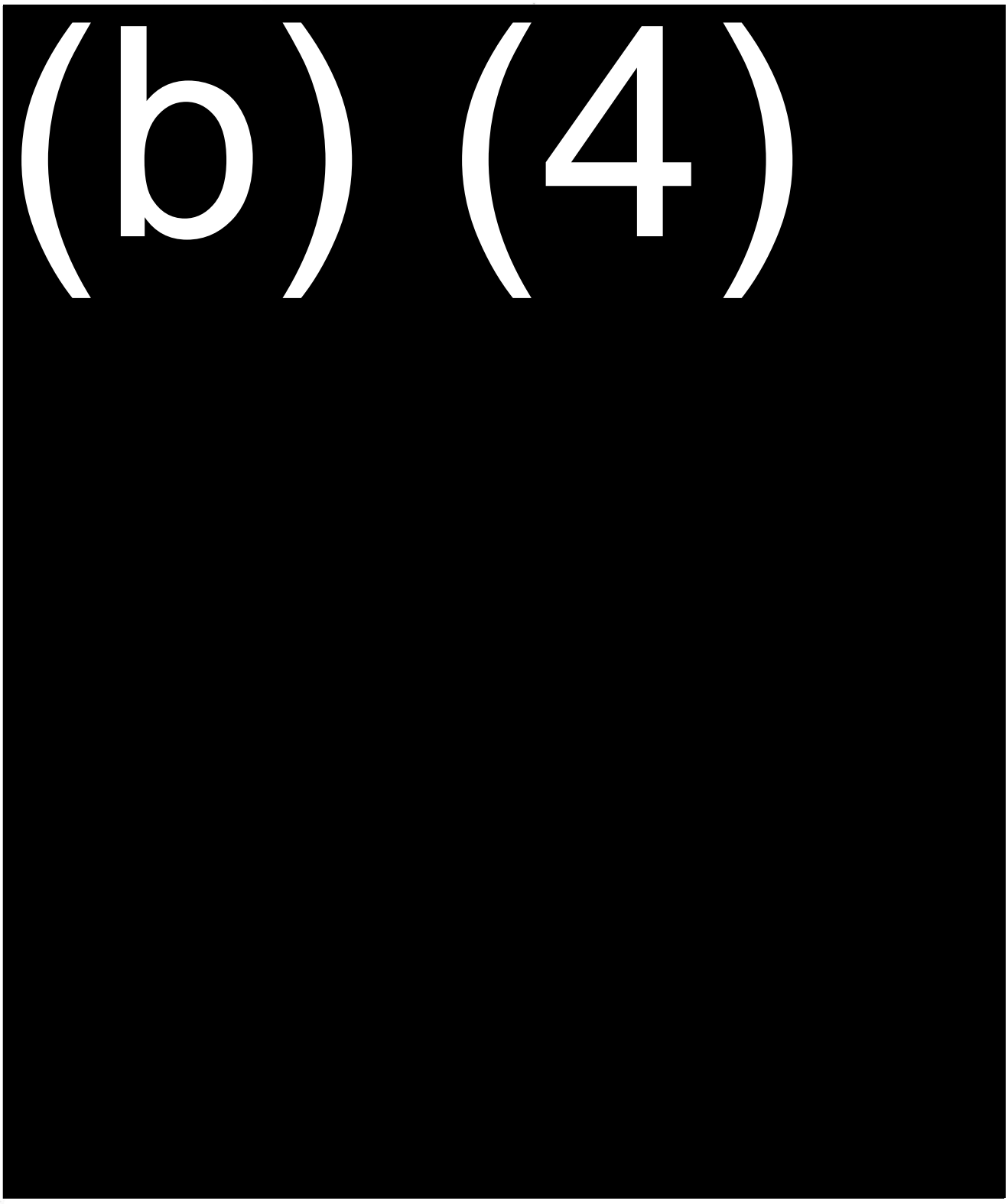
Supplier Quality Audits: Customers for pure lead and lead alloy products may not allow conditional supplier quality approval until Aqua Metals Inc. achieves ISO/TS compliance which requires one year of production level product.

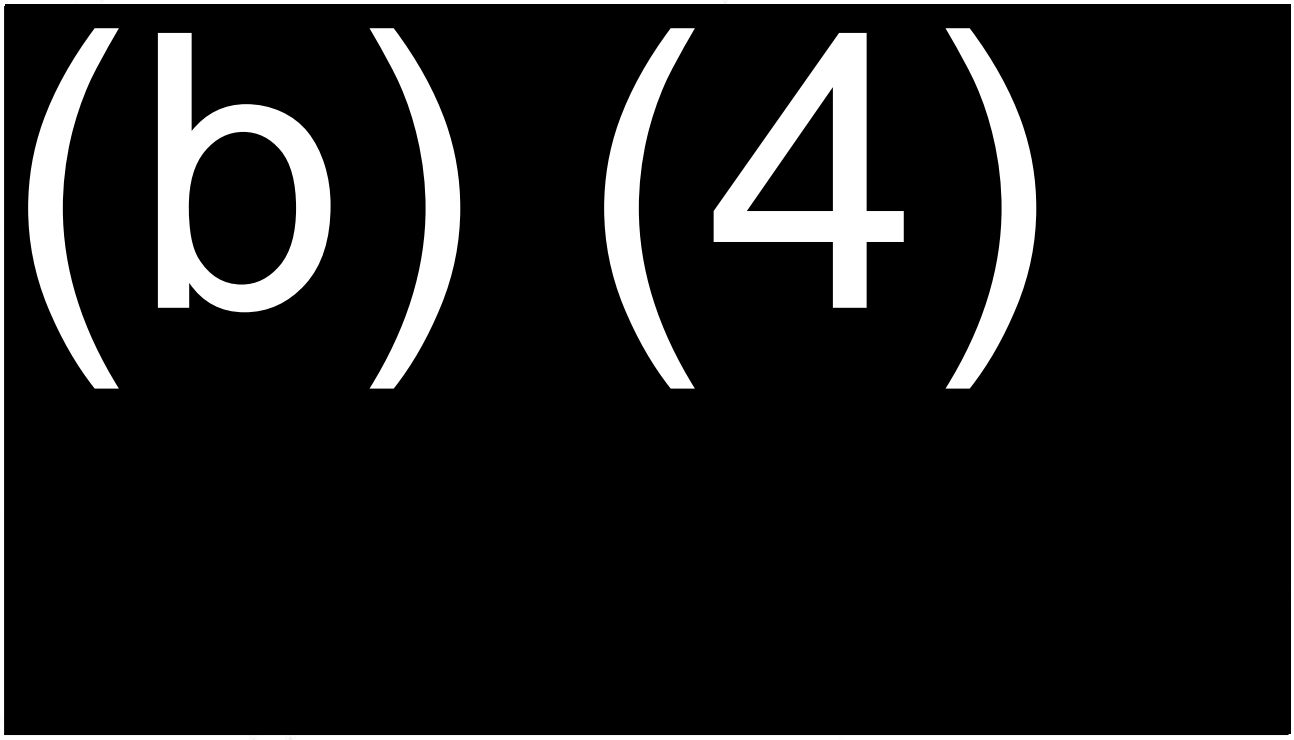
Negative press surrounding the lead acid industry: SLAB Watchdog (www.slabwatchdog.org) is a non-profit organization targeting companies participating in the smelting of lead acid batteries especially the export of ULABs across the US border to Mexico where environmental standards are less stringent than the US. Aqua Metals Inc. may be impacted by these efforts since they are in the business of recycling ULABs.

VII. Marketing Feasibility Determination/Opinion



C. Technical Feasibility

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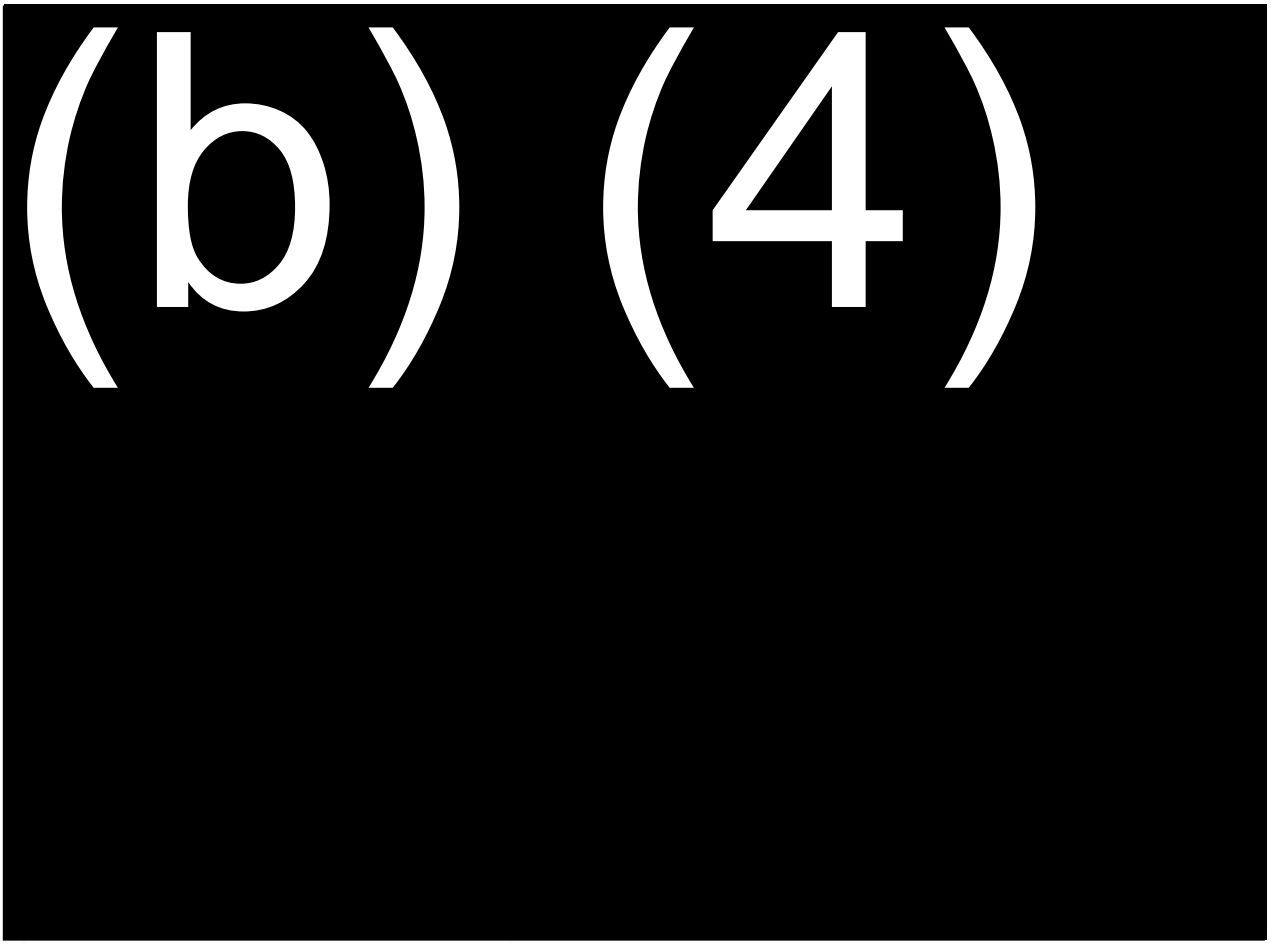
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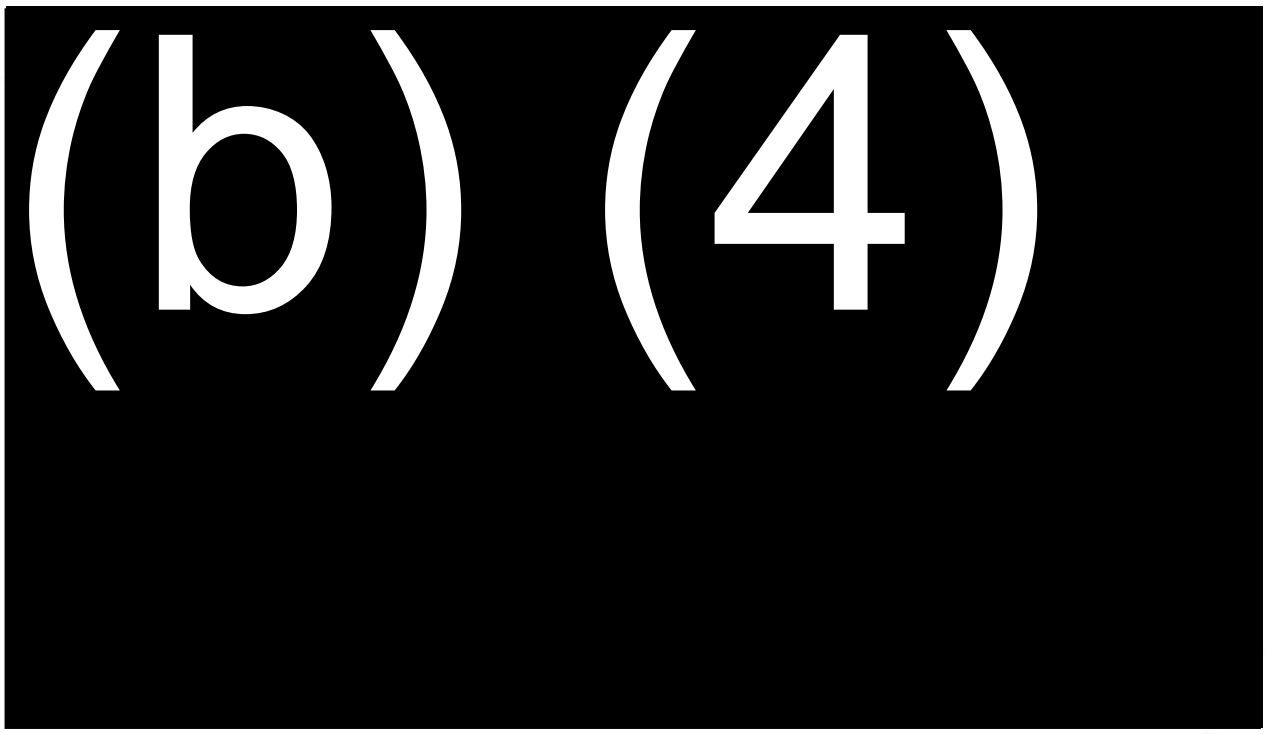


III. Suitability of the selected site for the intended use including environmental impact analysis

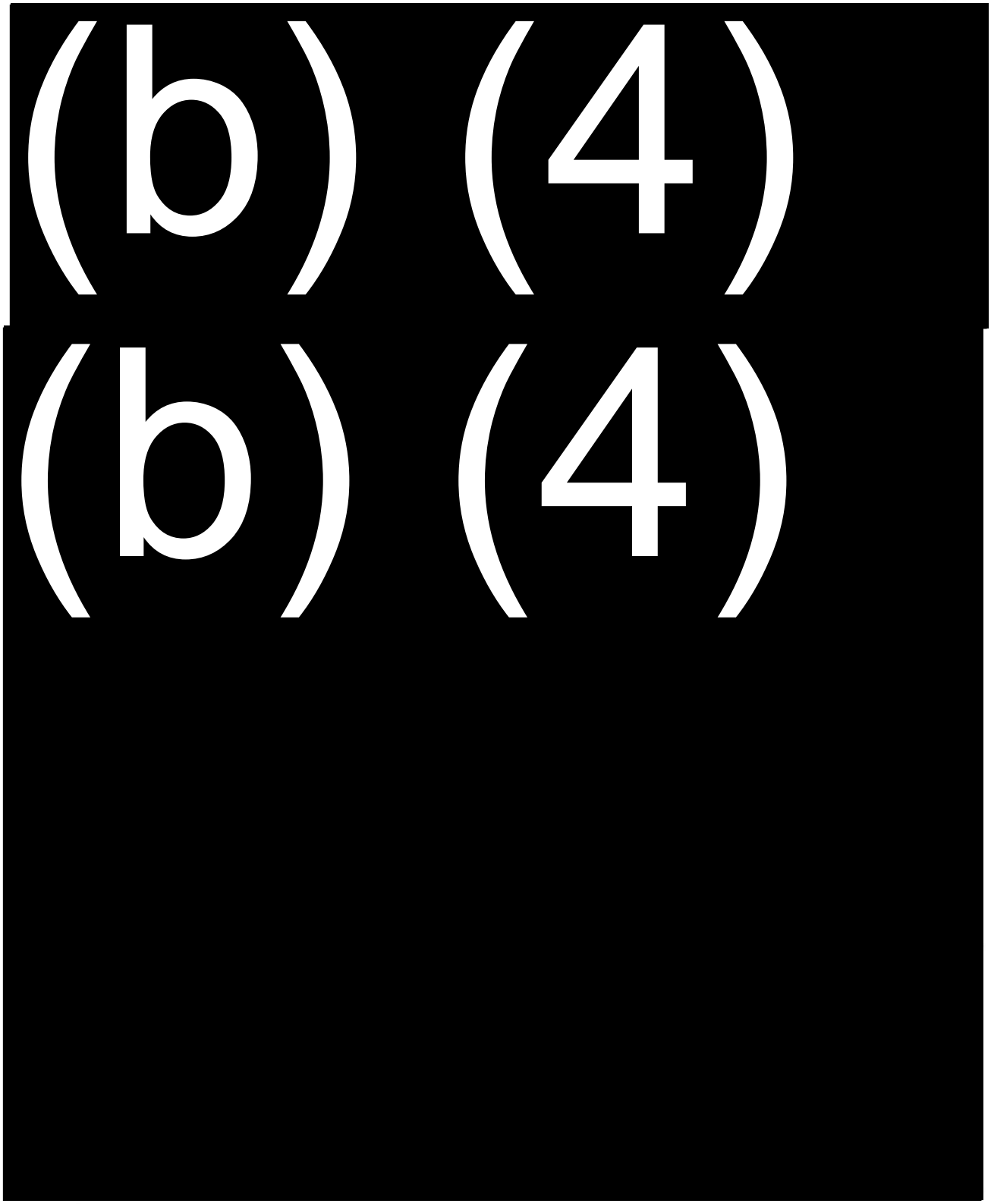
A preliminary Geotechnical Investigation study was performed by Black Eagle Consulting Inc. in March 2015.[15] This study used field exploration, laboratory testing and engineering analysis to provide recommendations for the planning and design of this facility. The study concluded that this site was geotechnical suitable for the proposed Aqua Metals Inc. facility. The risks noted potential issues with the excavation of larger boulders within the property and the need to remove uncontrolled clay fill soils.

McGinley & Associates were commissioned to perform a Phase I Environmental Site Assessment completed March 27, 2015. The purpose of this assessment was to identify recognized environmental conditions (RECs), historical recognized environmental conditions (HRECs), and/or controlled recognized environmental conditions (CRECs) for the property in compliance with the 2013 American Society of Testing and Materials (ASTM) standards for the performance of Phase 1 Environmental Site Assessments (ASTM E 1527-13) along with standards established by the Environmental Protection Agency (EPA). This was accomplished with site reconnaissance, search and review of both site history and land use and a regulatory agency search and review.

The findings of this study noted that in conformance with ASTM 1527-13 there was no evidence of recognized environmental conditions (past or present) on the property where Aqua Metals Inc. will build the production facility.[16] There has been limited development to the east and north of the property. Additionally, there was no evidence of environmental concerns on the land immediately surrounding that could impact the future Aqua Metals Inc. site. Given that this property is undeveloped it was noted that

[15] Black Eagle Consulting Inc. Preliminary Geotechnical Investigation Aqua Metals Industrial Facility March 31, 2015
[16] Phase I Environmental Site Assessment 2500 Peru Drive McCarran, Storey County Nevada March 27, 2015

it is unlikely that there are potential environmental hazards present on the property which include the following: asbestos, lead based paint, mold, and radon.



(b) (4)

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VI. Project operation and development costs

Aqua Metals Inc. has developed a comprehensive cost model for the production facility. Due to the proprietary nature of this information, actual numbers will not be shared in this report. The author has reviewed the model and verified the data. The cost for the AquaRefining modules and other machinery has been detailed out with projected savings upon building multiple units. The estimates have been reviewed and have been correlated to existing supplier quotes for accuracy.

Variable costs have been laid out in the cost model and were further analyzed:

Cost of ULABs – The cost of ULABs and finished goods (lead, lead alloys) is subject to LME pricing. The LME is expected to be stable for the next two years. Wild swings in LME pricing could have both positive and negative effects.

Cost of Utilities (Gas/Electric) – Electricity will be required for the AquaRefining process (electro-refining and aqueous separation) and other energy needed to power the equipment and facility. Gas will need to be used for the ingoting process. (b) (4)

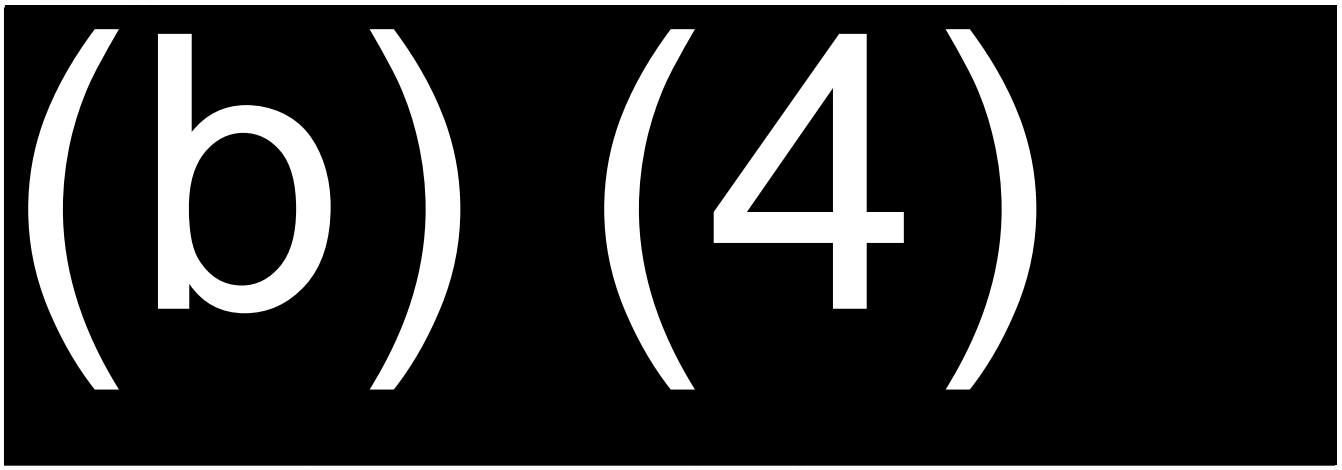
Labor cost – The staffing plan outlines both skilled and semi-skilled employees. The salary described is competitive according to the bureau of labor & statistics in Reno, Nevada.

(b) (4)

Environmental – Equipment will need to be installed for health and environmental reasons to protect the workers and environment. Environmental permits will need to be obtained due to the nature of the business. Aqua Metals Reno Inc. is currently working with local entities to help obtain these permits. Permits will also be need for OSHA regulations and the blood lead in employees of the facility. In reviewing

these plans, there appears to be no risk involved in obtaining both the environmental and health related permits.

VII. Risk Assessment

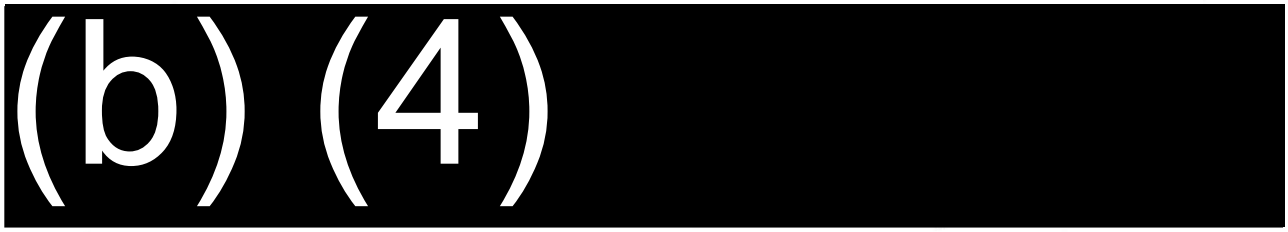


VIII. Technical Feasibility Determination/Opinion

Aqua Metals Inc. has developed a practical plan for the build out of their production facility. With the exception of the AquaRefining modules, the equipment and machinery for the rest of the process is all commercially available. (b) (4) , (b) (4) .

Three (3) independent studies assessed the property site for environmental, building and air quality requirements. All three reports noted minimal risk at this stage of development with the information given.

Cost projections for the build out have been developed. The majority of the equipment is commercially available today with quotes were provided by the suppliers to develop the cost projections. Variable costs have been assessed and present no issue at this stage of the development.



D. Financial Feasibility

(b) (4)

I. Projected revenues, operating costs, and net income and cash flow

(b) (4)

II. Capital requirements, potential and actual sources of equity

(b) (4)

III. Risk Assessment

At this stage of the development the financial plan adequately summarizes the business case and profitability. Continual risk assessment and evaluations will need to be done and the financial plan modified at each stage of development and build out of the production facility. Risks from the other areas will also need to be considered at each stage and financial projections modified to account for any changes.

IV. Financial Feasibility Determination/Opinion

(b) (4)

E. Management Feasibility

Aqua Metals Inc. executive leadership team has experience and success in creating and selling disruptive technologies in the marketplace particularly in the electrochemical and battery space. They have many relationships within the lead acid battery community which will be key to the development of buyer/seller relationships. The team is well rounded in the areas of commercial, finance, operations, and technical areas. They have previously worked together to successfully bring new technologies to market through Applied Intellectual Capital which developed advanced battery technologies from bench to production and commercialization. There are currently seeking experts to serve on their board of directors.

I. Adequacy of Management

The executive leadership biographies are below:

Dr. Stephen Clarke, Chairman and CEO: Steve has >20 years in the development and commercialization of disruptive technologies in advanced batteries and battery materials. This included 5 years working together with Aqua Metals' COO and CFO on developing and then selling an Advanced lead Acid Battery technology to East Penn Manufacturing, through which they developed a detailed knowledge of the LAB industry and established relationships with industry leaders and executives. He co-founded and lead Applied Intellectual Capital (AIC) through to a successful IPO on the London Stock Exchange's Alternative Investment Market raising $40mm. Prior to AIC Steve had 5 years in international management consulting and 9 years at Rolls Royce plc., where as head of its Manufacturing Engineering Group he lead a significant part of Rolls-Royce's supply cahin re-structuring and manufacturing automation in the run up to its return from bancruptcy.

Selwyn Mould, Chief Operational Officer: Selwyn has worked with Aqua Metals' CEO and CFO for 7 years working on disruptive battery technologies. This included 5 years working together at AIC in the Lead Acid Industry to develop and then sell a novel Advanced Lead Acid Battery technology to East penn Manufacturing. Prior to joining AIC, selwyn held executive roles at Lotus and Pilkington, in manufacturing / supply chain. Selwyn spent 7 years at Gemini Consulting leading large-scale, international corporate turnarounds. Selwyn started his career in operations management at Chloride Batteries in the UK, which at the time was the World's largest LAB compamy.

Thomas Murphy, Chief Financial Officer: Tom has worked with Aqua Metals' CEO and CFO for 7 years working on disruptive battery technologies. This included 5 years working together at AIC in the Lead Acid Industry to develop and then sell a novel Advanced Lead Acid Battery technology to East Penn Manufacturing. Tom was instrumental in developing and implementing critically important changes to AIC's corporate structure to facilitate electronic trading in its shares during its time on the LSE's AIM. As such Tom brings extensive expertise in public companies, international finance, tax efficient structures and high value equipment leasing

Steve Cotton, Chief Commercial Officer: Steve joined Aqua Metals in January 2015. Prior to joining Aqua Metals, he co-founded Data Power Monitoring Corporation and IntelliBatt (Now Canara) and successfully grew it to over $20 million in revenues as the CEO before it was acquired by Columbia Capital in 2012. Canara became the global leader for providing an innovative package of lead acid batteries, monitoring equipment and reliability and lifecycle management services for the data center industry with over 300 datacenters worldwide and a history of managing well over 1 million lead acid batteries. Steve brings an extensive and deep knowlegdge of the LAB industry to Aqua Metals.

Aqua Metals Inc. has put together an experienced mid-level engineering team which includes a PhD in Chemistry and three well-seasoned degreed engineers. This middle management team has extensive

experience in industrial electrochemistry and process engineering taking bench level processes to pilot and production plant level. They additional have experience with startup companies and bringing new technologies to full production.

II. Risk Assessment

With the information given at this stage of the development there appears to be little risk with management feasibility. Once the production facility is built out and Aqua Metals Inc. expands they will need to build a succession plan for mid-level management to ensure continuity in management. There does not appear to be any conflict of interest or appearance thereof at this stage of development.

III. Management Feasibility Determination/Opinion

The Aqua Metals Inc. executive leadership team has experience and success in creating and selling disruptive technologies in the marketplace particularly in the electrochemical and battery space. They have many relationships within the lead acid battery community which will be key to the development of buyer/seller relationships. The team is well rounded in the areas of commercial, finance, operations, and technical areas. They have previously worked together to successfully bring new disruptive technologies to market at Applied Intellectual Capital which developed advanced battery technologies.

IV. Summary of Findings

A review of Aqua Metals Inc. economic, marketing, technical/operation, financial and management areas shows that they are well positioned for a successful launch. At a time when the lead acid battery industry has been reflected negatively in the press, end customers are becoming more aware of the impact on health and the environment of their lead acid batteries. Aqua Metals Inc. has developed an alternative environmentally clean process to meet the needs that are evolving due to increasing regulatory, environmental and health issues associated with current lead recycling technology. The timing to introduce a clean environmentally friendly lead recycling process has never been better.

V. Appendix

Professional Experience

Maggie Teliska PhD

Dr. Teliska brings more than 15 years of leadership experience in the design, development and commercialization of power sources. Her experience spans academia, federal government and private industry. Early in her career she developed novel electrode materials and fundamental reactions in fuel cells and batteries at the university level and for the US Navy. Most recently she held several leadership positions in engineering, sales and operations with the Johnson Controls Power Solutions Business. She led the Americas Product Design, Aftermarket Engineering and Specialty Product teams developing lead acid batteries and chargers currently sold in the retail and wholesale channels today. She was the global technical lead for new technologies including the Powerframe™ grid technology. She is considered the technical expert both internally and externally for battery technology and was the customer facing engineer to support current and new business. Additionally she held leadership positions in sales and operations responsible for managing a major retail customer business unit and for bringing new Li Ion battery technology from design to launch.

Most recently she has formed RyanTel LLC, a consulting firm specializing in providing technical expertise in the areas of new product technology assessment, quality, product development and management, process improvement, product safety and technical training. Clients include battery manufacturers, distributors, and startup companies.

Dr. Teliska earned her BS in Chemistry from Boston College and an MS and PhD in Physical Chemistry from The George Washington University. Funded by the DOE, US Navy and Brookhaven National Laboratory her work developed new techniques to assess fundamental reactions and efficiencies of novel catalysts used for fuel cells and batteries. Upon graduation she was awarded an American Society of Engineering Education Post-Doctoral Fellowship in the Surface Chemistry Division of the Naval Research Laboratories in Washington DC where she developed and implemented alternative energy sources for military and commercial applications.

Dr. Teliska has authored several publications in peer reviewed articles in the power sources field. She is an active member of the International Society of Electrochemistry (ISE), Society of Women Engineers (SWE) and the Battery Council International (BCI). At BCI she currently sits on the Technology, Deep Cycle and Product Marketing Committees and was a contributing editor to the most recently published 2010 Battery Council International Technical Manual.

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

PROJECTED FINANCIAL STATEMENTS

WITH WRITTEN ASSUMPTIONS

Page(s) 000154 thru 000169
withheld:

5 U.S.C. § 552, Exemption (b)(4) of the FOIA protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

REPRESENTATIONS REGARDING FELONY CONVICTION

This form is available electronically.

Form Approved – OMB No. 0505-0025
Expiration Date: 02/29/2016

AD-3030
(05-15-13)

U.S. DEPARTMENT OF AGRICULTURE

REPRESENTATIONS REGARDING FELONY CONVICTION AND TAX DELINQUENT STATUS FOR CORPORATE APPLICANTS

You only need to complete this form if you are a corporation. A corporation is any entity that has filed articles of incorporation in one of the 50 States, the District of Columbia, or the various territories of the United States including American Samoa, Federated States of Micronesia, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, Republic of Palau, Republic of the Marshall Islands, or the U.S. Virgin Islands. Corporations include both for profit and non-profit entities.

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552(a), as amended). The authority for requesting the following information for USDA Agencies and staff offices is in §738 and 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. 112-55 and subsequent similar provisions. The information will be used to confirm applicant status concerning entity conviction of a felony criminal violation, and/or unpaid Federal tax liability status.*

According to the Paperwork Reduction Act of 1985 an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0505-0025. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

PART A – APPLICANT ***(You must complete this form if you are a Corporation)***

1. APPLICANT'S NAME	2. APPLICANT'S ADDRESS *(Including Zip Code)*	3. TAX ID NO. *(Last 4 digits)*
Aqua Metal Reno, Inc.	1035 22nd Ave Unit #16 Oakland, Ca 94606	(b) (4)

4A. Has the Applicant been convicted of a felony criminal violation under Federal or State law in the 24 months preceding the date of application? ☐ YES ☑ NO

4B. Has any officer or agent of Applicant been convicted of a felony criminal violation for actions taken on behalf of Applicant under Federal or State law in the 24 months preceding the date of application? ☐ YES ☑ NO

4C. Does the Applicant have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability? ☐ YES ☑ NO

Providing the requested information is voluntary. However, failure to furnish the requested information will make the applicant ineligible to enter into a contract, memorandum of understanding, grant, loan, loan guarantee, or cooperative agreement with USDA.

PART B – SIGNATURE

5A. APPLICANT'S SIGNATURE (BY)	5B. TITLE/RELATIONSHIP OF THE INDIVIDUAL IF SIGNING IN A REPRESENTATIVE CAPACITY	5C. DATE SIGNED *(MM-DD-YYYY)*
(b) (4)	Chief Financial Officer	06-11-2015

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

LAND PURCHASE AGREEMENTS

Page(s) 000173 thru 000217
withheld:

5 U.S.C. § 552, Exemption (b)(4) of the FOIA protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

APPRAISAL

Appraisal

Appraisal value is based on estimated construction cost as outlined in **Item 22 – Construction Contract and Cost Estimates**. An "As Complete" appraisal will be obtained prior to Loan Closing with values of (b) (4)

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

REQUEST FOR ENVIRONMENTAL INFORMATION

USDA
Form RD 1940-20
(Rev. 4-06)

Position 3

FORM APPROVED
OMB No. 0575-0094

REQUEST FOR ENVIRONMENTAL INFORMATION

Name of Project: Aqua Metals Reno, Inc

Location: 2500 Peru Drive, McCarran, NV

Item 1a. Has a Federal, State, or Local Environmental Impact Statement or Analysis been prepared for this project?
☐ Yes ☒ No ☐ Copy attached as EXHIBIT I-A.

1b. If "No." provide the information requested in Instructions as EXHIBIT I.

Item 2. The State Historic Preservation Officer (SHPO) has been provided a detailed project description and has been requested to submit comments to the appropriate Rural Development Office. ☐ Yes ☒ No Date description submitted to SHPO _____

Item 3. Are any of the following land uses or environmental resources either to be affected by the proposal or located within or adjacent to the project site(s)? *(Check appropriate box for every item of the following checklist).*

	Yes	No	Unknown		Yes	No	Unknown
1. Industrial	☒	☐	☐	19. Dunes	☐	☒	☐
2. Commercial	☒	☐	☐	20. Estuary	☐	☒	☐
3. Residential	☐	☒	☐	21. Wetlands	☐	☒	☐
4. Agricultural	☐	☒	☐	22. Floodplain	☐	☒	☐
5. Grazing	☐	☒	☐	23. Wilderness *(designated or proposed under the Wilderness Act)*	☐	☒	☐
6. Mining, Quarrying	☐	☒	☐				
7. Forests	☐	☒	☐	24. Wild or Scenic River *(proposed or designated under the Wild and Scenic Rivers Act)*	☐	☒	☐
8. Recreational	☐	☒	☐				
9. Transportation	☐	☒	☐	25. Historical, Archeological Sites *(Listed on the National Register of Historic Places or which may be eligible for listing)*	☐	☒	☐
10. Parks	☐	☒	☐				
11. Hospital	☐	☒	☐	26. Critical Habitats *(endangered/threatened species)*	☐	☒	☐
12. Schools	☐	☒	☐	27. Wildlife	☐	☒	☐
13. Open spaces	☐	☒	☐	28. Air Quality	☐	☒	☐
14. Aquifer Recharge Area	☐	☒	☐	29. Solid Waste Management	☐	☒	☐
15. Steep Slopes	☐	☒	☐	30. Energy Supplies	☐	☒	☐
16. Wildlife Refuge	☐	☒	☐	31. Natural Landmark *(Listed on National Registry of Natural Landmarks)*	☐	☒	☐
17. Shoreline	☐	☒	☐				
18. Beaches	☐	☒	☐	32. Coastal Barrier Resources System	☐	☒	☐

Item 4. Are any facilities under your ownership, lease, or supervision to be utilized in the accomplishment of this project, either listed or under consideration for listing on the Environmental Protection Agency's List of Violating Facilities? ☐ Yes ☒ No

5/8/2015
(Date)

Signed: (b) (4)

CFO

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collections is 0575-0094. The time required to complete this information collection is estimated to average 6 to 10 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Supplemental Environmental Information

(To accompany Form 1940-20, Request for Environmental Information)

Name of Applicant:	**Aqua Metals Reno, Inc.**
Name of Project:	**Aqua Metals Reno, Inc.**
Project Location:	**2500 Peru Drive, McCarran, NV**

1. Primary Beneficiaries. Identify any businesses or major developments that will benefit from the proposal, and those which will expand or locate in the area because of the project.

This loan will allow Aqua Metals Reno, Inc. to construct and operate a plant facility for Battery Aquarefinery. The primary beneficiaries will be the owners of Aqua Metals Reno, Inc. as well as the citizens of Story County, Nevada through tax revenue. The business will be located in a developing section of the Tahoe-Reno Industrial Center.

2. Area Description.

A. Describe the size, terrain, and present land uses as well as the adjacent land uses of the areas to be affected. These areas include the site(s) of construction or project activities, adjacent area, and areas affected by the primary beneficiaries.

The proposed site sits on 12.56 acres located on Peru Drive (off Exit 32 on I-80 E) in Land Lot 6 according to Fern West Engineering's preliminary parcel map of the Tahoe-Reno Industrial Center. The surrounding topography is backed by Mount Diablo, but the subject property is located at the baseline in a flat to slightly hilly valley. The subject property is on an arid plot which contains mostly desert scrub brush vegetation and man-made rock piles. The general area is characterized by industrial property development and commercial use properties. The subject property has both dirt and paved roads, a drainage ditch to the south border, and is located closely to a BNSF rail line. Surrounding properties are either under development or in use for commercial and industrial purposes. The present land has no indicated use other than for industrial development. The proposed project is to build a battery Aquarefinery plant for the recycling and repurposing of discarded lead batteries and other products. The project will consist of a large refinery building, sidewalks and parking areas. According to the FEMA Flood Insurance Rate Map, Community Panel 32029C0100D, for Storey County, Nevada effective date January 16, 2009, the property does not sit on any indicated flood zones as defined by FEMA, but is located outside of a 100-year flood zone, listed as Zone X which is characterized as an area outside the 0.2% annual chance flood. The project location is located within Panel 11 on the attached FEMA document. The adjacent property to the north is scrub brush intended for industrial development. The adjacent property to the south is intended for industrial development with a BNSF rail line. The adjacent property to the east is intended for industrial development. The adjacent property to the west is arid scrub brush.

B. For each box checked "Yes" in item 3 of Form RD 1940-20, describe the nature of the effect on the resource

In Item 3 of Form RD 1940-20 number 1, "Industrial", has been checked "Yes" because the project

itself contains an industrial plant and is in an industrial center. Number 2, "Commercial" has been checked "Yes" because the project is a commercial venture.

C. Attach a detailed street map or topographic map showing the location of the project.

☒ attached Exhibit II – USGS "15 Minute" Topographic Map (arrow indicating site location),
FEMA Floodplain Map (Storey County, NV Community Panel 32029C0100D)
Fern West Engineering land parcel map
Aerial Site Map
Site Photographs

E. Provide photos of the site to be developed, including any structures now on the site, and photos of surrounding area. Digital photos sent via e-mail are strongly encouraged

☒ attached/sent

13. Public Reaction

A. Describe any objections which have been made to the project.

No objections have been made to the project.

B. If a public hearing has been held, attach a copy of any transcript or resolution. If not, certify that a hearing was not held.

A public hearing has not been held.
☐ attached

C. Indicate any other evidence of the community's awareness of the project such as through newspaper articles or public information.

The Governor of the State of Nevada is aware of and in favor of the project and Storey County is aware of and in favor of the project.

15. Mitigation Measures. Describe any measures which will be taken to avoid or mitigate any adverse environmental impacts associated with the project.

There will be no mitigation actions taken at the site as there are no anticipated adverse environmental impacts associated with the project.

16. Permits

A. Indicate any current zoning restrictions and the project's consistency with local land use plans.

There are no current zoning restrictions that will inhibit the project and the project is consistent with local land use plans.

B. Identify any permits which are needed for the project. Identify any city or county planning department that has jurisdiction over your project – i.e., from which a permit must be obtained. Provide the name and phone number of the contact person there.

Permit Type	Agency	Contact Person	Contact Phone
Use Permit	BWM Permitting Supervisor		
Air Quality Permit	Nevada DEP, Bureau of Air Pollution Control		
Wastewater Permit	EPA Region 9		
Fire Marshall Permit	Fire Marshall		

C. Indicate the status of obtaining each such permit and attach any that have been received.

All permits will be obtained at the appropriate time.

17. Other Federal Actions. Identify other federal programs or actions which are either related to this project or located in the same geographical area and for which you are filing an application, have recently received approval, or have in the planning stages.

There are no known other federal programs or actions that affect this project.

Exhibit II

USGS Topographical Map

FEMA Floodplain Map

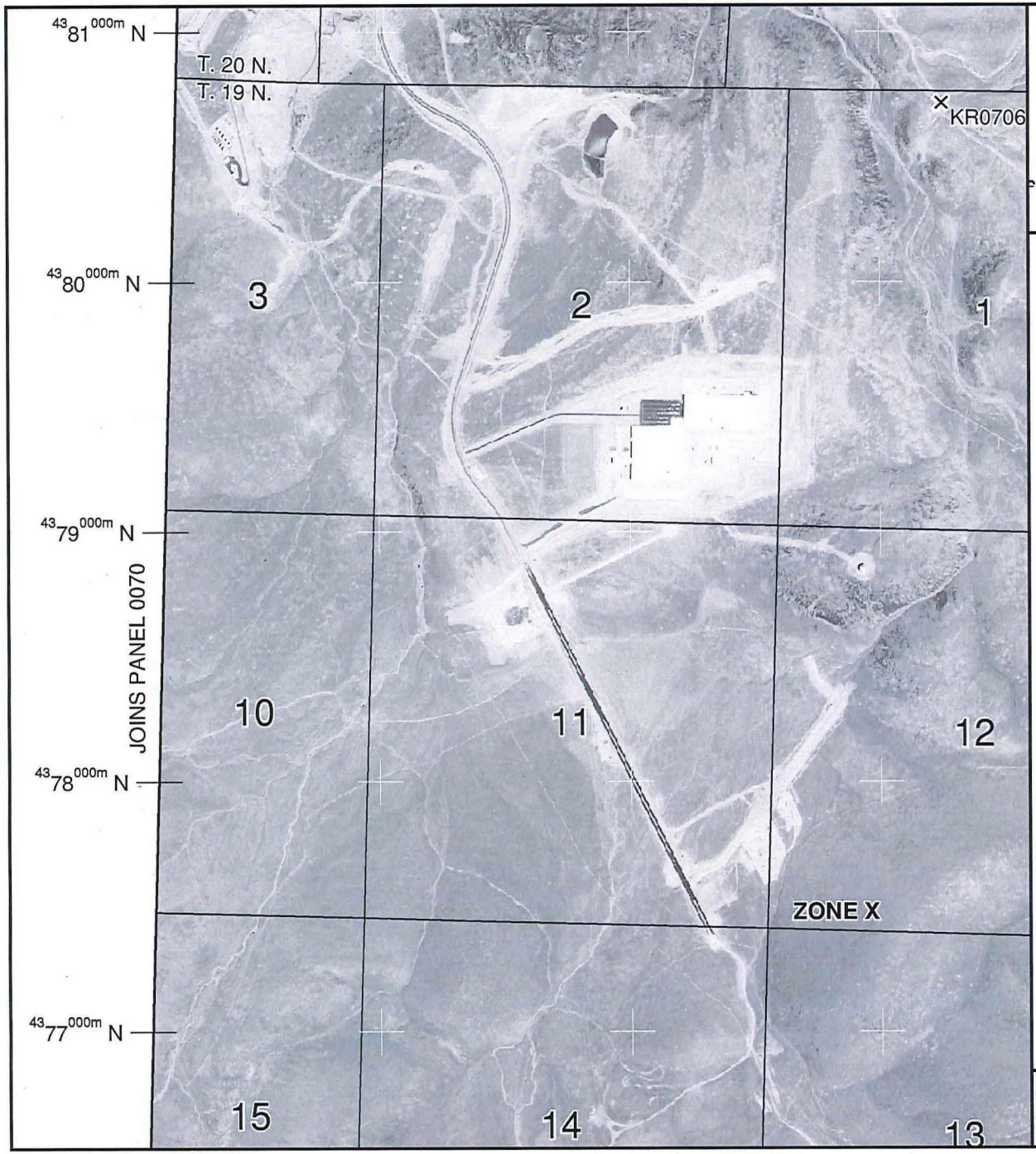
Land Parcel Map

Aerial Site Map

Site Photos

USGS
science for a changing world
U.S. DEPARTMENT OF THE INTERIOR
U.S. GEOLOGICAL SURVEY
The National Map
US Topo
DERBY DAM QUADRANGLE
NEVADA
7.5-MINUTE SERIES
T20N R22E
T20N R23E
T19N R22E
T19N R23E
Thisby
Clark
Pott Canyon
Verbis Range
SCALE 1:24 000
Produced by the United States Geological Survey
ROAD CLASSIFICATION
DERBY DAM, NV
2014

000226



MAP SCALE 1" = 2000'

1000 0 2000 4000 FEET

600 0 600 1200 M

NFIP

NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0100D

FIRM

FLOOD INSURANCE RATE MAP

STOREY COUNTY, NEVADA

AND INCORPORATED AREAS

PANEL 100 OF 300

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
STOREY COUNTY	320033	0100	D

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.

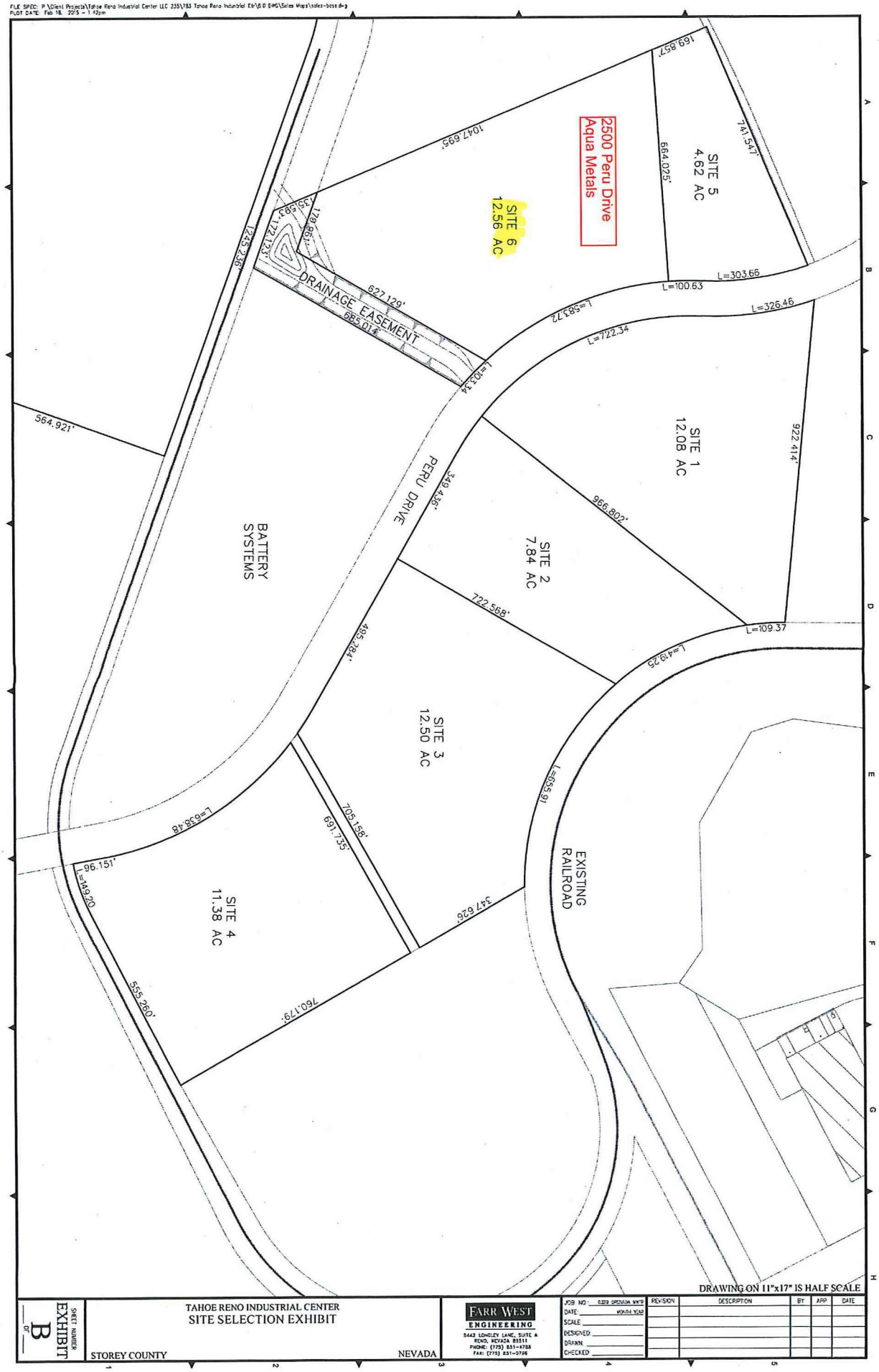
MAP NUMBER
32029C0100D

EFFECTIVE DATE
JANUARY 16, 2009

Federal Emergency Management Agency

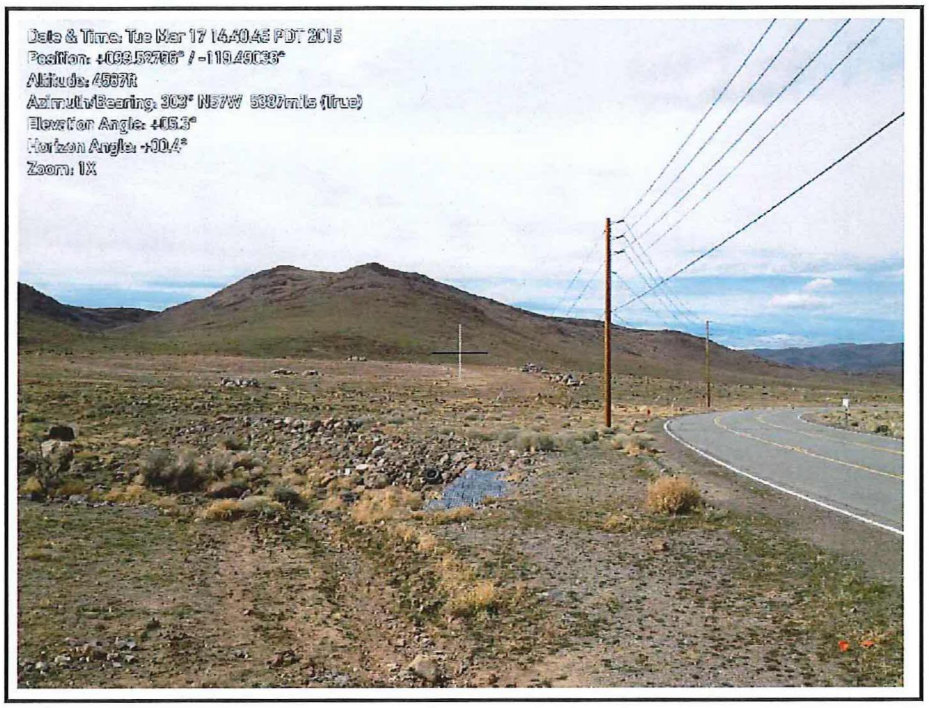
This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

000227

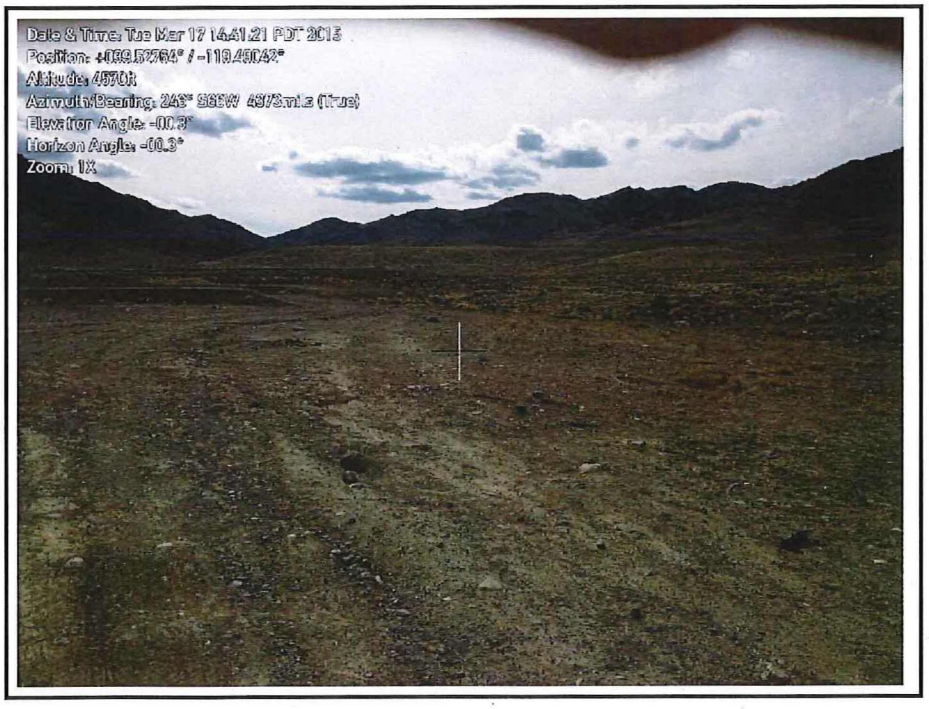

2500 Peru Drive
Aqua Metals
SITE 6
12.56 AC
SITE 5
4.62 AC
SITE 1
12.08 AC
SITE 2
7.84 AC
SITE 3
12.50 AC
SITE 4
11.38 AC
BATTERY
SYSTEMS
PERU DRIVE
DRAINAGE EASEMENT
EXISTING
RAILROAD
1047.695'
169.857'
741.547'
664.025'
L=303.66
L=100.63
L=326.46
L=583.72
L=722.34
L=103.34
922.414'
966.802'
722.568'
L=109.37
L=419.25
L=595.19'
347.626'
760.179'
555.260'
L=149.20
L=96.151'
L=558.48
691.735'
705.156'
495.784'
349.436'
564.921'
627.129'
685.014'
1798.89'
1243.236'
DRAWING ON 11"x17" IS HALF SCALE
TAHOE RENO INDUSTRIAL CENTER
SITE SELECTION EXHIBIT
STOREY COUNTY
NEVADA
SHEET NUMBER
EXHIBIT
B
FARR WEST
ENGINEERING
5442 LONGLEY LANE, SUITE A
RENO, NEVADA 89511
PHONE: (775) 851-4788
FAX: (775) 851-0786
JOB NO:
DATE:
SCALE:
DESIGNED:
DRAWN:
CHECKED:
REVISION
DESCRIPTION
BY
APP
DATE

000228

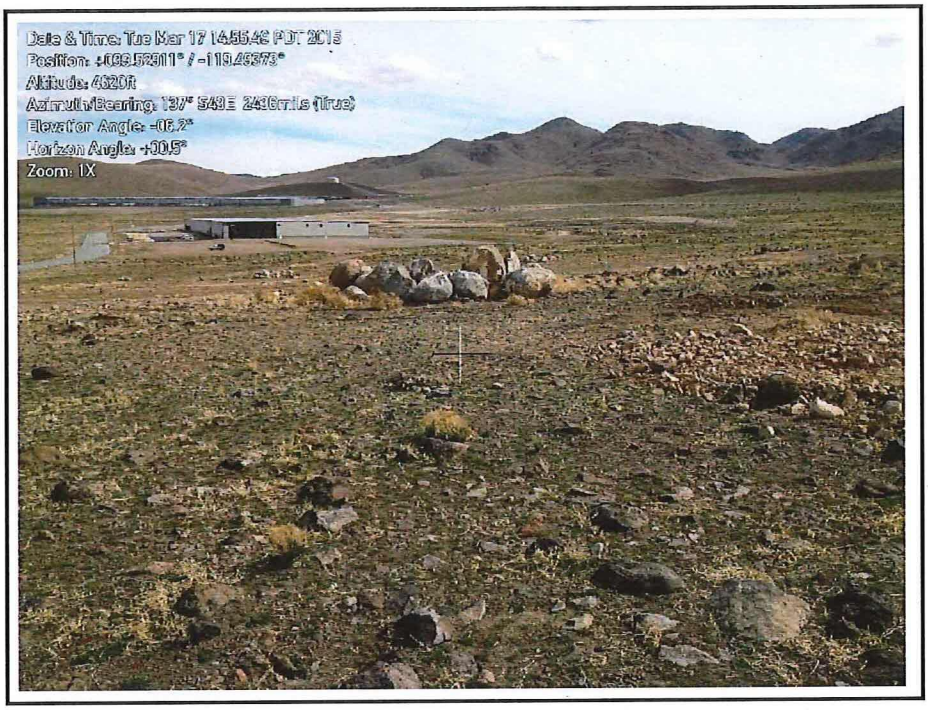
Subject Property
INQUIRY #: 4234231.9
YEAR: 2010
= 500'
N
EDR



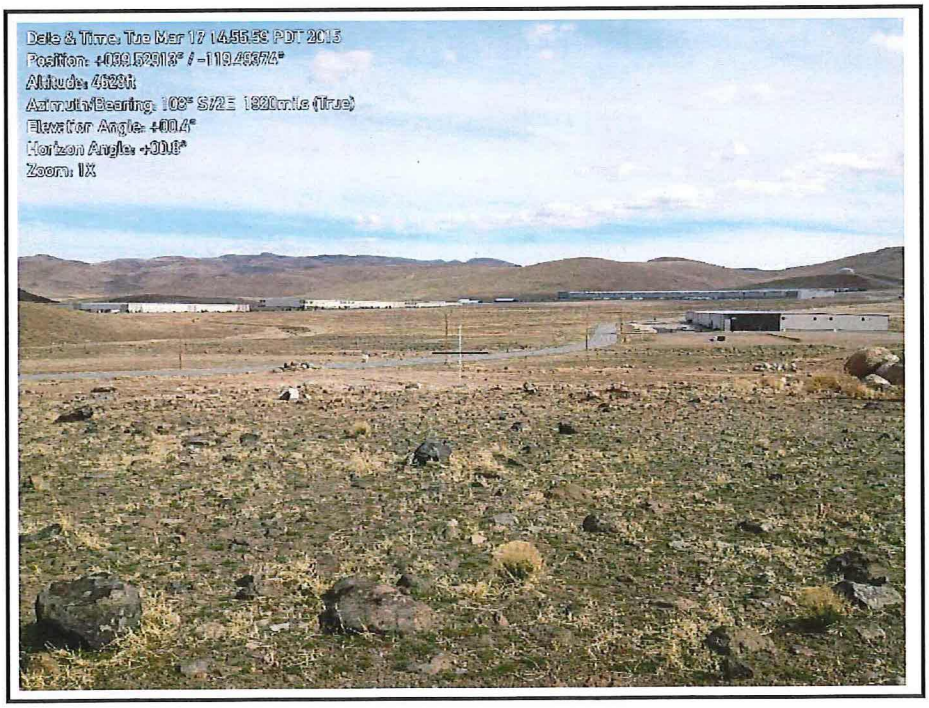
Photograph 1:
View of the Subject Property from the eastern corner, looking northwest.



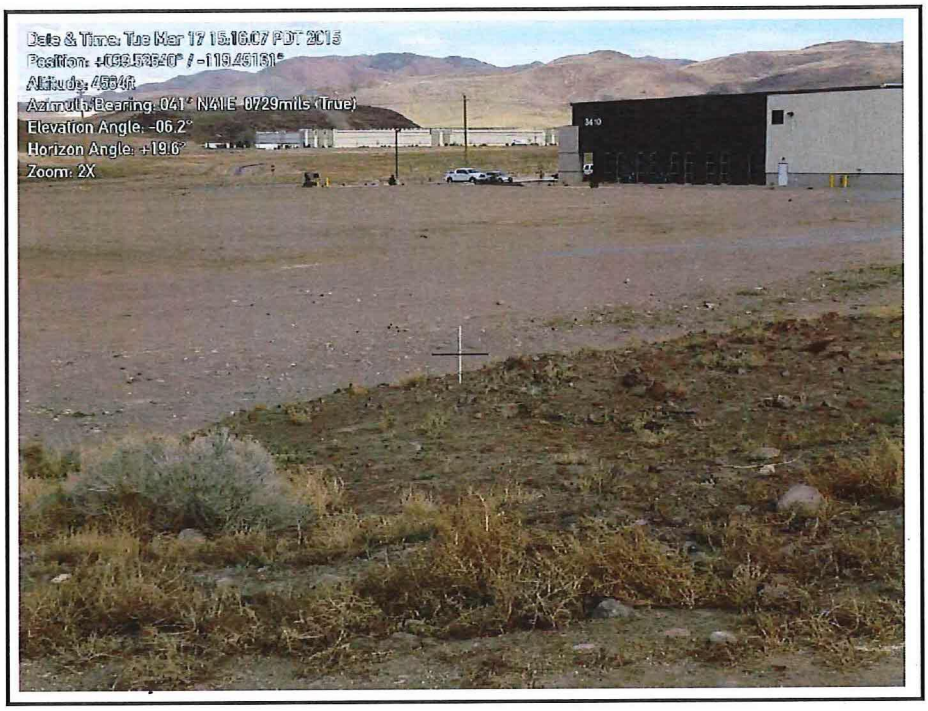
Photograph 2:
View of the Subject Property from the eastern corner, looking southwest.



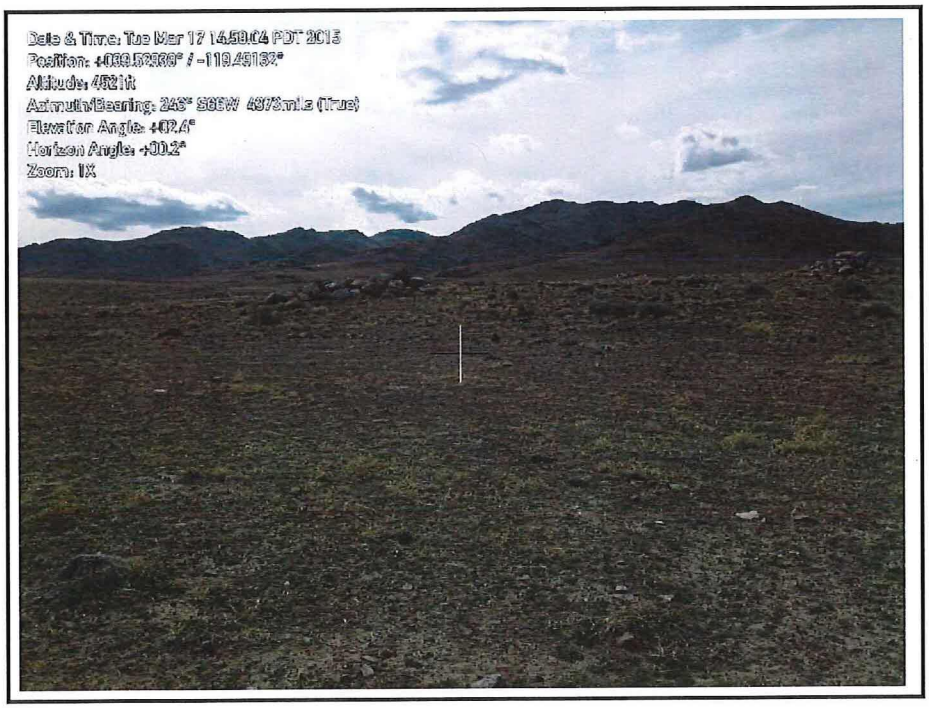
Photograph 3:
View of the Subject Property from the northwest corner, looking southeast.



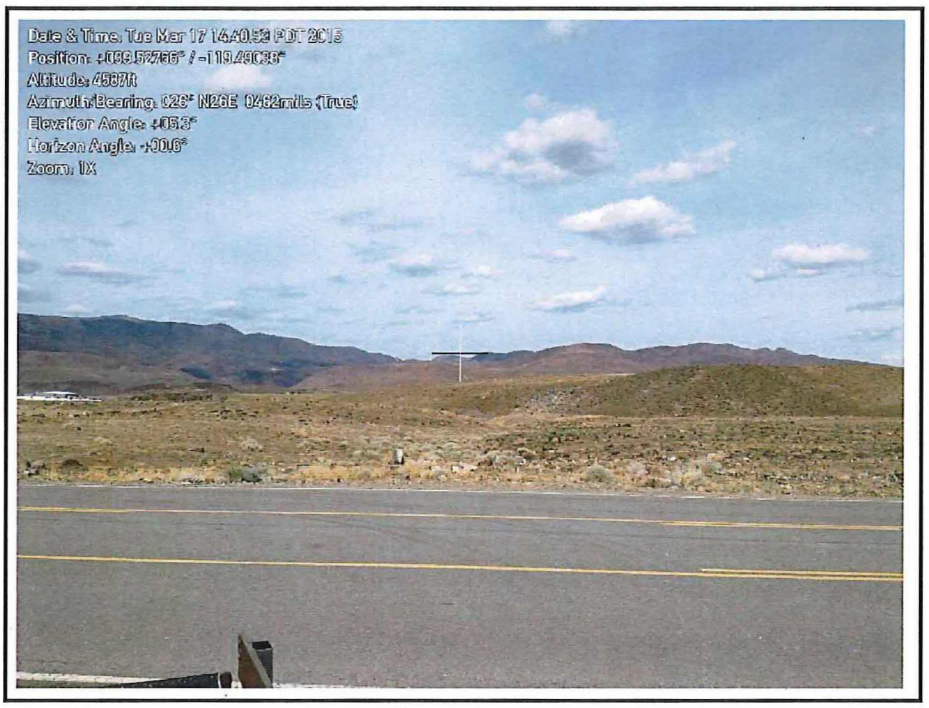
Photograph 4:
View of the Subject Property from the northwest corner, looking east.



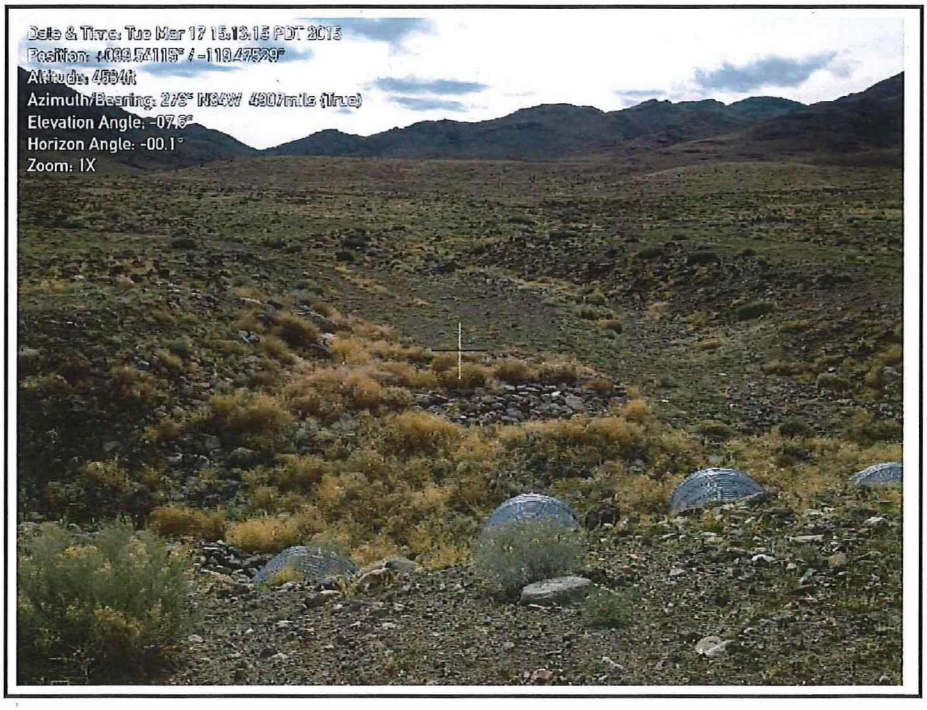
Photograph 5:
View of the adjacent property to the east of the Subject Property.



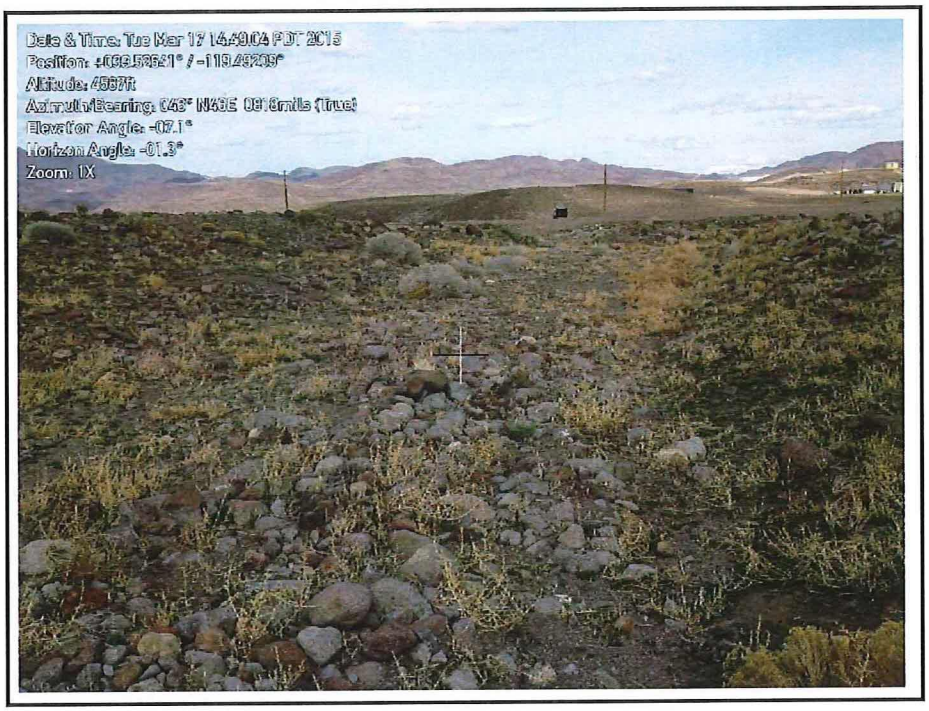
Photograph 6:
View of the adjacent property to the west of the Subject Property.



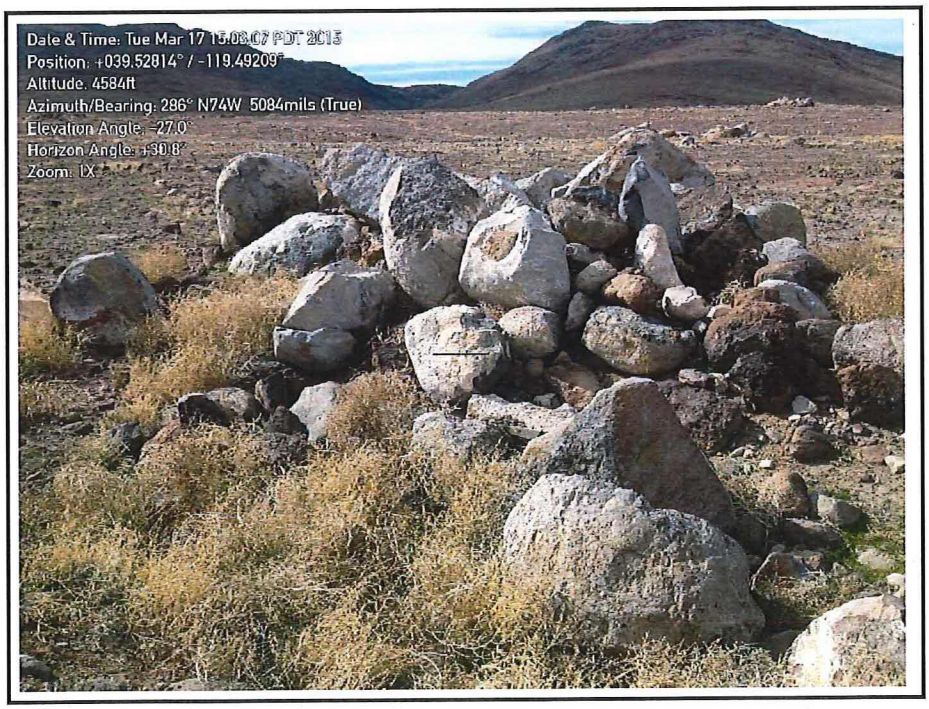
Photograph 7:
View of Peru Drive adjacent to the Subject Property with undeveloped land beyond.



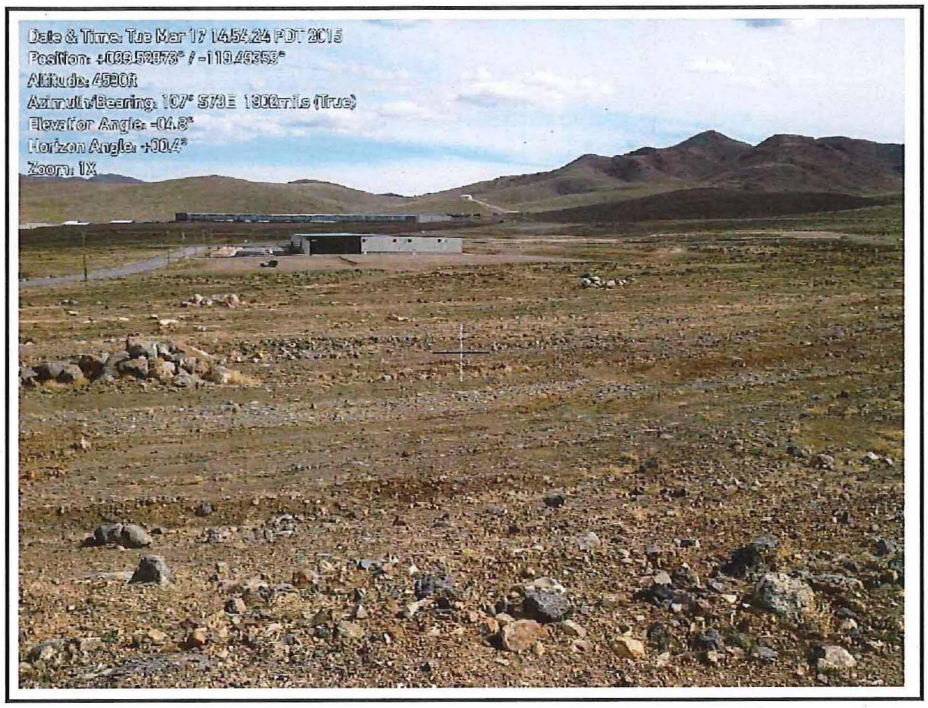
Photograph 8:
View of the adjacent property to the south of the Subject Property.



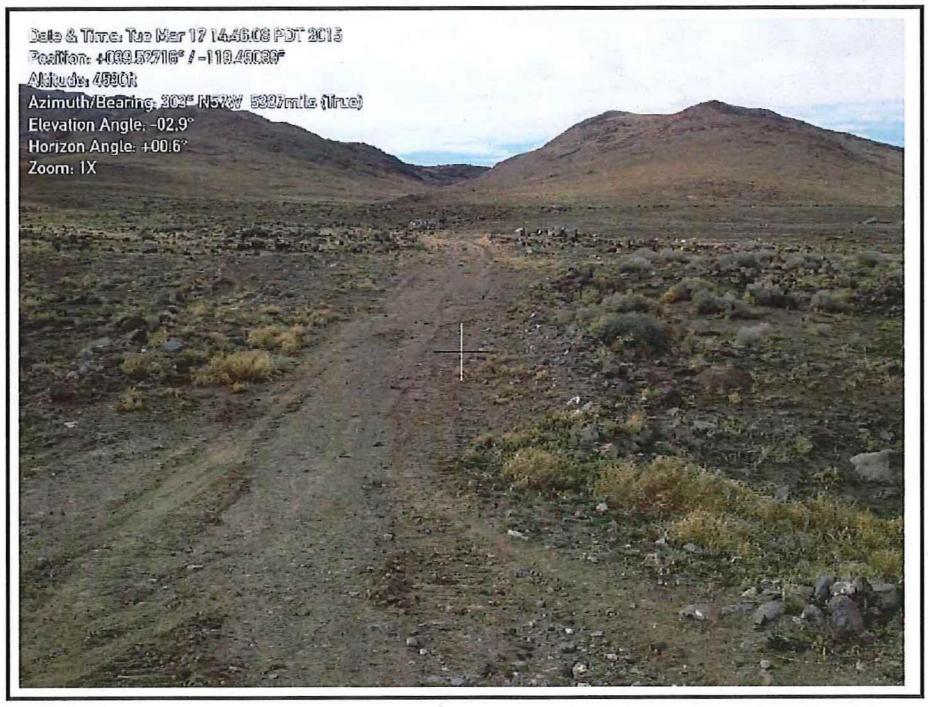
Photograph 9:
View of the main ephemeral drain observed on the Subject Property.



Photograph 10:
View of one of numerous unnatural rock piles observed on the Subject Property.



Photograph 11:
View of graded soil observed on the Subject Property.



Photograph 12:
View of primitive road observed transecting the Subject Property.

nac NORTH AVENUE CAPITAL

May 11, 2015

Skip Canfield
Nevada Division of State Lands
901 S. Stewart St., Ste 5003
Carson City, NV 89701-5246

Re: Executive Order 12372 - Aqua Metals Reno, Inc.
Lender: North Avenue Capital, LLC ("NAC")

Dear Mr. Canfield:

We are initiating the Executive Order 12372 "Intergovernmental Review of Federal Programs" process as it relates to the project described herein. The Lender ("NAC") and the U.S. Department of Agriculture, Rural Development, Business & Industry Guaranteed Loan Program (the "Agency") are being asked to consider providing financial assistance for the proposal described in the attached documentation and your comments are invited on this proposal regarding:

1. Consistency with State and local government planning goals;
2. Extent to which the proposal duplicates, runs counter to, or needs to be coordinated with other activities or might be revised to increase its effectiveness;
3. Contribution to achieving State and local government goals relating to natural and human resources or economic and community development;
4. Extent of environmental impacts and alternatives that should be considered in the Agency's environmental review;
5. Influence on area growth or delivery or services, including any disproportionate effects on minority groups;
6. Impacts on energy resource supply and demand;
7. Possible displacement of people or businesses and;

If you choose not to respond within 60 days of this correspondence, the Agency will assume that you have chosen not to respond and may proceed with their decision. If you have any questions concerning this proposal, please contact me at (b) (4) In addition, please send your comments to me directly and I will forward all comments to the USDA Rural Development Business and Industry Agency.

Sincerely on behalf of North Avenue Capital,

(b) (4)

President

Cumberland Hill School Building
1901 N. Akard Street
Dallas, TX 75201
(866) 526-4950

Stanfill Building
225 W Main Street
Hahira, GA 31632
(866) 526-4950

Attachment B

SF 424 & SF 424C

OMB Number: 4040-0004
Expiration Date: 04/31/2012

Application for Federal Assistance SF-424

Version 02

*1. Type of Submission	*2. Type of Application	*If Revision, select appropriate letter(s):
☑ Preapplication	☑ New	
☐ Application	☐ Continuation	* Other (Specify)
☐ Changed/Corrected Application	☐ Revision	

*3. Date Received: 4. Application Identifier:

5a. Federal Entity Identifier:	*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name: Aqua Metals Reno, Inc

* b. Employer/Taxpayer Identification Number (EIN/TIN):	*c. Organizational DUNS:
(b) (4)	(b) (4)

d. Address:

*Street1: 2500 Peru Drive
Street 2:
*City: McCarran
County:
*State: Nevada
Province:
Country: *Zip/ Postal Code: 89434

e. Organizational Unit:

Department Name:	Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: First Name: (b) (4)
Middle Name:
*Last Name: (b) (4)
Suffix:

Title: President

Organizational Affiliation:
North Avenue Capital

*Telephone Number: (b) (4) Fax Number:

*Email: (b) (4)

OMB Number: 4040-0004
Expiration Date: 04/31/2012

Application for Federal Assistance SF-424

Version 02

9. Type of Applicant 1: Select Applicant Type: Q. For-Profit Organization (Other than Small Business)

Type of Applicant 2: Select Applicant Type: - Select One -

Type of Applicant 3: Select Applicant Type: - Select One -

*Other (specify):

*10. Name of Federal Agency:
USDA Rural Development

11. Catalog of Federal Domestic Assistance Number:
10.768

CFDA Title:
Business and Industry Loan

*12. Funding Opportunity Number:

*Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

*15. Descriptive Title of Applicant's Project:
Aqua Metals Reno, Inc is building a plant facility for the recycling and repurposing of lead acid batteries.

Attach supporting documents as specified in agency instructions.

OMB Number: 4040-0004
Expiration Date: 04/31/2012

Application for Federal Assistance SF-424 Version 02

16. Congressional Districts Of: State of Nevada

*a. Applicant NV-2 *b. Program/Project: NV-2

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

*a. Start Date: 8/1/2015 *b. End Date: 4/1/2016

18. Estimated Funding ($):

*a. Federal	$10,000,000.00
*b. Applicant	
*c. State	
*d. Local	
*e. Other	
*f. Program Income	
*g. TOTAL	$10,000,000.00

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☑ a. This application was made available to the State under the Executive Order 12372 Process for review on 5/12/2015
☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
☐ c. Program is not covered by E.O. 12372

*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)
☐ Yes ☑ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☑ **I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: *First Name: (b) (4)

Midd le N ame:

*Last Name: (b) (4)

Suffix:

*Title: President - North Avenue Capital

*Telephone Number: (b) (4) Fax Number:

*Email: (b) (4)

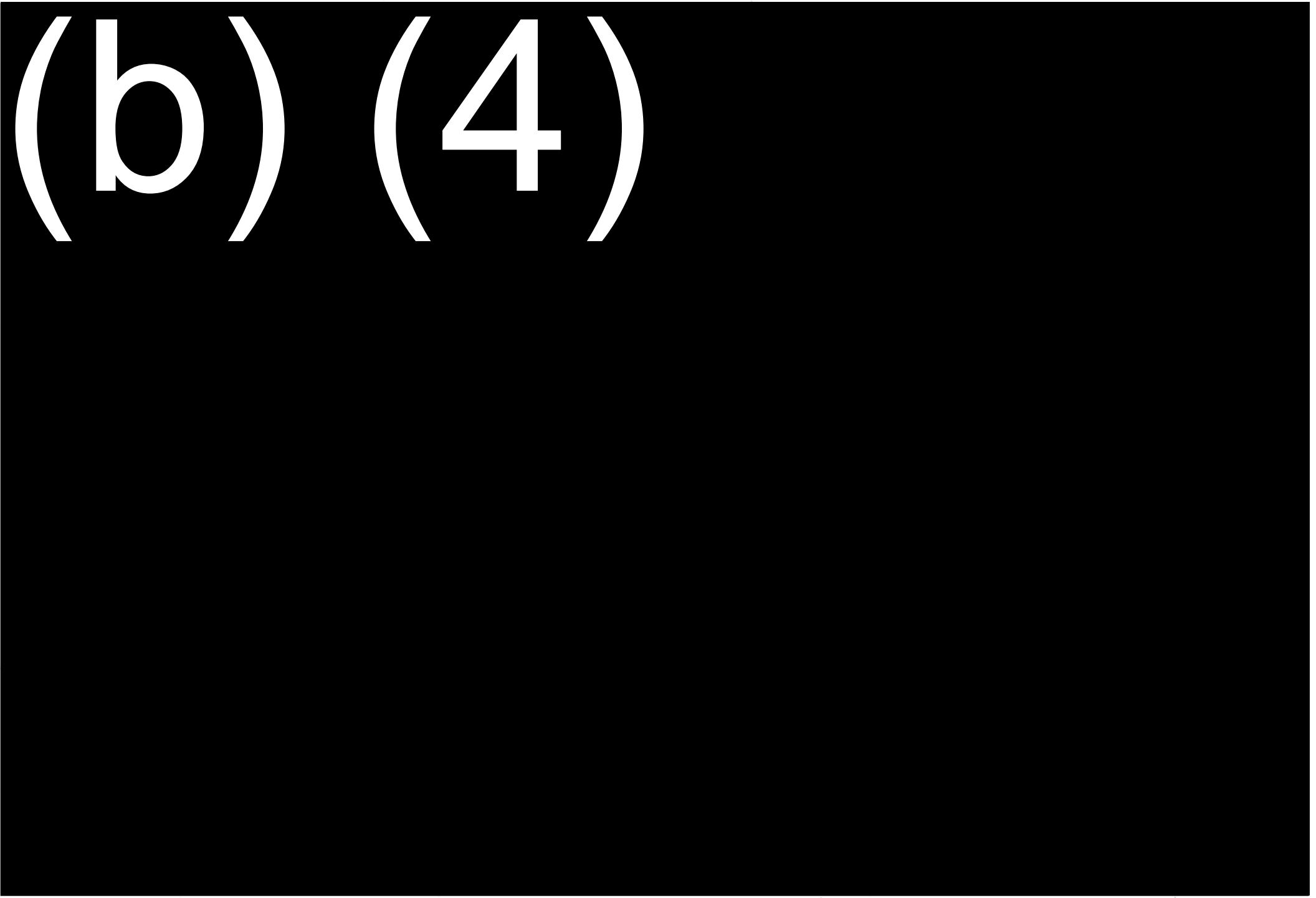
*Signature of Authorized Representative: Date Signed: 5/12/2015

Application for Federal Assistance SF-424

Version 02

*Applicant Federal Debt Delinquency Explanation

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.


(b) (4)

Attachment C

Detailed Project Description/Scope of Work

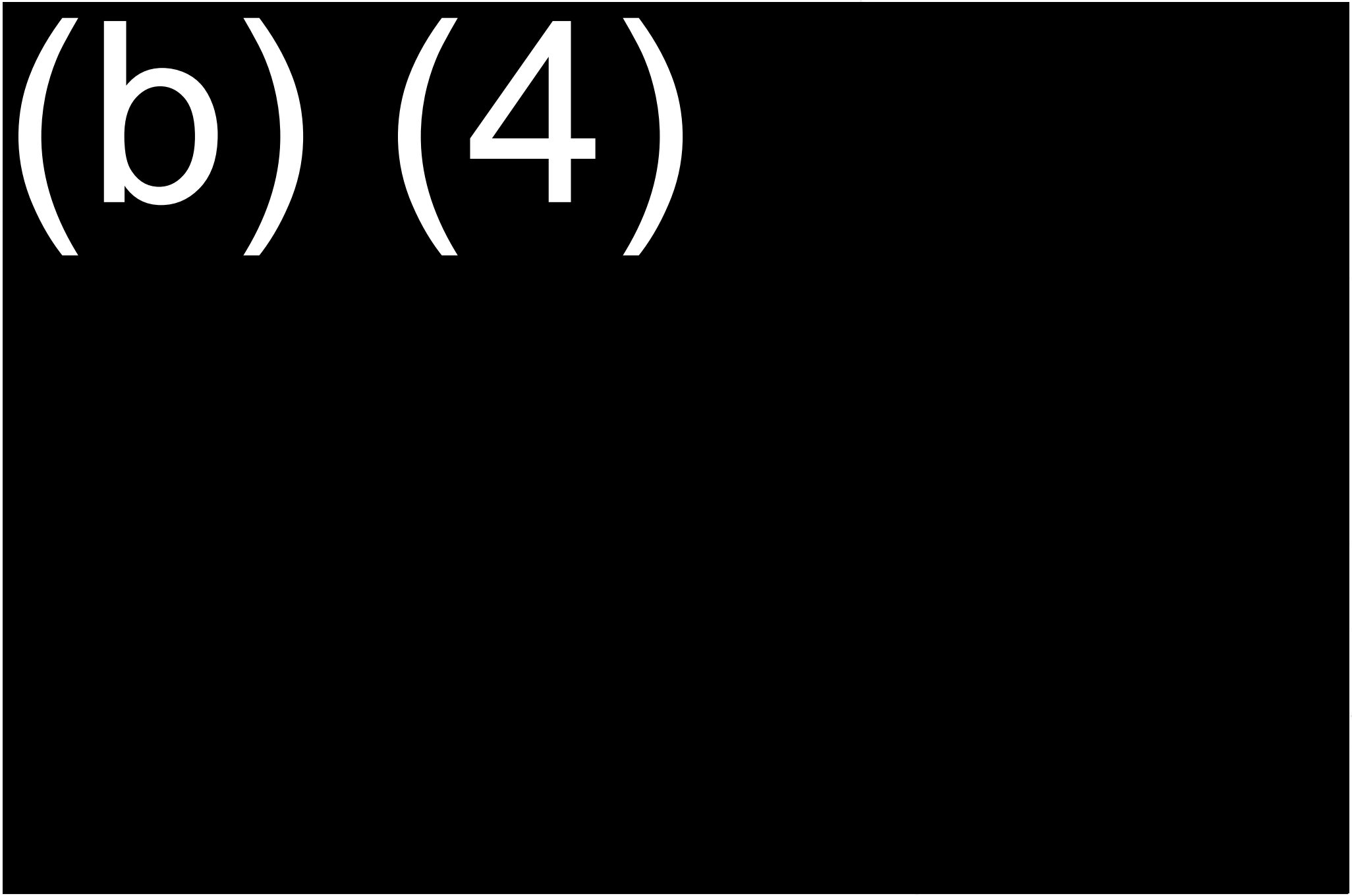
Detailed Project Description/Scope of Work

Aqua Metals' first commercial scale LAB recycling facility will be located on a 12 acre site located on the Tahoe Reno Industrial Center (TRIC), in Storey County, NV. TRIC is located approximately 20 minutes by car, directly east of Reno on Hwy 80.

The building will be approximately 125,000ft^2 and built to house the following processes:

(b) (4)

The diagram attached below shows the arrangement of these items:


(b) (4)

Attachment D

Proposed Land Use Description

Proposed Land Use Description and Prior Use of the Land

The proposed site sits on 12.56 acres located on Peru Drive (off Exit 32 on I-80 E) in Land Lot 6 according to Fern West Engineering's preliminary parcel map of the Tahoe-Reno Industrial Center. The surrounding topography is backed by a mountain, but the subject property is located at the base in a flat to slightly hilly valley. The subject property is on an arid plot which contains mostly desert scrub brush. The general area is characterized by industrial property development and commercial use properties. The subject property has both dirt and paved roads, a drainage ditch to the south border, and is located closely to a BNSF rail line. Surrounding properties are either under development or in use for commercial and industrial purposes. The present land has no indicated use other than for industrial development. The proposed project is to build a battery Aquarefinery plant for the recycling and repurposing of discarded lead batteries and other products. The project will consist of a large refinery building, sidewalks and parking areas. According to the FEMA Flood Insurance Rate Map, Community Panel 32029C0100D, for Storey County, Nevada effective date January 16, 2009, the property does not sit on any indicated flood zones as defined by FEMA, but is located East of a panel in with Flood Zone X status. The project location is located within Panel 11 on the attached FEMA document. The adjacent property to the north is scrub brush intended for industrial development. The adjacent property to the south is intended for industrial development with a BNSF rail line. The adjacent property to the east is intended for industrial development. The adjacent property to the west is arid scrub brush.

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

PHASE I ENVIRONMENTAL ASSESSMENT

McGinley & Associates

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PHASE I ENVIRONMENTAL SITE ASSESSMENT

2500 Peru Drive
McCarran, Storey County
Nevada

Prepared for:

United Construction
5300 Mill Street
Reno, Nevada 89502

and

Aqua Metals Reno, Inc.
1035 22nd Ave, Unit 16
Oakland, CA 94606

March 27, 2015

000249

TABLE OF CONTENTS

1. INTRODUCTION 1
- 1.1 Purpose 1
- 1.2 Conditions of Contract 1
- 1.3 User Responsibilities 1
- 1.4 Scope of Work 2

2. SITE CHARACTERISTICS 3
- 2.1 Site Location 3
- 2.2 Site Description and Current Usage 3
- 2.3 Adjacent Properties 3

3. ENVIRONMENTAL SETTING 4
- 3.1 Regional Physiographic Setting 4
- 3.2 Geologic Conditions 4
- 3.3 Surface Water Conditions 4
- 3.4 Groundwater Conditions 4

4. SITE RECONNAISSANCE 5
- 4.1 Methodology 5
- 4.2 Observations During Reconnaissance 5
- 4.3 Site Description 6
- 4.4 Surrounding Properties 6

5. SITE HISTORY AND LAND USE 7
- 5.1 Historical Aerial Photographs 7
- 5.2 Historical Topographic Maps 7
- 5.3 Sanborn Fire Insurance Maps 7
- 5.4 City Directory Listings 8
- 5.5 Storey County Assessor's Office 8

6. REGULATORY AGENCY REVIEW 9
- 6.1 EDR Radius Map Report 9
- 6.2 EDR Vapor Encroachment Screen 9
- 6.3 Storey County Emergency Management 9
- 6.4 Nevada Division of Environmental Protection (NDEP) 10

7. POTENTIAL ENVIRONMENTAL HAZARDS 11
- 7.1 Asbestos 11
- 7.2 Lead Based Paint 11
- 7.3 Mold 11
- 7.4 Radon 11

8. FINDINGS AND CONCLUSIONS 13
- 8.1 Findings 13
  - *8.1.1 Historical Recognized Environmental Conditions 13*
  - *8.1.2 Controlled Recognized Environmental Conditions 13*
  - *8.1.3 Recognized Environmental Conditions 13*
- 8.2 Conclusions 13

9. LIMITATIONS 14
9.1 General 14
9.2 Data Gaps 14
10. SIGNATURES OF ENVIRONMENTAL PROFESSIONALS 15
11. REFERENCES 16

FIGURES

Figure 1 Project Location Map
Figure 2 Site Map

APPENDICES

Appendix A User Questionnaire
Appendix B Proposed Parcel Map
Appendix C Site Photographs
Appendix D Historical Aerial Photographs and Topographic Maps
Appendix E Sanborn Map Report and City Directory Listings
Appendix F EDR Radius Map Report
Appendix G EDR Vapor Encroachment Screen
Appendix H Resumes

EXECUTIVE SUMMARY

This report presents the findings of a Phase I Environmental Site Assessment (ESA) performed on the property addressed at 2500 Peru Drive in McCarran, Storey County, Nevada, and hereafter referred to as the Subject Property. McGinley and Associates, Inc. (MGA) conducted this investigation for the purpose of identifying recognized environmental conditions (RECs), historical recognized environmental conditions (HRECs), and/or controlled recognized environmental conditions (CRECs) on the property in accordance with the 2013 American Society of Testing and Materials (ASTM) standards for the performance of Phase I Environmental Site Assessments (ASTM E 1527-13), as well as the standards established by the U.S. Environmental Protection Agency (EPA) for conducting All Appropriate Inquiry (AAI).

The Subject Property is located in McCarran, Storey County, Nevada within the Tahoe-Reno Industrial Center (TRIC). It is comprised of land located in the SE ¼ of the NE ¼ of Section 10, Township 19 North, Range 22 East, of the Mount Diablo Baseline and Meridian.

The Subject Property is comprised of approximately 12.5 acres of land that does not appear to have been developed in the past. It is comprised of ground cover vegetation and man-made rock piles. The property is accessed from the north via Peru Drive. No utilities are currently supplied to the Subject Property.

The Subject Property is located within the Basin and Range Physiographic Province at an elevation of approximately 4,660 feet above mean sea level. The climate of the region is described as Mid-Latitude Steppe, which is characterized by cold winters, hot summers, and semi-arid precipitation conditions. Historical average minimum and maximum annual temperatures for the area, as recorded at the nearest climate station in Sparks, Nevada, are 36.7 and 68.3 degrees Fahrenheit, respectively, while historical annual precipitation averages 7.66 inches.

The geology underlying the Subject Property has been mapped as Quaternary alluvial deposits. The unit is described as undivided alluvial-fan, pediment, floodplain, basin-fill, playa, lacustrine, glacial, and aeolian deposits. The surficial soils found at the Subject Property have been primarily mapped as the Fulstone association. This unit is classified as hydrologic soil group D, which is characterized by high run-off potential when thoroughly wet, as water movement through the soil is restricted or very restricted.

There are no surface water bodies such as streams or wetlands located on the Subject Property. The nearest major surface water body to the Subject Property is the Truckee River, which is located approximately 2.3 miles to the north. An ephemeral drainage transects the site from the southwest to the northeast. This drainage is located on the eastern portion of the Subject Property. During storm events, stormwater runoff would most likely flow into the ephemeral drainage.

According to the Federal Emergency Management Agency (FEMA), the site is located outside a 100-year flood zone and is listed as being in Zone X, which is characterized as areas determined to be outside the 0.2% annual chance flood.

Based on a review of the Nevada Division of Water Resources (NDWR) Well Log Database, water wells do not appear be located in the vicinity of the Subject Property. No wells were observed or reported to be located on the Subject Property during site reconnaissance. Groundwater flow direction at the Subject Property is estimated to be generally towards the northeast and the depth to groundwater at the Subject Property is estimated to be greater than 500 feet below ground surface.

A regulatory review was performed to search for regulatory sites located within the Approximate Minimum Search Distances as specified in ASTM E 1527-13. According to the regulatory search report (Environmental Data Resources, Inc. (EDR)), no sites were identified within the one-mile radius. Furthermore, no unmapped orphan sites were identified in the EDR radius map report.

MGA conducted a Vapor Encroachment Screen (VES) investigation in accordance with the 2010

ASTM Standard Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions (ASTM E 2600-10). The goal of the VES is to identify the potential for vapors from hazardous substances and petroleum releases to reach the Subject Property. ASTM E2600-10 defines the term, vapor encroachment condition (VEC) as the presence or likely presence of chemical of concern (COC) vapors in the subsurface of the Subject Property caused by the release of vapors from contaminated soil or groundwater or both, on the Subject Property. MGA performed a VES for the area encompassing the Subject Property by reviewing each of the regulatory sites that were provided by EDR within a 1/3 mile primary search radius. Zero sites were identified upgradient and within the primary search radius from the Subject Property, therefore, a VEC was ruled out.

Identification and sampling for the presence of asbestos, mold, and radon gas were beyond the Scope of Work for this Phase I ESA. Should the user of this Phase I ESA wish to gain confidence with respect to the presence (or absence) of these substances within the on-site building, MGA recommends that a qualified inspector be contacted for that purpose.

MGA has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527 on the property addressed at 2500 Peru Drive, Storey County, NV, the property. Any exceptions to, or deletions from, this practice are described in Section 9 of this report.

Upon conclusion of our Phase I ESA, and based on the information reviewed, this assessment has revealed no evidence of recognized environmental conditions in connection with the Subject Property. MGA is of the opinion that no further assessments are warranted at this time.

1. INTRODUCTION

1.1 Purpose

This report presents the findings of a Phase I Environmental Site Assessment (ESA) performed on the property addressed at 2500 Peru Drive in McCarran, Storey County, Nevada, and hereafter referred to as the Subject Property. McGinley and Associates, Inc. (MGA) conducted this investigation for the purpose of identifying recognized environmental conditions (RECs), historical recognized environmental conditions (HRECs), and/or controlled recognized environmental conditions (CRECs) on the property in accordance with the 2013 American Society of Testing and Materials (ASTM) standards for the performance of Phase I Environmental Site Assessments (ASTM E 1527-13), as well as the standards established by the U.S. Environmental Protection Agency (EPA) for conducting All Appropriate Inquiry (AAI).

1.2 Conditions of Contract

MGA performed this work for United Construction and Aqua Metals, Inc. (User) pursuant to United Construction's executed proposal dated March 9, 2015.

1.3 User Responsibilities

In accordance with ASTM E 1527-13, the User of this Phase I ESA is required to provide information which establishes the User's baseline of knowledge in relation to the Subject Property. In order to qualify for one of the Landowner Liability Protections (LLPs) offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001 (the "Brownfields Amendments"), the User must complete an AAI compliant user questionnaire and provide it to the environmental professional. Failure to complete this user questionnaire could result in a determination that "all appropriate inquiry" is not complete. The questionnaire determines a baseline of User knowledge of the Subject Property regarding the following items:

1. Environmental cleanup liens that are filed or recorded against the site (40 CFR 312.25);
2. Activity and land use limitations that are in place on the site or have been filed or recorded in a registry (40 CFR 312.26);
3. Specialized knowledge or experience of the person seeking to qualify for the LLP related to the property or nearby properties (40 CFR 312.28);
4. Relationship of the purchase price to the fair market value of the property if it were not contaminated (40 CFR 312.29);
5. Commonly known or reasonably ascertainable information about the property (40 CFR 312.30); and
6. The degree of obviousness of the presence or likely presence of contamination in, on, or at the property, and the ability to detect the contamination by appropriate investigation (40 CFR 312.31).

In order to obtain this information, an AAI compliant user questionnaire was provided to the User of this Phase I ESA. The completed user questionnaire can be found in Appendix A.

1.4 Scope of Work

The scope of work performed and procedures utilized included the following tasks:

- **Environmental setting review** to determine potential pathways for the migration of contaminants including solids and liquids at the surface or subsurface, and vapor in the subsurface;
- **Site reconnaissance** of the Subject Property and observation of adjacent properties and vicinity by a qualified person under the direct supervision of an MGA Certified Environmental Manager;
- **Review of site history/land use** through city directory listings, historical aerial photographs, historical topographic maps, local jurisdiction records, and personal interviews/questionnaires;
- **Review of regulatory agency records** to identify and assess any listings of regulatory permits, registrations, or enforcement actions at the subject site, adjacent properties, or proximal sites (if necessary), through both a commercial database search and agency inquiries; and,
- **Preparation of this report** that describes all work performed and presents a discussion of the findings and conclusions with recommendations.

2. SITE CHARACTERISTICS

2.1 Site Location

The Subject Property is located in McCarran, Storey County, Nevada within the Tahoe-Reno Industrial Center (TRIC). It is comprised of land located in the SE ¼ of the NE ¼ of Section 10, Township 19 North, Range 22 East, of the Mount Diablo Baseline and Meridian. A site plan prepared by Farr West Engineering which depicts the Subject Property boundary is provided herein as Appendix B. The location of the site and the property boundary are displayed in Figures 1 and 2.

2.2 Site Description and Current Usage

The Subject Property is comprised of approximately 12.5 acres of land that does not appear to have been developed in the past. It is comprised of ground cover vegetation and man-made rock piles. The property is accessed from the north via Peru Drive. No utilities are currently supplied to the Subject Property.

2.3 Adjacent Properties

The Subject Property is bordered by the following:

North:	Peru Drive with undeveloped land beyond.
South:	Undeveloped land.
East:	Graded land.
West:	Undeveloped land.

3. ENVIRONMENTAL SETTING

3.1 Regional Physiographic Setting

The Subject Property is located within the Basin and Range Physiographic Province at an elevation of approximately 4,660 feet above mean sea level. The climate of the region is described as Mid-Latitude Steppe, which is characterized by cold winters, hot summers, and semi-arid precipitation conditions (Houghton et. al., 1975). Historical average minimum and maximum annual temperatures for the area, as recorded at the nearest climate station in Sparks, Nevada, are 36.7 and 68.3 degrees Fahrenheit, respectively, while historical annual precipitation averages 7.66 inches (Western Regional Climate Center, 2015).

3.2 Geologic Conditions

The geology underlying the Subject Property has been mapped as Quaternary alluvial deposits. The unit is described as undivided alluvial-fan, pediment, floodplain, basin-fill, playa, lacustrine, glacial, and aeolian deposits (Greene et. al., 1991). The surficial soils found at the Subject Property have been primarily mapped as the Fulstone association (NRCS, 2014). This unit is classified as hydrologic soil group D, which is characterized by high run-off potential when thoroughly wet, as water movement through the soil is restricted or very restricted.

3.3 Surface Water Conditions

There are no surface water bodies such as streams or wetlands located on the Subject Property. The nearest major surface water body to the Subject Property is the Truckee River, which is located approximately 2.3 miles to the north. An ephemeral drainage transects the site from the southwest to the northeast. This drainage is located on the eastern portion of the Subject Property. During storm events, stormwater runoff would most likely flow into the ephemeral drainage.

According to the Federal Emergency Management Agency (FEMA), the site is located outside a 100-year flood zone and is listed as being in Zone X, which is characterized as areas determined to be outside the 0.2% annual chance flood.

3.4 Groundwater Conditions

Based on a review of the Nevada Division of Water Resources (NDWR) Well Log Database, water wells do not appear be located in the vicinity of the Subject Property. No wells were observed or reported to be located on the Subject Property during site reconnaissance. Groundwater flow direction at the Subject Property is estimated to be generally towards the northeast and the depth to groundwater at the Subject Property is estimated to be greater than 500 feet below ground surface.

4. SITE RECONNAISSANCE

4.1 Methodology

For the purpose of assessing current site conditions, a visit to the Subject Property and surrounding area was conducted on March 17, 2015 under cloudy and warm conditions. During the site visit, observations were made in regards to *recognized environmental conditions (RECs)*. As defined by ASTM E 1527-13, a REC is the presence, or likely presence, of any hazardous substances or petroleum products in, on, or at the property due to any release to the environment, under conditions indicative of a release to the environment, or under conditions that pose a material threat of a future release to the environment. The term REC is not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and which generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Photographs taken during the site reconnaissance are provided in Appendix C.

4.2 Observations During Reconnaissance

The entire site was walked and observed for the presence of RECs. The following is a list of some of the items of interest that were looked for during the site inspection. If the item was not observed, it will be noted as "Not Observed". If the item was observed during the site visit, it will be noted as "**Observed**" and a short description of the findings will follow.

- Staining or discoloration of soil and/or pavement — Not Observed
- Wastewater systems, septic systems, sumps, and/or seeps — Not Observed
- Wells — Not Observed
- Patched areas of asphalt or concrete — Not Observed
- Standing surface water, ponds, farm tanks, etc. — Not Observed
- Railroad spurs — Not Observed
- Suspect PCB containing equipment — Not Observed
- Hydraulic equipment — Not Observed
- Underground storage tank (UST) systems/Vent Pipes — Not Observed
- Above ground storage tanks (ASTs) — Not Observed
- Paint booths, spray rigs, etc. — Not Observed
- Unorthodox heating and ventilation systems — Not Observed

• Emergency generators	Not Observed
• Chemical/waste generation and/or storage	Not Observed
• Unusual odors	Not Observed
• Dumping, disturbed soils, direct burial activity	Not Observed
• Floor drains	Not Observed
• Air emissions	Not Observed
• Industrial or manufacturing activities	Not Observed
• Distressed, discolored or stained vegetation	Not Observed
• Oil or gas well exploration or refinery activities	Not Observed
• Surface water contamination	Not Observed
• Farm waste, feed lot spoils, or manure stockpile	Not Observed
• Prolonged use, misapplication or storage of pesticides	Not Observed
• Discharges, or run-off of potential contaminants from off-site sources	Not Observed
• Basements and/or subsurface vaults	Not Observed

4.3 Site Description

The Subject Property comprises approximately 12.5 acres of land. The property is generally undeveloped. The majority of the property is primarily covered in brushy vegetation, bare soil, and rocks. An ephemeral drainage was observed on the eastern portion of the Subject Property. It appears that limited development has been initiated on the site. The limited development includes a primitive road, equipment tracks, rock stockpiles, and graded soil. Signage indicating buried fiber optic cables were observed along Peru Drive on the Subject Property.

4.4 Surrounding Properties

At the time of the site visit, the properties immediately surrounding the Subject Property consisted primarily of undeveloped land. Currently, no industrial or commercial businesses are located adjacent or upgradient of the site. Reconnaissance of the properties located immediately adjacent to the Subject Property, revealed no evidence of environmental concerns that could potentially impact the Subject Property.

5. SITE HISTORY AND LAND USE

A historical assessment of the Subject Property was performed through a search and review of historical aerial photographs, historical topographic maps, available Sanborn Fire Insurance maps, available City Directory records, County records, and personal interviews/ questionnaires. The purpose of the historical assessment was to identify potential conditions that may have impacted the Subject Property in the past. A summary of our historical assessment is presented below.

5.1 Historical Aerial Photographs

Environmental Data Resources, Inc. (EDR) provided aerial photographs covering the area of the Subject Property for the years: 1954, 1970, 1975, 1980, 1994, 2006, and 2010. Aerial photographs for years other than these were not reviewed. The aerial photo year and a brief description of the image is provided in the table below. The review of these aerial photos did not reveal any potential environmental issues associated with the Subject Property that may have impacted the Subject Property in the past. A copy of the historical aerial photograph report that was reviewed is provided in Appendix D.

YEAR	DESCRIPTION	
	Subject Property	**Surrounding Properties**
1954	The Subject Property appears to be undeveloped land.	The surrounding properties appear to be undeveloped land.
1970	Appears similar to 1954, undeveloped land.	Appears similar to 1954, undeveloped land.
1975	Appears similar to 1970, undeveloped land.	Appears similar to 1970, undeveloped land.
1980	Appears similar to 1975, undeveloped land.	Appears similar to 1975, undeveloped land.
1994	Appears similar to 1980, undeveloped land.	Appears similar to 1980; undeveloped land.
2006	Appears similar to 1994, undeveloped land.	Appears similar to 1994; undeveloped land.
2010	Appears similar to 2006, undeveloped land.	Limited development appears to have occurred on the adjacent property to the east and Peru Drive has appeared adjacent and to the north of the Subject Property.

5.2 Historical Topographic Maps

Historical topographic maps were provided by EDR covering the area of the Subject Property for the years: 1890, 1893, 1894, 1957, 1980, and 1985. Topographic maps for years other than these were not reviewed. A review of these maps did not reveal any specific potential environmental issues associated with the Subject Property that may have impacted the Subject Property in the past. A copy of the historical topographic map report that was reviewed is provided in Appendix D.

5.3 Sanborn Fire Insurance Maps

A Sanborn Map Report for the Subject Property was provided by EDR. However, Sanborn fire insurance maps, which can often provide detailed historical information about a site, have not been published for the area of the Subject Property. A copy of the EDR Sanborn Map Report that was reviewed is provided in Appendix E.

5.4 City Directory Listings

City directory listings were provided by EDR for Peru Drive and USA Parkway. City directory listings as published by Cole Information Services were reviewed for the years: 1992, 1995, 1999, 2003, 2008, and 2013. City directories for years other than these were not reviewed. City directory listings were only available for 2008 and 2013. A review of the city directory listings did not reveal any environmental concerns that could potentially impact the Subject Property. A copy of the EDR city directory report that was reviewed is provided in Appendix E.

5.5 Storey County Assessor's Office

The Subject Property is a proposed parcel and appears to be situated on the parcels currently described with the APNs 005-061-06, 005-071-33, 005-071-34, and 005-071-44. These parcels are located in an area zoned as "I-2 – Heavy Industrial." The Land Use Code of the previous parcels are listed as "Vacant – Unknown/Other." As of the date of this report, the new parcel has yet to be recorded by the assessor's office. Tahoe-Reno Industrial Center LLC is listed as the current owner and there is no record of any prior owners.

6. REGULATORY AGENCY REVIEW

As defined in ASTM E 1527-13, a *historical recognized environmental condition* is a past release of any hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (to current regulatory standards) or meets unrestricted residential use criteria established by a regulatory authority, without subjecting the property to institutional controls or engineering controls. A HREC will not be considered a REC per ASTM E 1527-13. To the contrary, a *controlled recognized environmental condition* is a REC that has been addressed to the satisfaction of the applicable regulatory authority with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls (i.e., property use restrictions, activity use limitations, institutional/engineering controls, etc.).

A regulatory agency review was conducted through both a commercial database search (EDR) and local agency inquiries. The purpose of this regulatory agency review was to ascertain if regulatory actions have ever been imposed on the Subject Property, adjacent properties, or on properties within the radius guidelines established by the 2013 ASTM Standard Practice for Environmental Site Assessments.

6.1 EDR Radius Map Report

At the request of MGA, EDR performed a review of federal, state, and local environmental databases. A copy of the EDR report is included herein as Appendix F. Included within the report are summaries of the regulatory databases reviewed, a listing of sites identified within the search radius, detailed data on the identified sites, and maps showing the locations of facilities reported to have had regulatory action.

A regulatory review was performed to search for regulatory sites located within the *Approximate Minimum Search Distances* as specified in ASTM E 1527-13. According to the regulatory search report, no sites were identified within the one-mile radius. Furthermore, no unmapped orphan sites were identified in the EDR radius map report.

6.2 EDR Vapor Encroachment Screen

MGA conducted a Vapor Encroachment Screen (VES) investigation in accordance with the 2010 ASTM Standard Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions (ASTM E 2600-10). The goal of the VES is to identify the potential for vapors from hazardous substances and petroleum releases to reach the Subject Property. ASTM E2600-10 defines the term, vapor encroachment condition (VEC) as the presence or likely presence of chemical of concern (COC) vapors in the subsurface of the Subject Property caused by the release of vapors from contaminated soil or groundwater or both, on the Subject Property. MGA performed a VES for the area encompassing the Subject Property by reviewing each of the regulatory sites that were provided by EDR within a 1/3 mile primary search radius. Zero sites were identified upgradient and within the primary search radius from the Subject Property, therefore, a VEC was ruled out. A copy of the VES report is included herein as Appendix G.

6.3 Storey County Emergency Management

On March 20, 2015, an inquiry regarding spills, complaints, inspections or other potential environmental issues in connection with the Subject Property and/or its adjacent properties was provided via electronic mail to Joe Curtis, Director of Storey County Emergency Management.

On March 24, 2015, a follow-up phone call was made to contact Mr. Curtis. As of the date of this report no response has been received.

6.4 Nevada Division of Environmental Protection (NDEP)

The regulatory agency review did not identify any regulatory sites that could potentially impact the Subject Property. Therefore, no agency files from the NDEP were requested for review.

7. POTENTIAL ENVIRONMENTAL HAZARDS

A review of site-specific, potential environmental hazards was conducted for the purpose of identifying environmental issues not subject to regulatory enforcement action, but which may nevertheless be considered a *Business Environmental Risk* to the User of this Phase I ESA. Non-scope business risk considerations may include the following, but are not limited to:

- Asbestos
- Lead Based Paint
- Mold
- Radon
- Industrial Hygiene
- Health and Safety
- Indoor Air Quality (unrelated to releases of hazardous substances or petroleum products into the environment)
- Ecological Resources
- Endangered Species
- Cultural/Historical Resources

The following non-scope business risk considerations have been reviewed for this Phase I ESA.

7.1 Asbestos

Asbestos containing material (ACM) has been identified as a potential health hazard, particularly when that material is friable and becomes damaged. Identification and sampling for the presence of ACM are beyond the Scope of Work (as outlined in Section 1.4 of this report) for this Phase I ESA. Given the property has no structures present and historical information indicates that no structures have been located on the property in the past, it is unlikely that ACM is present.

7.2 Lead Based Paint

Lead based paint (LBP) has been identified as a potential health hazard, especially in young children. When lead is absorbed into the body, it can cause damage to the brain and other vital organs. Buildings constructed prior to 1978 may have utilized paints which contained lead. Identification and sampling for the presence of lead in paint is beyond the Scope of Work (as outlined in Section 1.4 of this report) for this Phase I ESA. Given the property has no structures present and historical information indicates that no structures have been located on the property in the past, it is unlikely that LBP is present.

7.3 Mold

Molds are naturally occurring organisms that live and reproduce on moist surfaces. Within the interior of a structure, the presence of mold can lead to asthma, allergic reactions, and respiratory problems. Identification and sampling for the presence of mold are beyond the Scope of Work (as outlined in Section 1.4 of this Report) for this Phase I ESA.

7.4 Radon

Radon gas is a colorless, toxic gas derived from the radioactive decay of uranium and other minerals, which are often found within bedrock and unconsolidated sediments. Radon gas can

enter homes and other structures through floor cracks and other openings that are in direct contact with the underlying geologic materials. Sampling for the presence of radon gas is beyond the Scope of Work (as outlined in Section 1.4 of this Report) for this Phase I ESA. However, MGA has reviewed the EPA published map of radon zones for the State of Nevada and a Nevada Bureau of Mines and Geology report titled "Radon in Nevada". Based on the information reviewed, MGA is of the opinion that radon gas accumulation may be a potential risk at the Subject Property. Should the User of this report wish to gain additional confidence with regard to the risk of radon gas, it is recommended that any future on-site structures be tested.

8. FINDINGS AND CONCLUSIONS

McGinley and Associates, Inc. has performed this Phase I Environmental Site Assessment in accordance with the scope and limitations of ASTM Practice E 1527-13 on the property located in McCarran, Storey County, Nevada. The property's address is 2500 Peru Drive. A summary of our environmental findings and conclusions is presented below.

8.1 Findings

8.1.1 Historical Recognized Environmental Conditions

No *historical recognized environmental conditions* were found for the Subject Property.

8.1.2 Controlled Recognized Environmental Conditions

No *controlled recognized environmental conditions* were found for the Subject Property.

8.1.3 Recognized Environmental Conditions

No *recognized environmental conditions* were found for the Subject Property.

8.1.4 Other Concerns

No other concerns were identified for the Subject Property.

8.2 Conclusions

MGA has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527 on the property addressed at 2500 Peru Drive, Storey County, NV, the property. Any exceptions to, or deletions from, this practice are described in Section 9 of this report.

Upon conclusion of our Phase I ESA, and based on the information reviewed, this assessment has revealed no evidence of recognized environmental conditions in connection with the Subject Property. MGA is of the opinion that no further assessments are warranted at this time.

9. LIMITATIONS

9.1 General

The conclusions and recommendations presented above are based upon the agreed scope of work outlined in the above report. McGinley and Associates, Inc. makes no warranties or guarantees as to the accuracy or completeness of information obtained from others. It is possible that information exists beyond the scope of this investigation. Additional information, which is not available to McGinley and Associates, Inc. at the time of writing the report, may result in a modification of the conclusions and recommendations presented. The services performed by McGinley and Associates, Inc. have been conducted in a manner consistent with the level of care ordinarily exercised by members of our profession currently practicing under similar conditions. This report is not a legal opinion, but may under certain circumstances be prepared at the direction of counsel, may be in anticipation of litigation, and may be classified as an attorney-client communication or as an attorney work product.

This report has been prepared for the sole use of the addressee of this report, and cannot be released without consent from McGinley & Associates Inc. If a third party relies on the information provided in this report, McGinley and Associates, Inc. accepts no responsibility for damages suffered by the third party as a result of reliance of information contained in this report, and that nothing contained in this report shall create a contractual relationship or cause the third party to bring suit against McGinley & Associates, Inc.

9.2 Data Gaps

The following data gaps were identified during the course of performance of this Phase I ESA:

- Historical aerial photographs were not available prior to 1954. However, this data gap is not considered significant since it is likely all information obtained would be duplicative of information obtained from other sources.
- Historical information found for the Subject Property may have exceeded five year intervals. This data gap is not considered significant as specific use of the property and adjoining properties appears unchanged during the period of time that exceeded five years.
- Sanborn fire insurance maps were not available for the area covering the Subject Property. However, this data gap is not considered significant as the specific use of the property and adjoining properties appears unchanged since it was first developed based on other sources reviewed.
- Past owners were not available within reasonable time and/or cost constraints for an interview for this report. However, based on information obtained from alternate sources, this data gap is not considered significant since it is likely all information obtained would be duplicative of information obtained from other sources.

10. SIGNATURES OF ENVIRONMENTAL PROFESSIONALS

We certify that, to the best of our knowledge and belief, we meet the definition of Environmental Professionals, as defined in ASTM E 1527-13. We have specific qualifications based on education, training, and experience to assess a property of this nature, history, and setting. We have developed and performed all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312. Resumes of the environmental professionals utilized in performance of this Phase I ESA are attached in Appendix H.

Respectfully Submitted:

McGinley and Associates, Inc.

Jake O'Rourke
Environmental Scientist

Reviewed by:

I hereby certify that I am responsible for the services described in this document and for the preparation of this document. The services described in this document have been provided in a manner consistent with the current standards of the profession, and to the best of my knowledge, comply with all applicable federal, state and local statutes, regulations and ordinances.

Brett Bottenberg, C.E.M. #1690, Exp. Date 10/7/15
Project Manager

11. REFERENCES

ASTM, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, ASTM E 1527-13

ASTM Standard Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions, ASTM E 2600-13.

Environmental Data Resources (EDR), March 13, 2015. Certified Sanborn Map Report. Inquiry Number: 4234231.3.

EDR, March 16, 2015. EDR Historical Topographic Map Report. Inquiry Number: 4234231.4.

EDR, March 16, 2015. The EDR Aerial Photo Decade Package. Inquiry Number: 4234231.9.

EDR, March 16, 2015. The EDR-City Directory Image Report. Inquiry Number: 4234231.5.

EDR, March 13, 2015. The EDR Radius Map Report with GeoCheck. Inquiry Number: 4234231.2s.

EDR, March 18, 2015. EDR Vapor Encroachment Screen. Inquiry Number: 4234231.6s.

Federal Emergency Management Agency (FEMA), FIRM Map of Storey County, Nevada, Panel 100 of 300, Map Number 32029C0100D, Map Revised January 16, 2009.

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United States Department of Agriculture, Natural Resources Conservation Service. 1997. National Engineering Handbook - Part 630 Hydrology. H_210_NEH_630 - Part 630 – Hydrology.

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Western Regional Climate Center (WRCC), 2015. Desert Research Institute Website (*http://www.wrcc.dri.edu/climatedata/climsum/*)

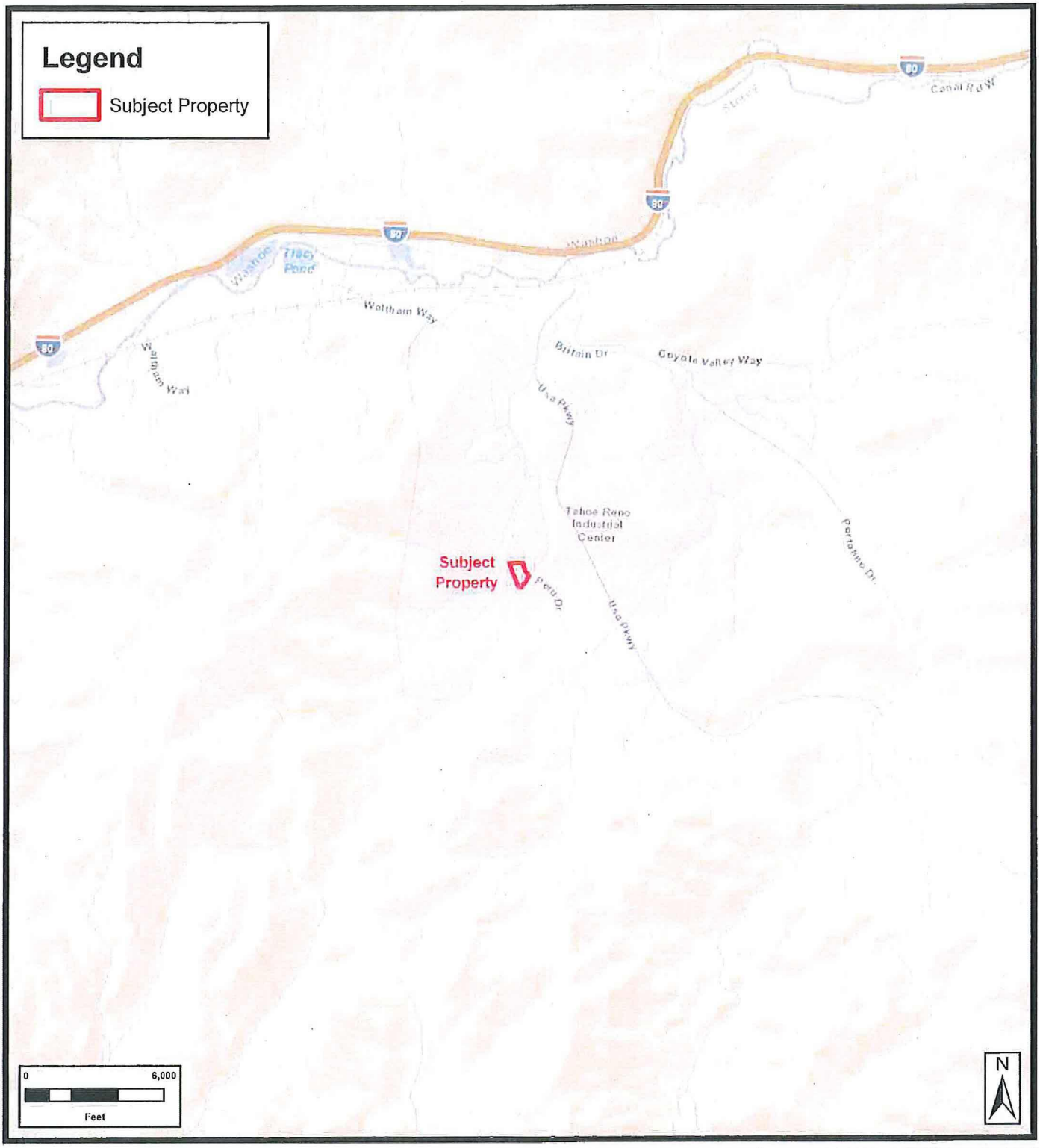


FIGURE 1

TITLE:

PROJECT LOCATION MAP
-SHOWING-
SUBJECT PROPERTY
2500 PERU DRIVE
TAHOE RENO INDUSTRIAL CENTER
STOREY COUNTY, NEVADA

McGinley & Associates
Environmental Engineering and Science
RENO | LAS VEGAS | www.mcgin.com

FILE: Figure 1

COORDINATE SYSTEM: NAD 1983 UTM Zone 11N

JOB NO.:	DATE:	REF:					REVISION:
UCC002	3/12/2015	DESIGNED	BP	CHECKED	BB		-
		DRAWN	BP	APPROVED	BB		

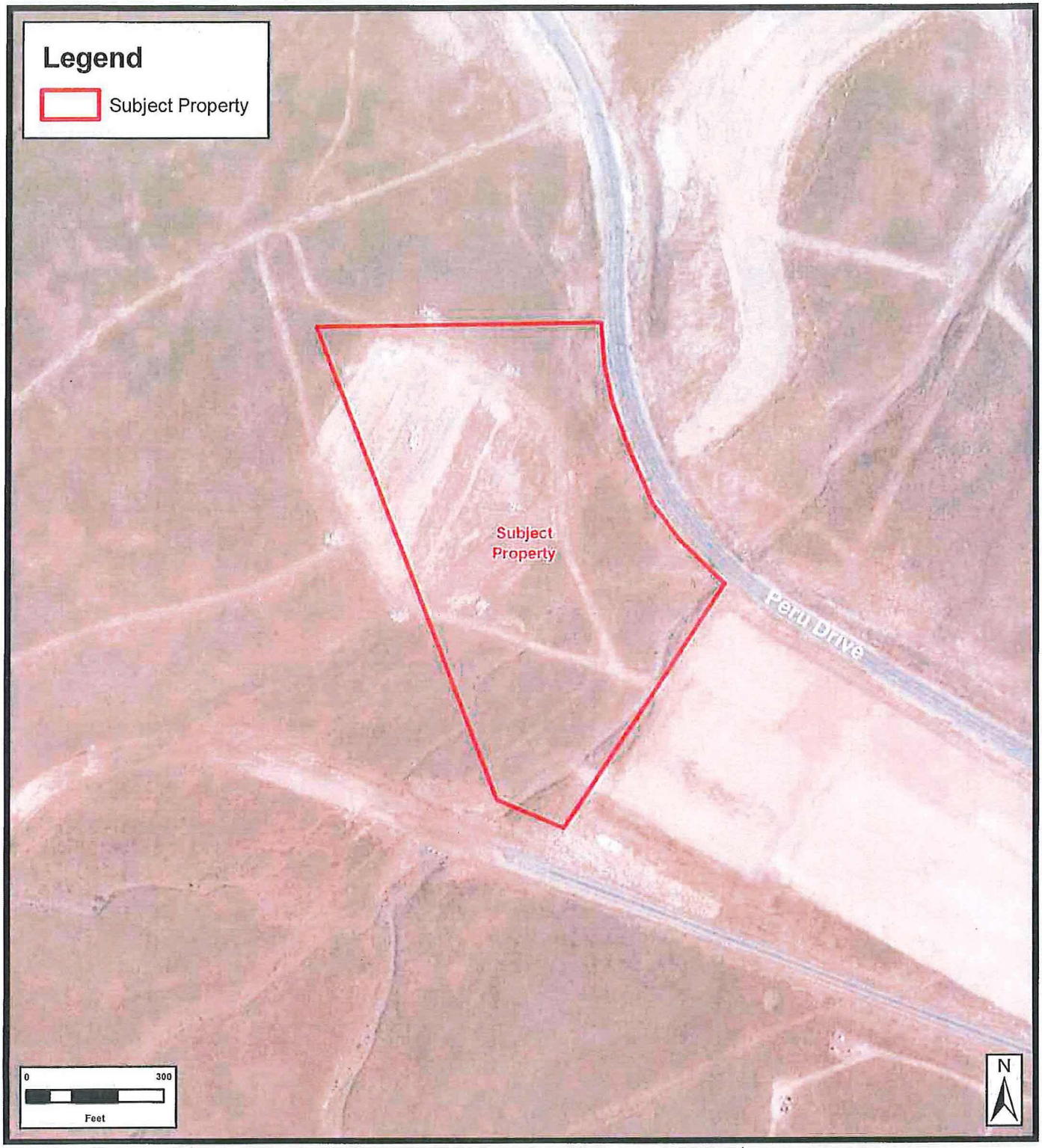


FIGURE 2

TITLE:

SITE MAP
-SHOWING-
SUBJECT PROPERTY
2500 PERU DRIVE
TAHOE RENO INDUSTRIAL CENTER
STOREY COUNTY, NEVADA

McGinley & Associates
Environmental Engineering and Science
RENO | LAS VEGAS | www.mcgin.com

FILE: Figure 2

COORDINATE SYSTEM: NAD 1983 UTM Zone 11N

JOB NO.:	DATE:	REF:					REVISION:
UCC002	3/26/2015	DESIGNED	BP	CHECKED	BB		-
		DRAWN	BP	APPROVED	BB		

APPENDIX A

User Questionnaire

USER QUESTIONNAIRE

Property Address: 2500 Peru Drive, McCarran, Nevada

In order to qualify for one of the *Landowner Liability Protections (LLPs)* offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001 (the *"Brownfields Amendments"*), the *user* must conduct the following inquiries required by 40 CFR 312.25, 312.28, 312.29, 312.30, and 312.31. These inquires must also be conducted by EPA Brownfield Assessment and Characterization grantees. The *User* should provide the following information to the *environmental professional.* Failure to conduct these inquiries could result in a determination that *"all appropriate inquiries"* is not complete.

The "*User*," as defined by the ASTM 1527-13 Standard Practice for Environmental Site Assessments, is "the party seeking to use Practice E1527 to complete an environmental site assessment of the property. A User may include, without limitation, a potential purchaser of property, a potential tenant of property, an owner of property, a lender, or a property manager." The User has specific obligations for completing a successful application of this practice, which includes, but is not limited, to the following:

(1.) Environmental liens that are filed or recorded against the property (40 CFR 312.25).
To meet the requirements of 40 CFR 312.20 and 312.25, a search for the existence of environmental liens and activity use limitations (AULs) that are filed or recorded against the property must be conducted. Environmental liens and AULs are legally distinct instruments and have very different purposes and both can commonly be found within recorded land title records (e.g County Recorder/Registry of Deeds). Any environmental liens and AULs known to the User should be reported to the environmental professional. The User should engage a title company, real estate attorney, or title professional to undertake a review of reasonably ascertainable recorded land title records and lien records for environmental liens and AULs currently recorded against or relating to the property.

Did a search of *recorded land title records* (or judicial records where appropriate, see Note 1 below) identify any environmental liens filed or recorded against the *property* under federal, tribal, state, or local law?

Note 1- In certain jurisdictions, federal, tribal, state, or local statutes, or regulations specify that environmental liens and AULs be filed in judicial records rather than in land title records. In such cases judicial records must be searched for environmental liens and AULs.

No

(2.) Activity and use limitations that are in place on the *property* or that have been filed or recorded against the *property* (40 CFR 312.26(a)(1)(v) and (vi)).
Did a search of *recorded land title records* (or judicial records where appropriate, see Note 1 above) identify any AULs, such as *engineering controls*, land use restrictions, or *institutional controls* that are in place at the *property* and/or have been filed or recorded against the *property* under federal, tribal, state, or local law?

No

Initials: TM

USER QUESTIONNAIRE

Property Address: 2500 Peru Drive, McCarran, Nevada

(3.) Specialized knowledge or experience of the person seeking to qualify for the LLP (40 CFR 312.28).
Do you have any specialized knowledge or experience related to the *property* or nearby properties? For example, are you involved in the same line of business as the current or former *occupants* of the *property* or an *adjoining property* so that you would have specialized knowledge of the chemicals and processes used by this type of business?

No Knowledge or Experience

(4.) Relationship of the purchase price to the fair market value of the *property* if it were not contaminated (40 CFR 312.29).
Does the purchase price being paid for this *property* reasonably reflect the fair market value of the *property*? If you conclude that there is a difference, have you considered whether the lower purchase price is because contamination is known or believed to be present at the *property*?

Yes - Fair Market Value

(5.) Commonly known or *reasonably ascertainable* information about the *property* (40 CFR 312.30).
Are you aware of commonly known or *reasonably ascertainable* information about the *property* that would help the *environmental professional* to identify conditions indicative of releases or threatened releases? For example,

(a.) Do you know the past uses of the *property*?

NO

(b.) Do you know of specific chemicals that are present or once were present at the *property*?

NO

(c.) Do you know of spills or other chemical releases that have taken place at the *property*?

NO

(d.) Do you know of any environmental cleanups that have taken place at the *property*?

NO

Initials: _____

USER QUESTIONNAIRE

Property Address: 2500 Peru Drive, McCarran, Nevada

(6.) The degree of obviousness of the presence or likely presence of contamination at the *property*, and the ability to detect the contamination by appropriate investigation (40 CFR 312.31).
Based on your knowledge and experience related to the *property* are there any *obvious* indicators that point to the presence or likely presence of releases at the *property*?

Signature: _____ Date: 3/27/15

Printed Name: Thomas Murphy Title: CFO

Initials: _____

APPENDIX B

Proposed Parcel Map

FILE SPEC: P:\Client Projects\Tahoe Reno Industrial Center LLC 235\283 Tahoe Reno Industrial Ctr\5.0 ENG\Sales Maps\Aquarretala.dwg
PLOT DATE: Feb 02, 2015 - 3:06pm

DRAWING ON 11"x17" IS HALF SCALE

TAHOE RENO INDUSTRIAL CENTER
SITE SELECTION EXHIBIT

STOREY COUNTY NEVADA

SHEET NUMBER
EXHIBIT B
1 OF 1

FARR WEST ENGINEERING
5442 LONGLEY LANE, SUITE A
RENO, NEVADA 89511
PHONE: (775) 851-4788
FAX: (775) 851-0766

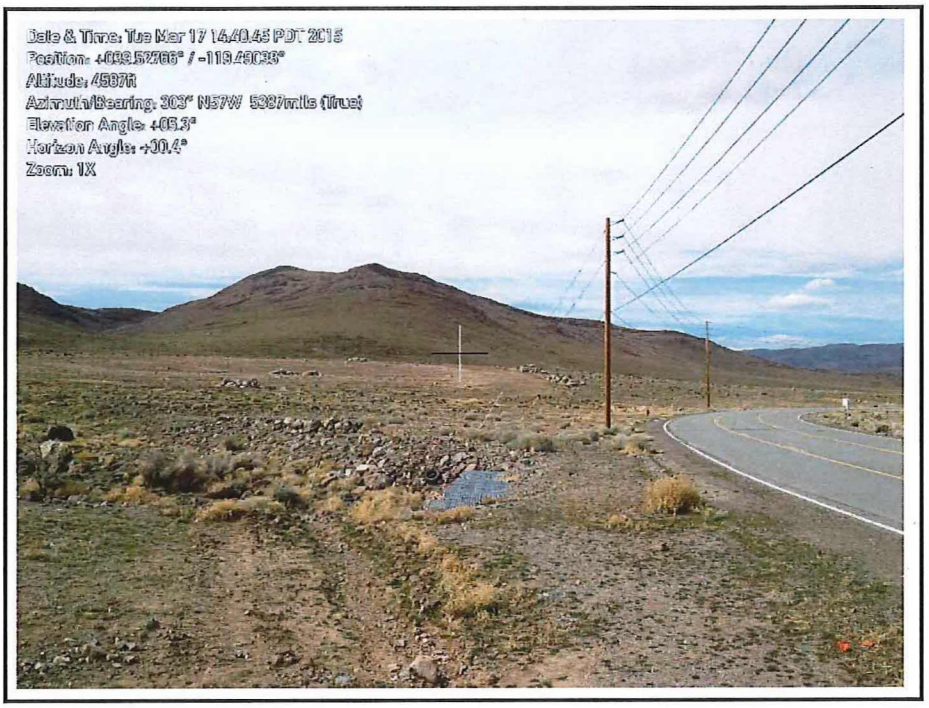
JOB NO.: 8329.0 (NEVADA WATER)
DATE: (MONTH, YEAR)
SCALE:
DESIGNED:
DRAWN:
CHECKED:

REVISION	DESCRIPTION	BY	APP	DATE

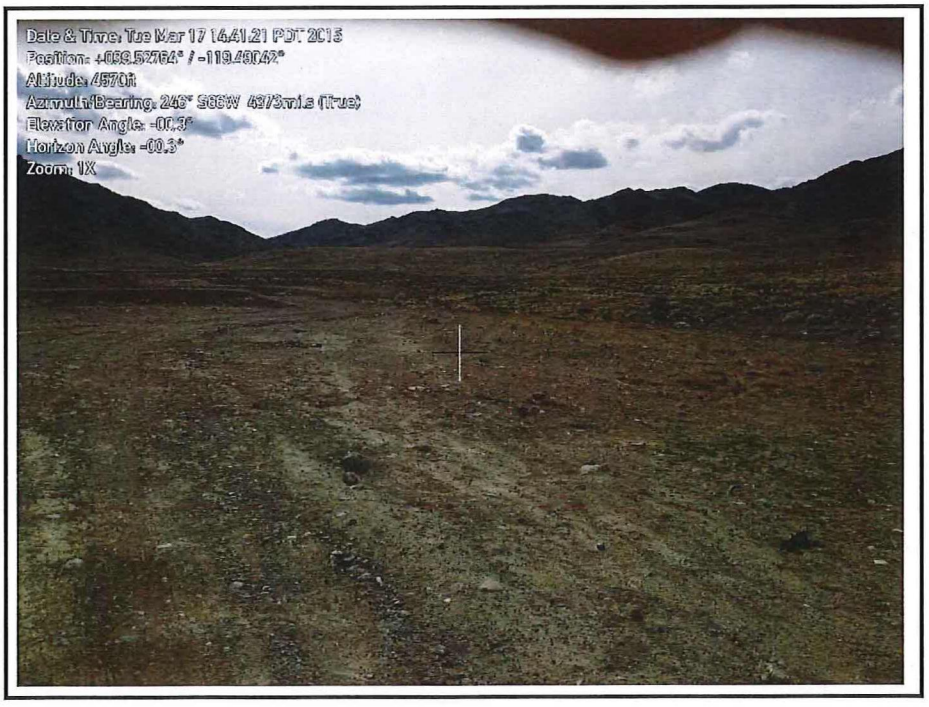
000277

APPENDIX C

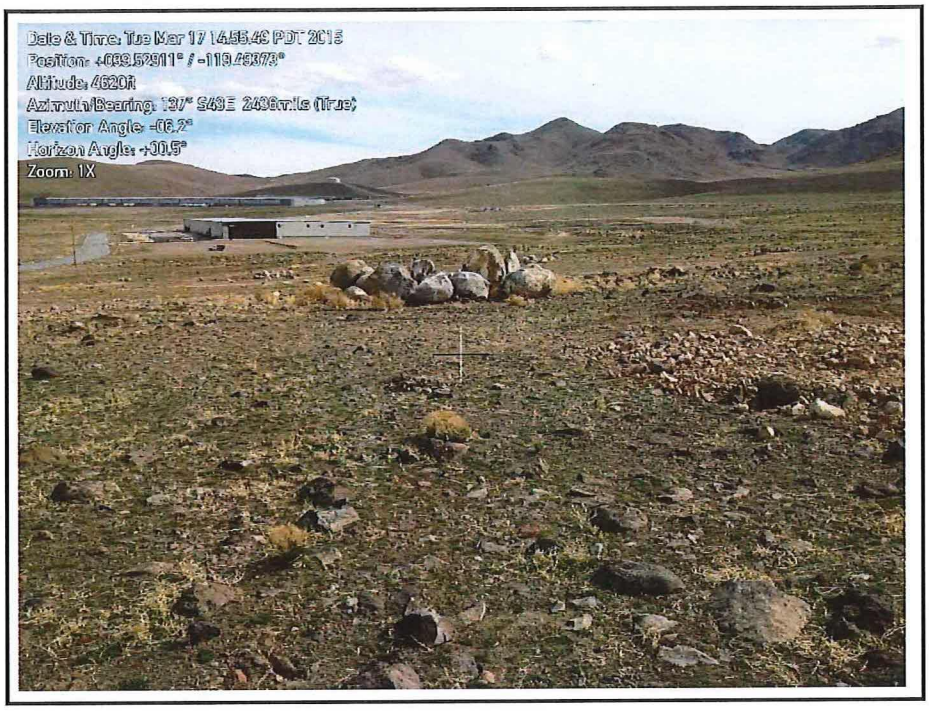
Site Photographs



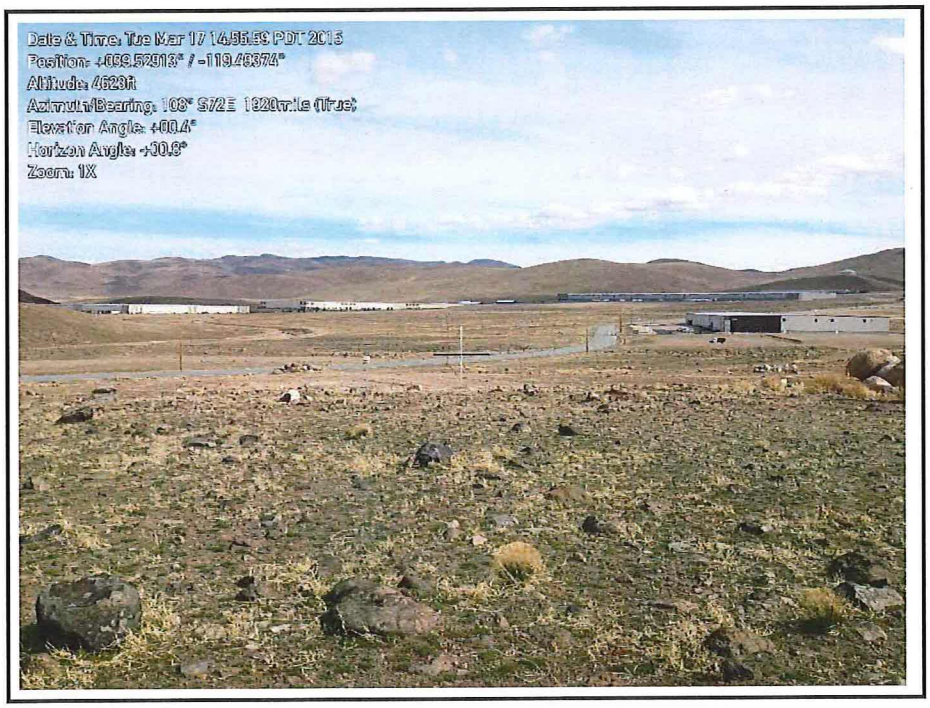
Photograph 1:
View of the Subject Property from the eastern corner, looking northwest.



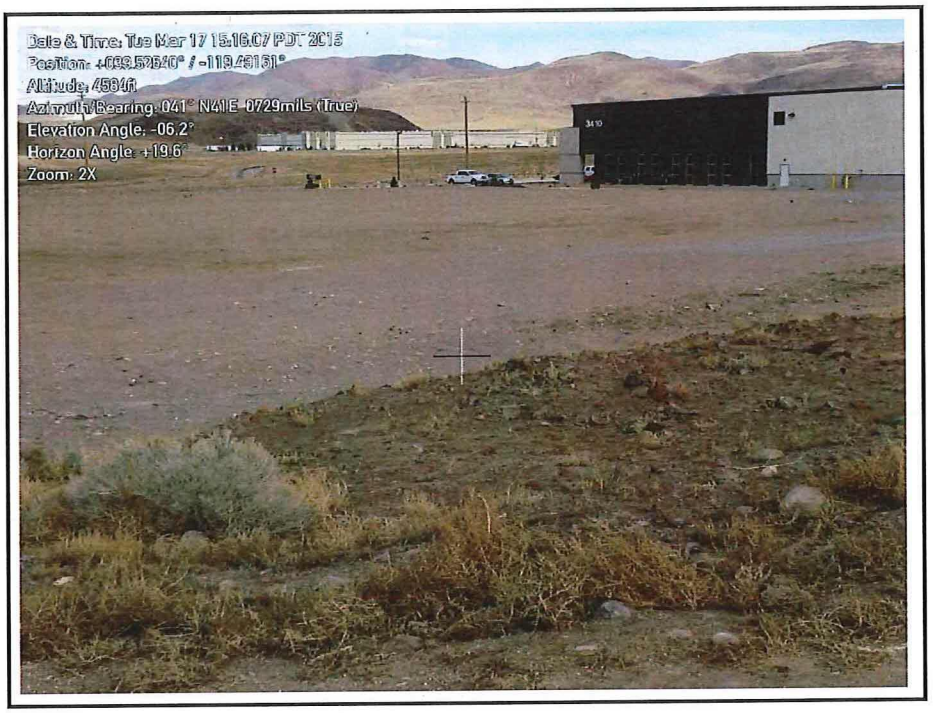
Photograph 2:
View of the Subject Property from the eastern corner, looking southwest.



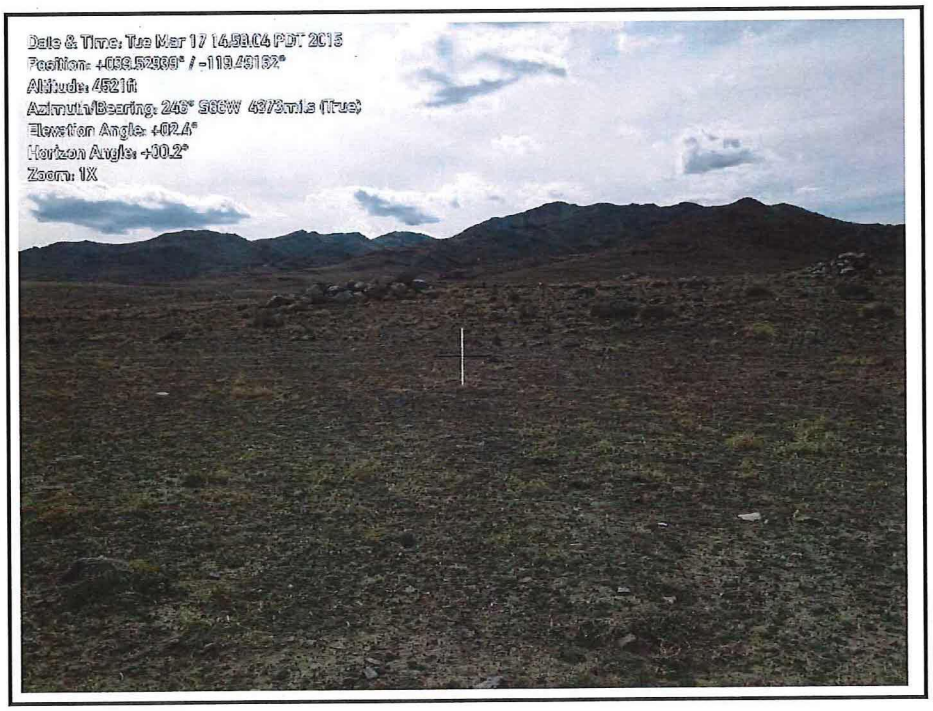
Photograph 3:
View of the Subject Property from the northwest corner, looking southeast.



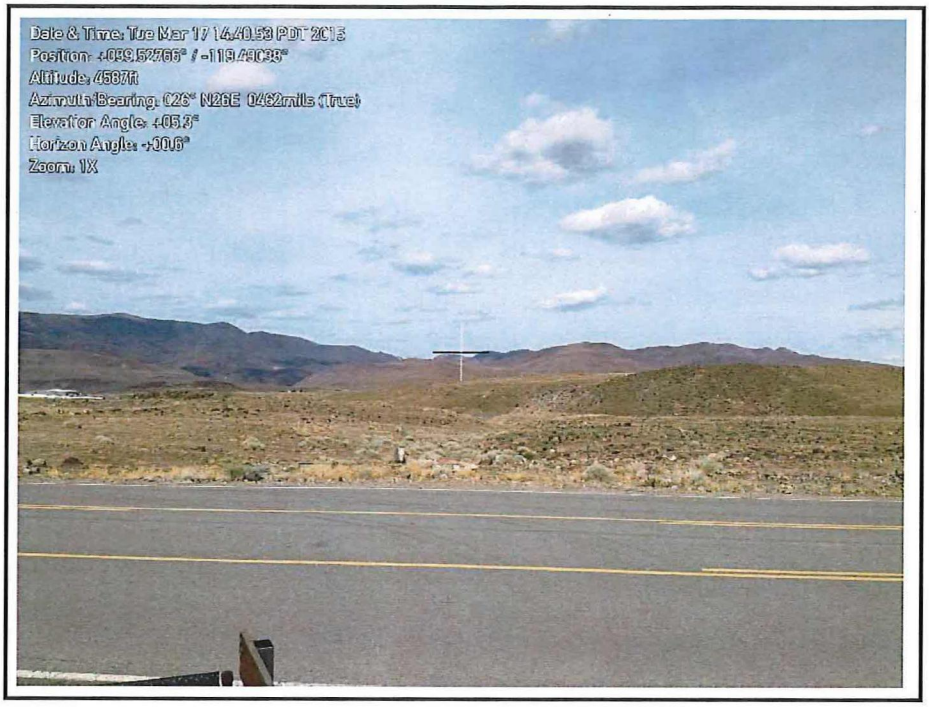
Photograph 4:
View of the Subject Property from the northwest corner, looking east.



Photograph 5:
View of the adjacent property to the east of the Subject Property.

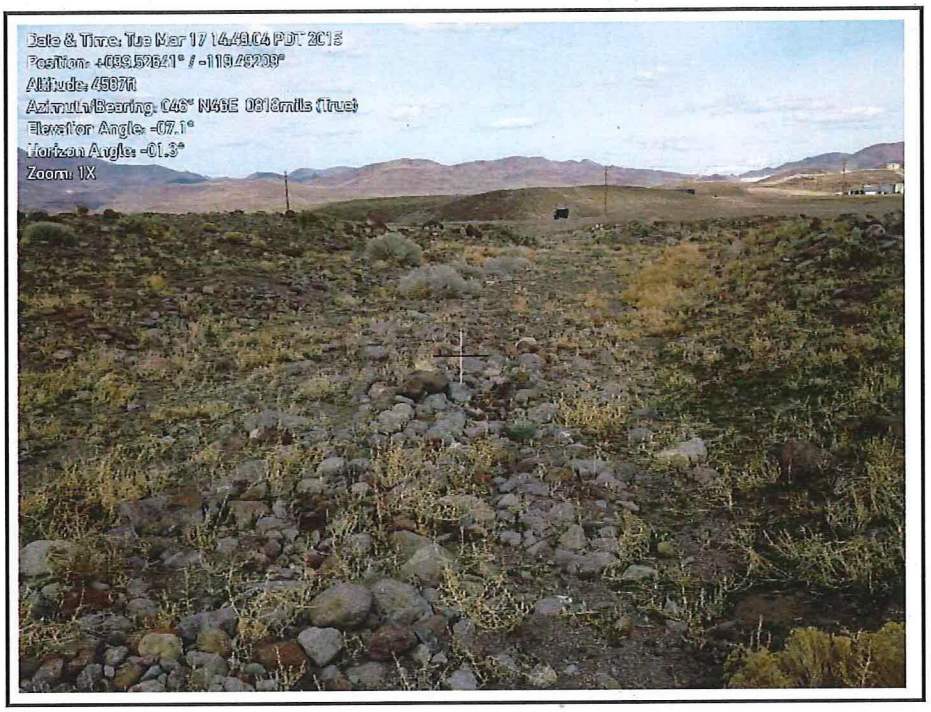


Photograph 6:
View of the adjacent property to the west of the Subject Property.

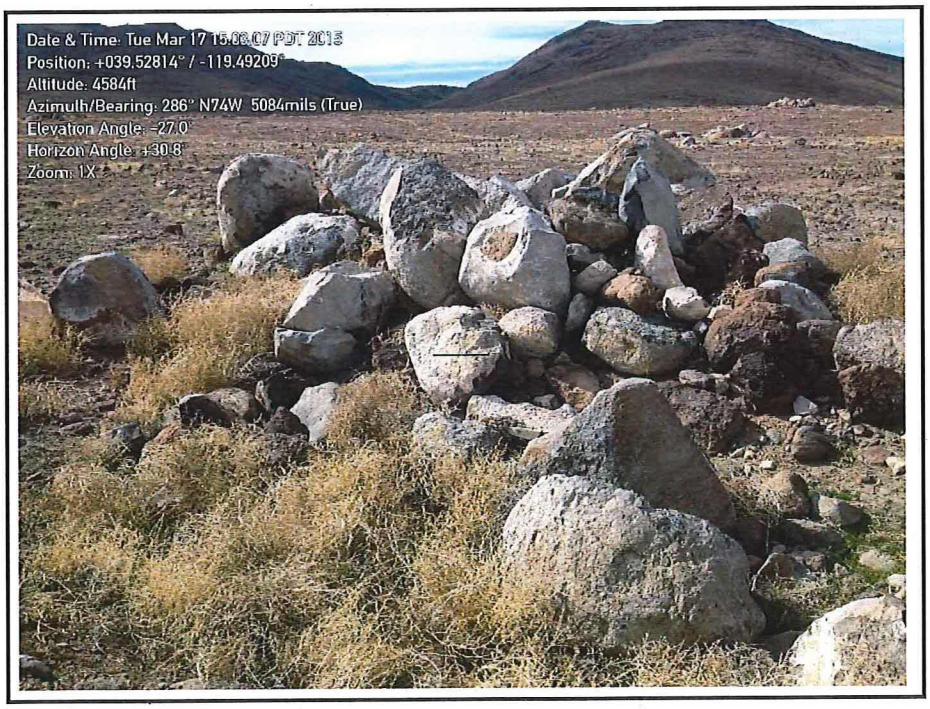


Photograph 7:
View of Peru Drive adjacent to the Subject Property with undeveloped land beyond.

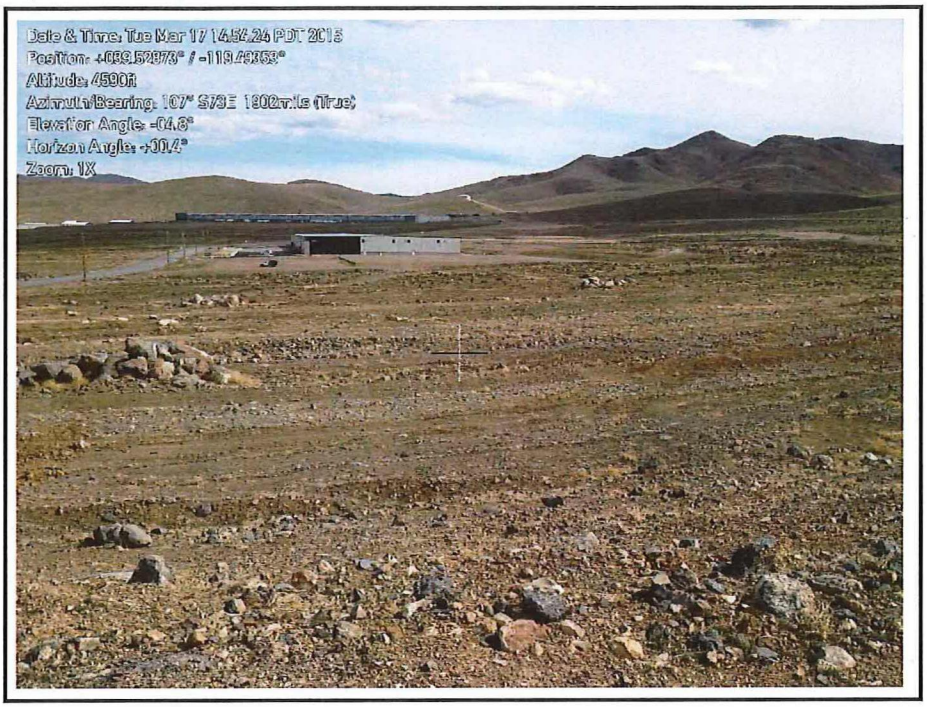
Photograph 8:
View of the adjacent property to the south of the Subject Property.



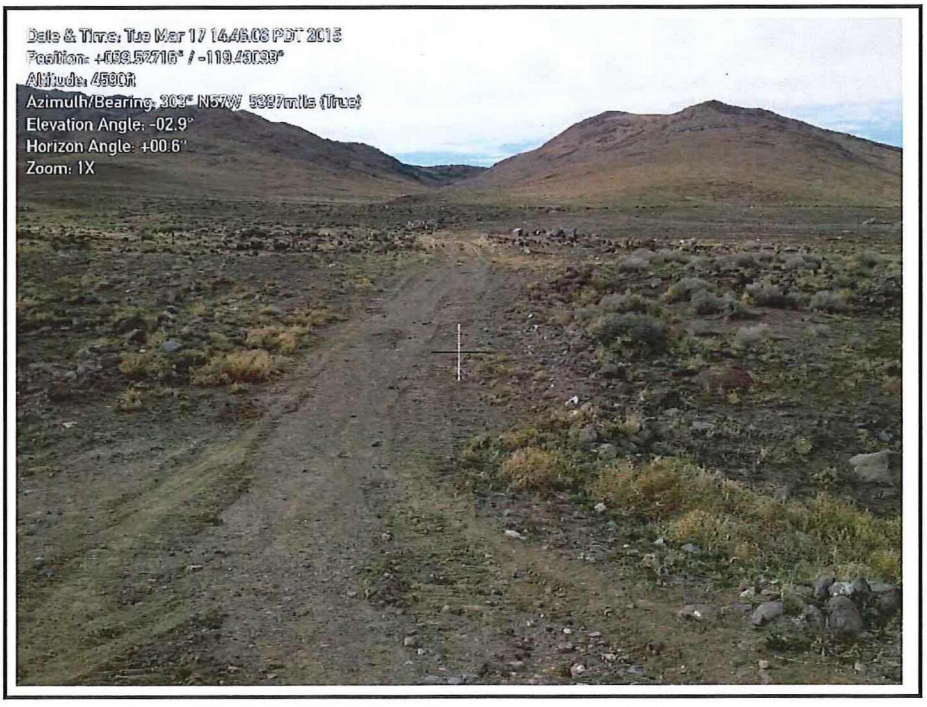
Photograph 9:
View of the main ephemeral drain observed on the Subject Property.



Photograph 10:
View of one of numerous unnatural rock piles observed on the Subject Property.



Photograph 11:
View of graded soil observed on the Subject Property.



Photograph 12:
View of primitive road observed transecting the Subject Property.

APPENDIX D

Historical Aerial Photographs and Topographic Maps

UCC002-Ph I ESA, 2500 Peru Drive, NV
2500 Peru Drive
McCarran, NV 89434

Inquiry Number: 4234231.9
March 16, 2015

The EDR Aerial Photo Decade Package

6 Armstrong Road, 4th Floor
Shelton, Connecticut 06484
Toll Free: 800.352.0050
www.edrnet.com

EDR Aerial Photo Decade Package

Environmental Data Resources, Inc. (EDR) Aerial Photo Decade Package is a screening tool designed to assist environmental professionals in evaluating potential liability on a target property resulting from past activities. EDR's professional researchers provide digitally reproduced historical aerial photographs, and when available, provide one photo per decade.

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Thank you for your business.
Please contact EDR at 1-800-352-0050
with any questions or comments.

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Date EDR Searched Historical Sources:

Aerial Photography March 16, 2015

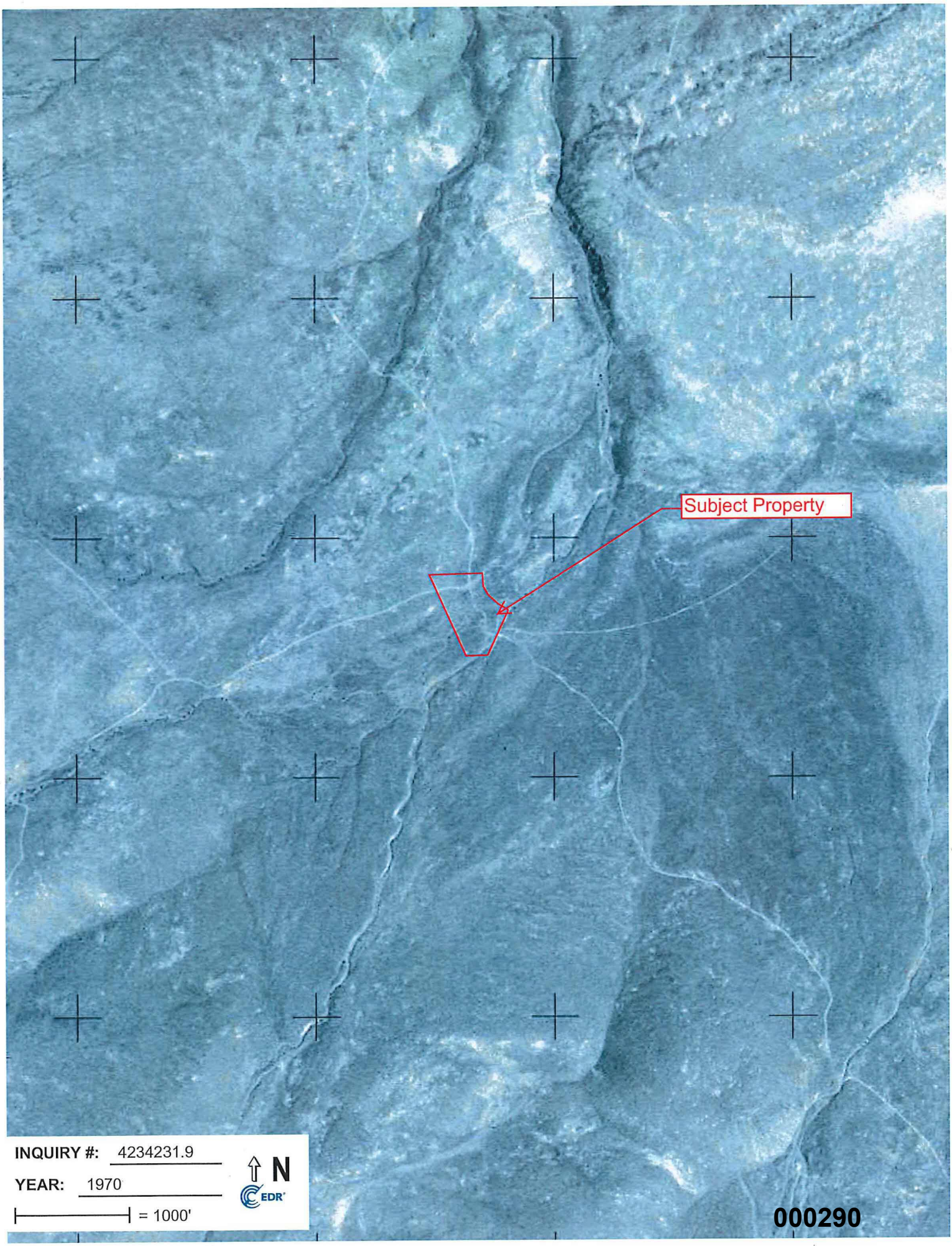
Target Property:

2500 Peru Drive

McCarran, NV 89434

Year	*Scale*	*Details*	*Source*
1954	Aerial Photograph. Scale: 1"=750'	Flight Date: September 01, 1954	EDR
1970	Aerial Photograph. Scale: 1"=1000'	Flight Date: July 26, 1970	EDR
1975	Aerial Photograph. Scale: 1"=750'	Flight Date: June 06, 1975	EDR
1980	Aerial Photograph. Scale: 1"=500'	Flight Date: August 17, 1980	USGS
1994	Aerial Photograph. Scale: 1"=500'	DOQQ - acquisition dates: June 21, 1994	USGS/DOQQ
2006	Aerial Photograph. Scale: 1"=500'	Flight Year: 2006	USDA/NAIP
2010	Aerial Photograph. Scale: 1"=500'	Flight Year: 2010	USDA/NAIP

Subject Property
INQUIRY #: 4234231.9
YEAR: 1954
= 750'
N
EDR
000289


Subject Property
INQUIRY #: 4234231.9
YEAR: 1970
= 1000'
N
EDR

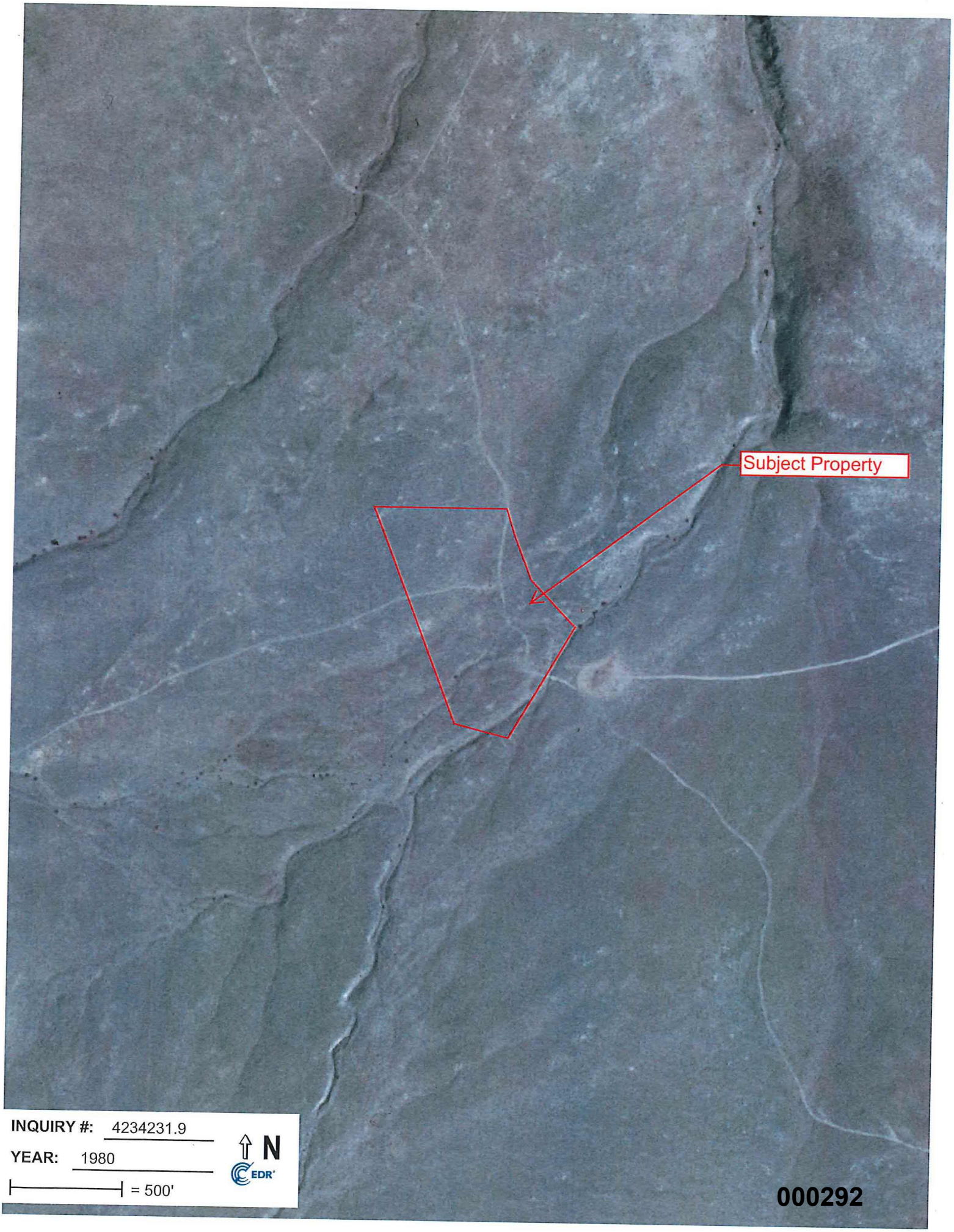
INQUIRY #: 4234231.9

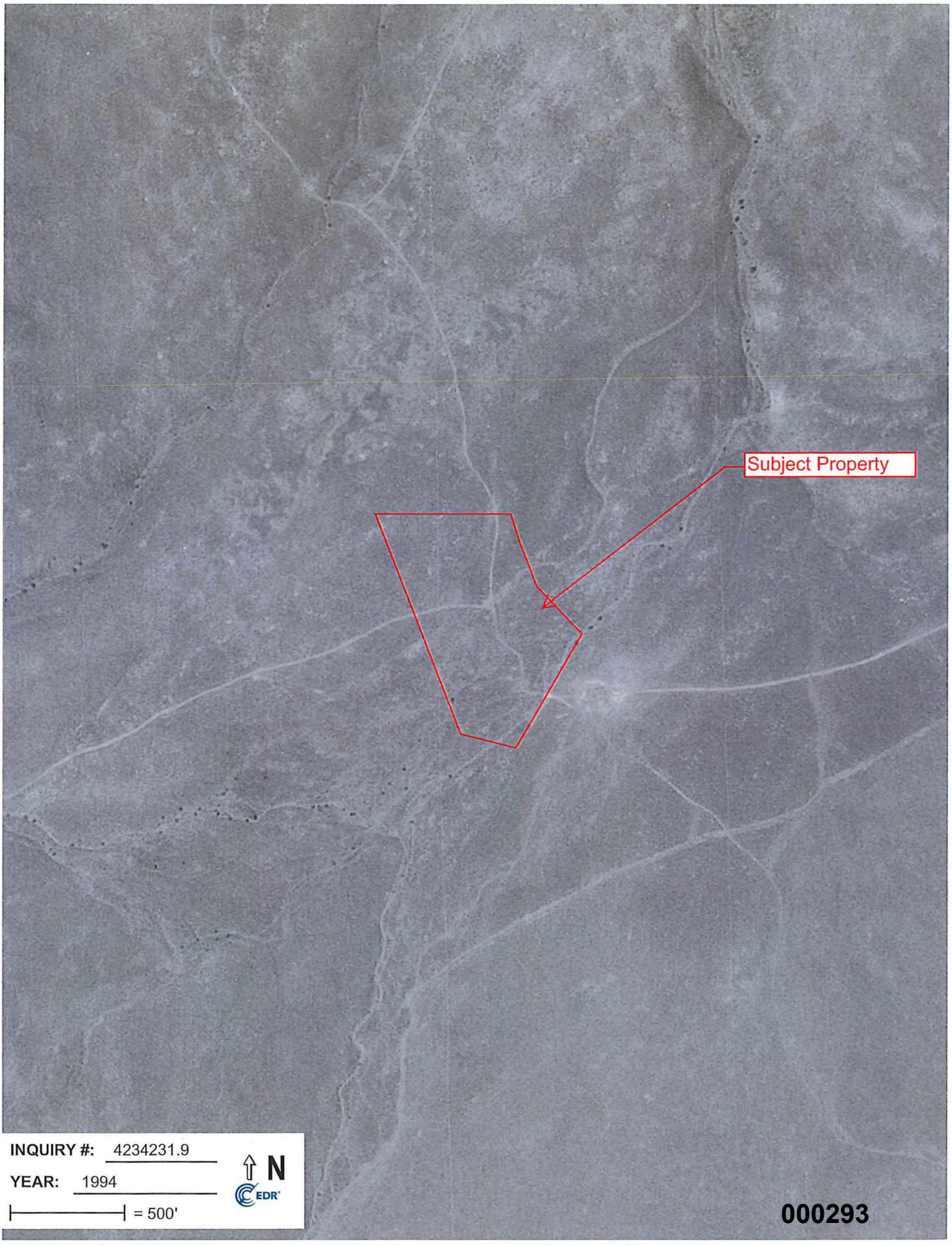
YEAR: 1975

= 750'

N

EDR


Subject Property
INQUIRY #: 4234231.9
YEAR: 1980
= 500'
N
EDR
000292


Subject Property
INQUIRY #: 4234231.9
YEAR: 1994
= 500'
N
EDR
000293

Subject Property
INQUIRY #: 4234231.9
YEAR: 2006
= 500'
N
EDR
000294

Subject Property
INQUIRY #: 4234231.9
YEAR: 2010
= 500'
N
EDR

UCC002-Ph I ESA, 2500 Peru Drive, NV
2500 Peru Drive
McCarran, NV 89434

Inquiry Number: 4234231.4
March 16, 2015

EDR Historical Topographic Map Report

6 Armstrong Road, 4th Floor
Shelton, Connecticut 06484
Toll Free: 800.352.0050
www.edrnet.com

EDR Historical Topographic Map Report

Environmental Data Resources, Inc.s (EDR) Historical Topographic Map Report is designed to assist professionals in evaluating potential liability on a target property resulting from past activities. EDRs Historical Topographic Map Report includes a search of a collection of public and private color historical topographic maps, dating back to the early 1900s.

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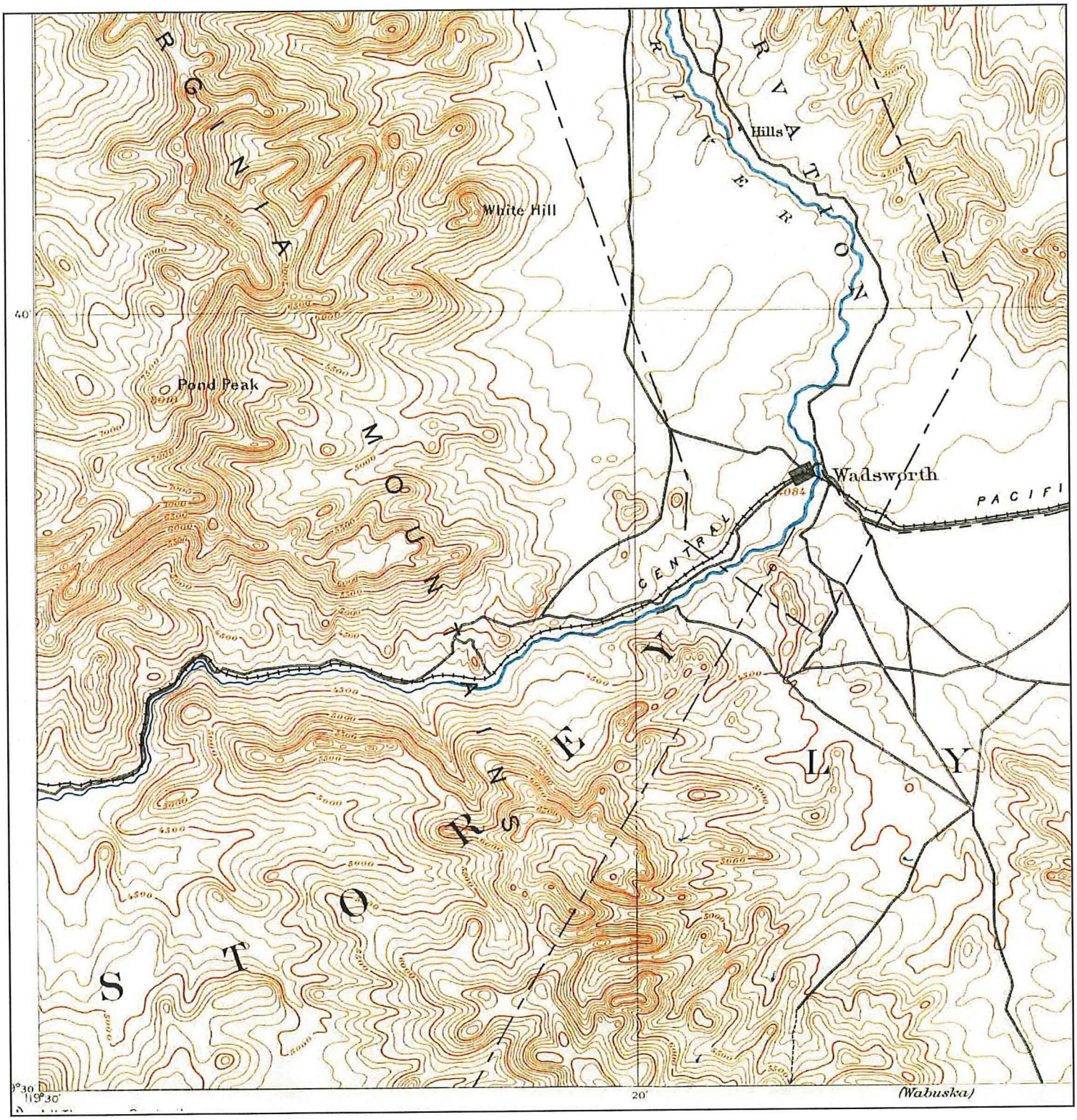
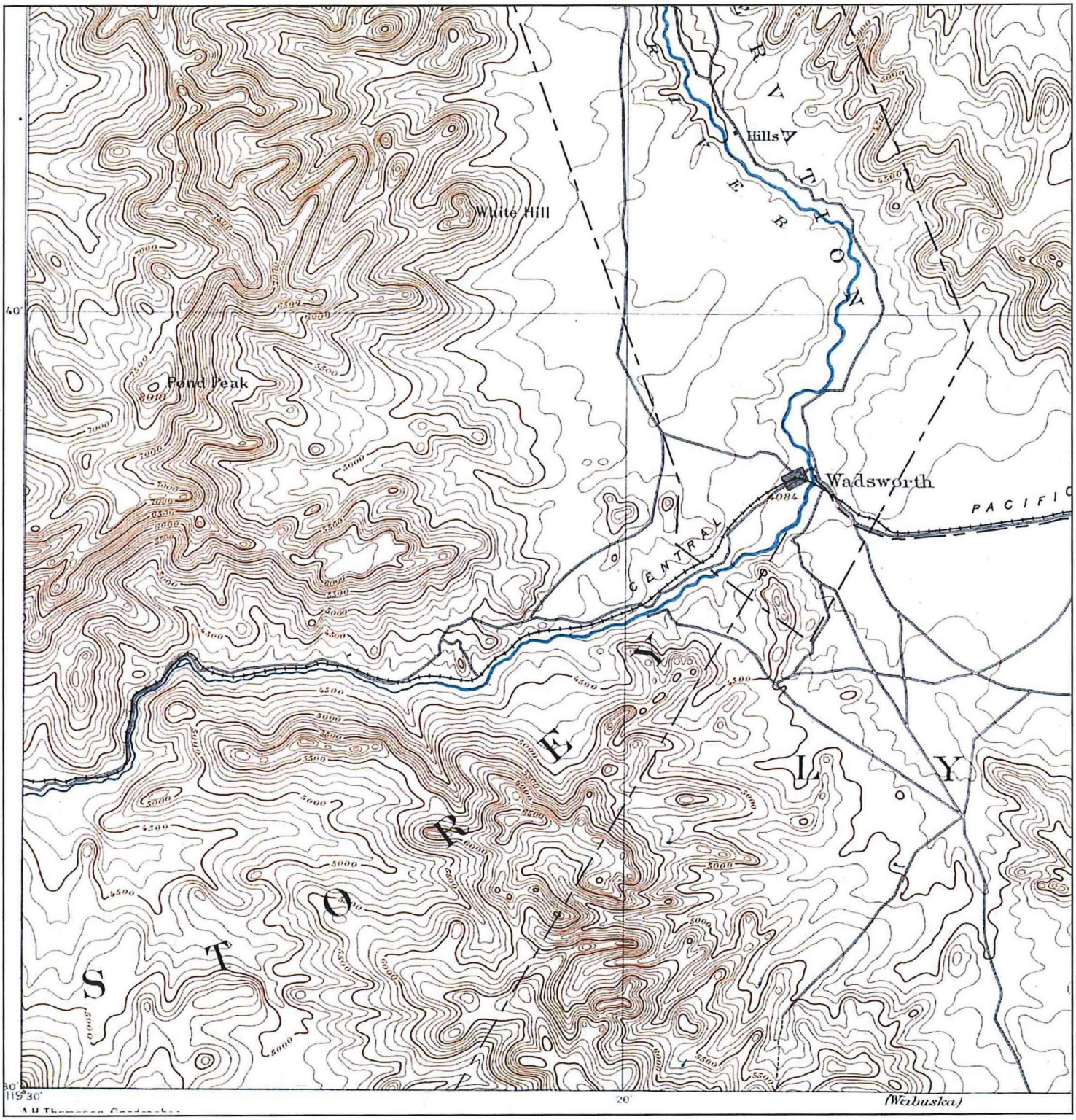
Historical Topographic Map



N	TARGET QUAD NAME: WADSWORTH MAP YEAR: 1890 SERIES: 30 SCALE: 1:125000	SITE NAME: UCC002-Ph I ESA, 2500 Peru Drive, NV ADDRESS: 2500 Peru Drive McCarran, NV 89434 LAT/LONG: 39.528 / -119.492	CLIENT: McGinley Associates CONTACT: Jake Orourke INQUIRY#: 4234231.4 RESEARCH DATE: 03/16/2015

Historical Topographic Map

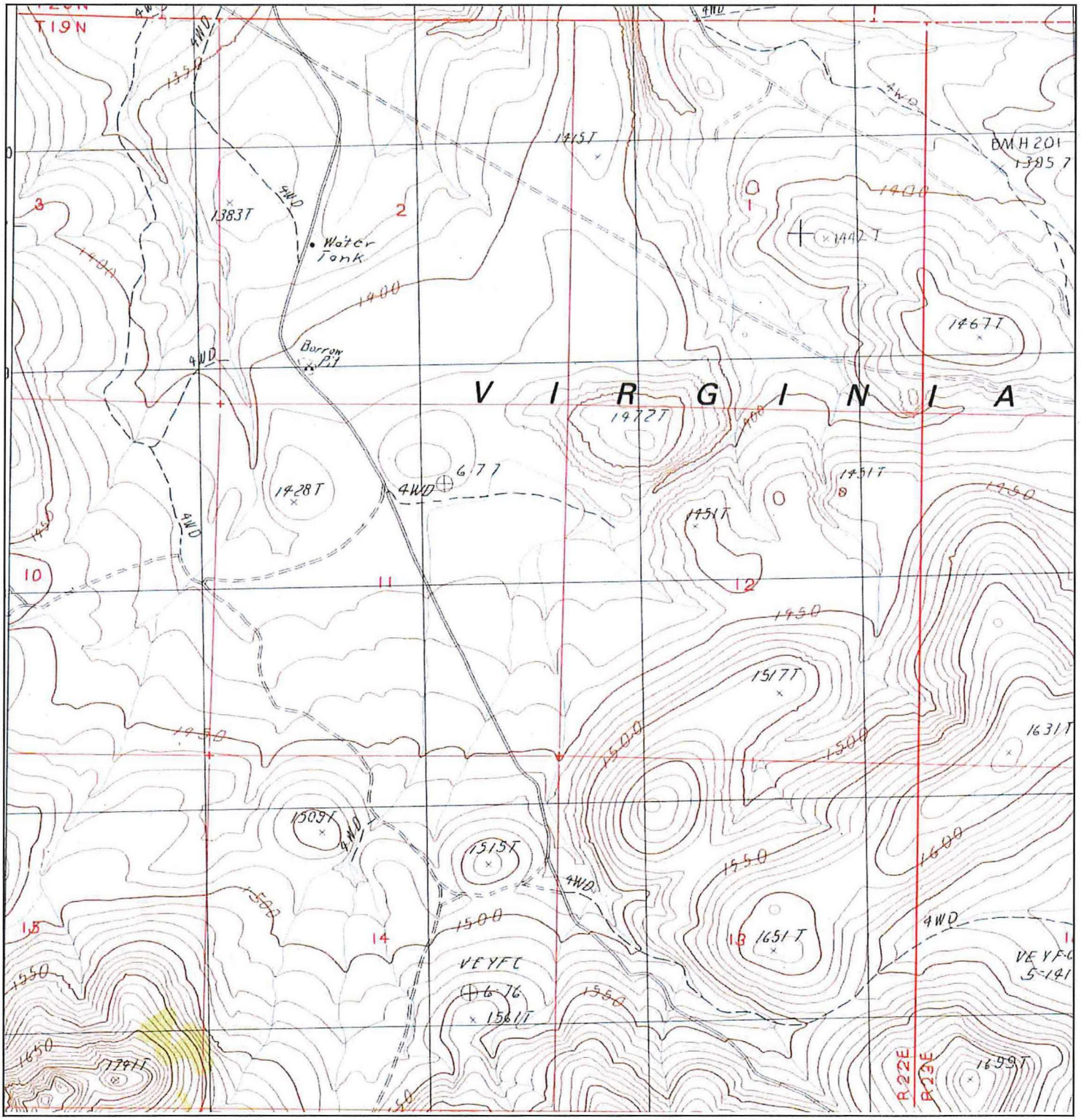


N	TARGET QUAD NAME: WADSWORTH MAP YEAR: 1894 SERIES: 30 SCALE: 1:125000	SITE NAME: UCC002-Ph I ESA, 2500 Peru Drive, NV ADDRESS: 2500 Peru Drive McCarran, NV 89434 LAT/LONG: 39.528 / -119.492	CLIENT: McGinley Associates CONTACT: Jake Orourke INQUIRY#: 4234231.4 RESEARCH DATE: 03/16/2015

Historical Topographic Map

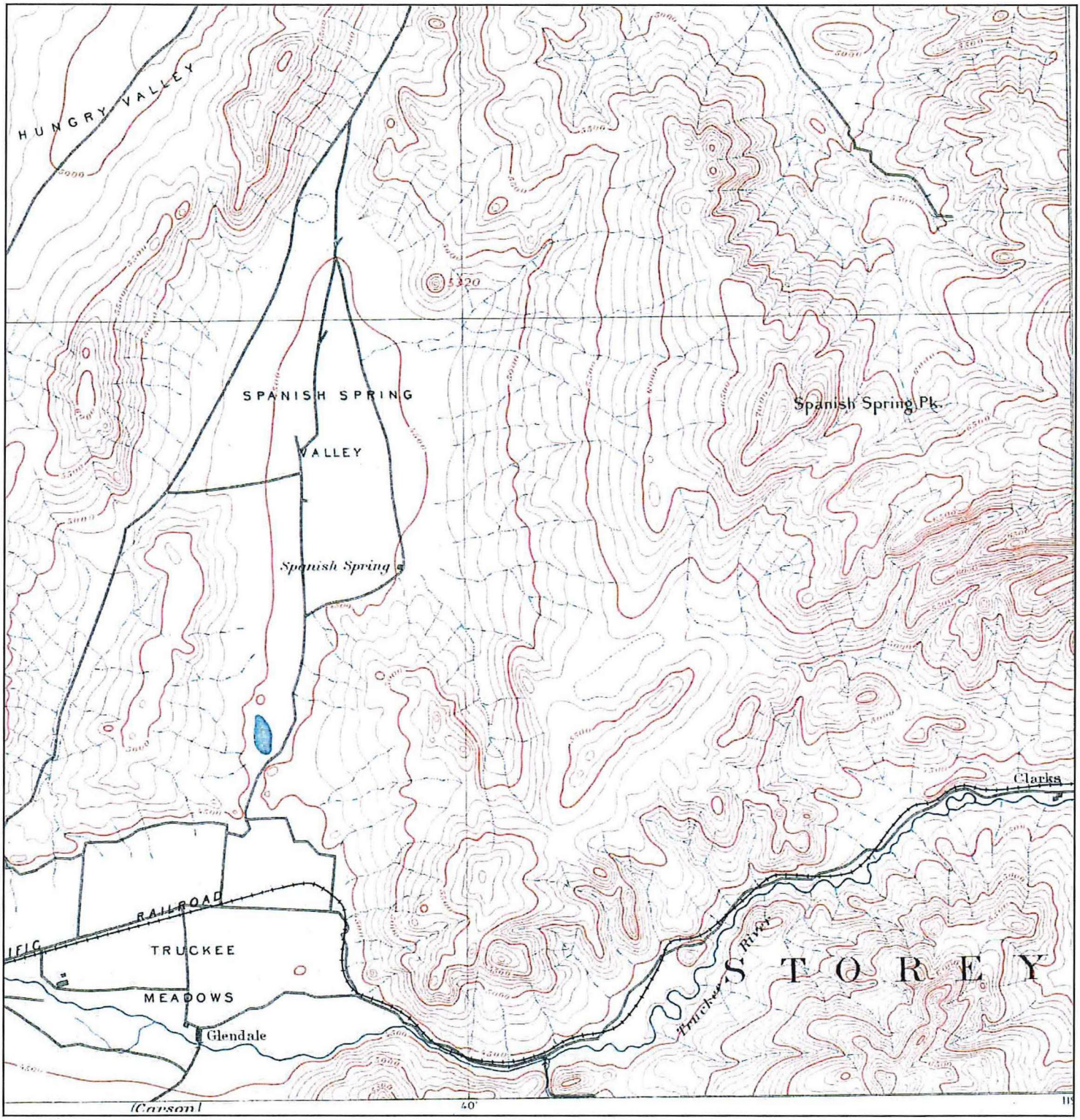
N	TARGET QUAD NAME: WADSWORTH MAP YEAR: 1957 SERIES: 15 SCALE: 1:62500	SITE NAME: UCC002-Ph I ESA, 2500 Peru Drive, NV ADDRESS: 2500 Peru Drive McCarran, NV 89434 LAT/LONG: 39.528 / -119.492	CLIENT: McGinley Associates CONTACT: Jake Orourke INQUIRY#: 4234231.4 RESEARCH DATE: 03/16/2015

Historical Topographic Map



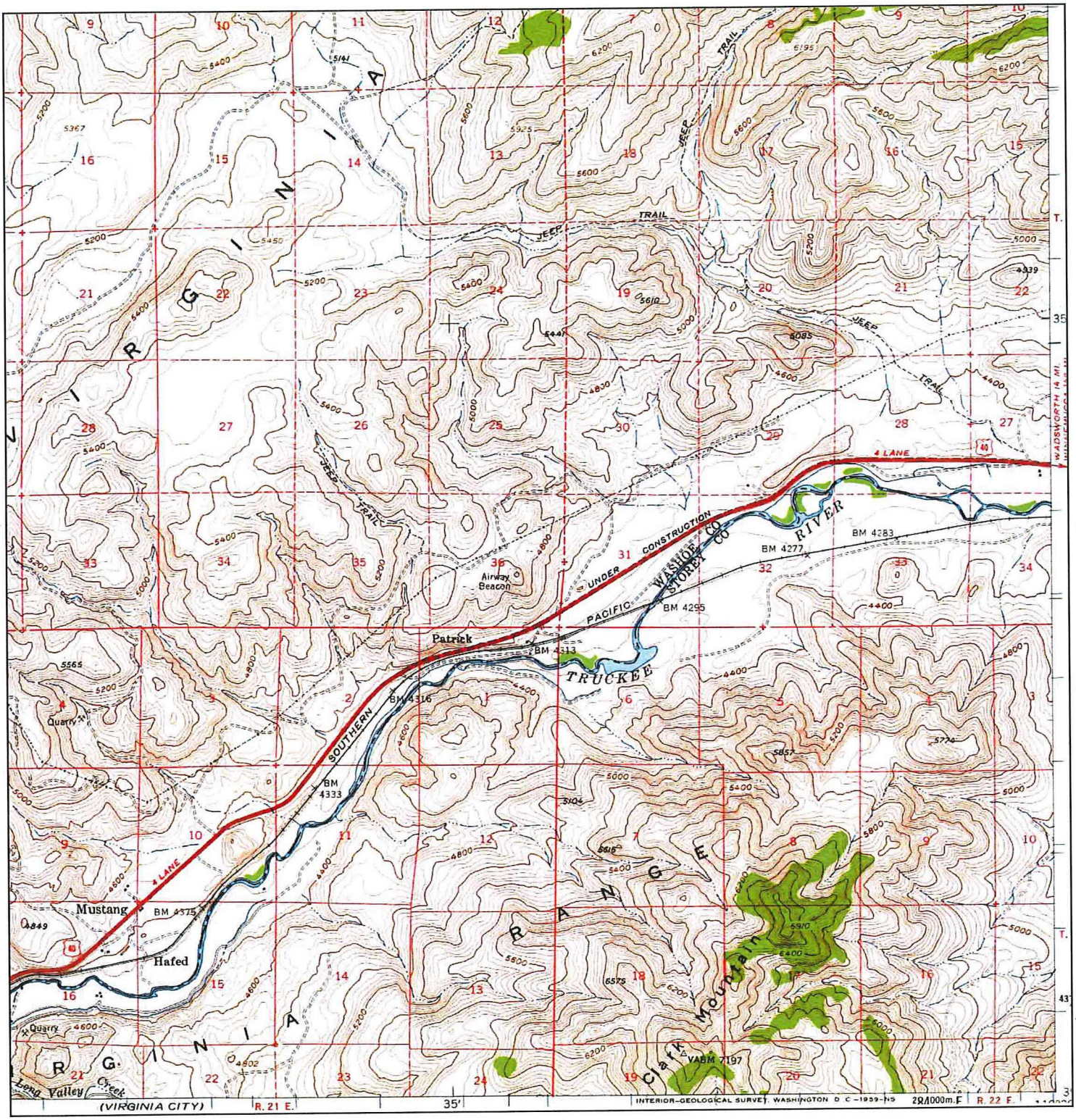
N	TARGET QUAD NAME: DERBY DAM MAP YEAR: 1985 PROVISIONAL SERIES: 7.5 SCALE: 1:24000	SITE NAME: UCC002-Ph I ESA, 2500 Peru Drive, NV ADDRESS: 2500 Peru Drive McCarran, NV 89434 LAT/LONG: 39.528 / -119.492	CLIENT: McGinley Associates CONTACT: Jake Orourke INQUIRY#: 4234231.4 RESEARCH DATE: 03/16/2015

Historical Topographic Map



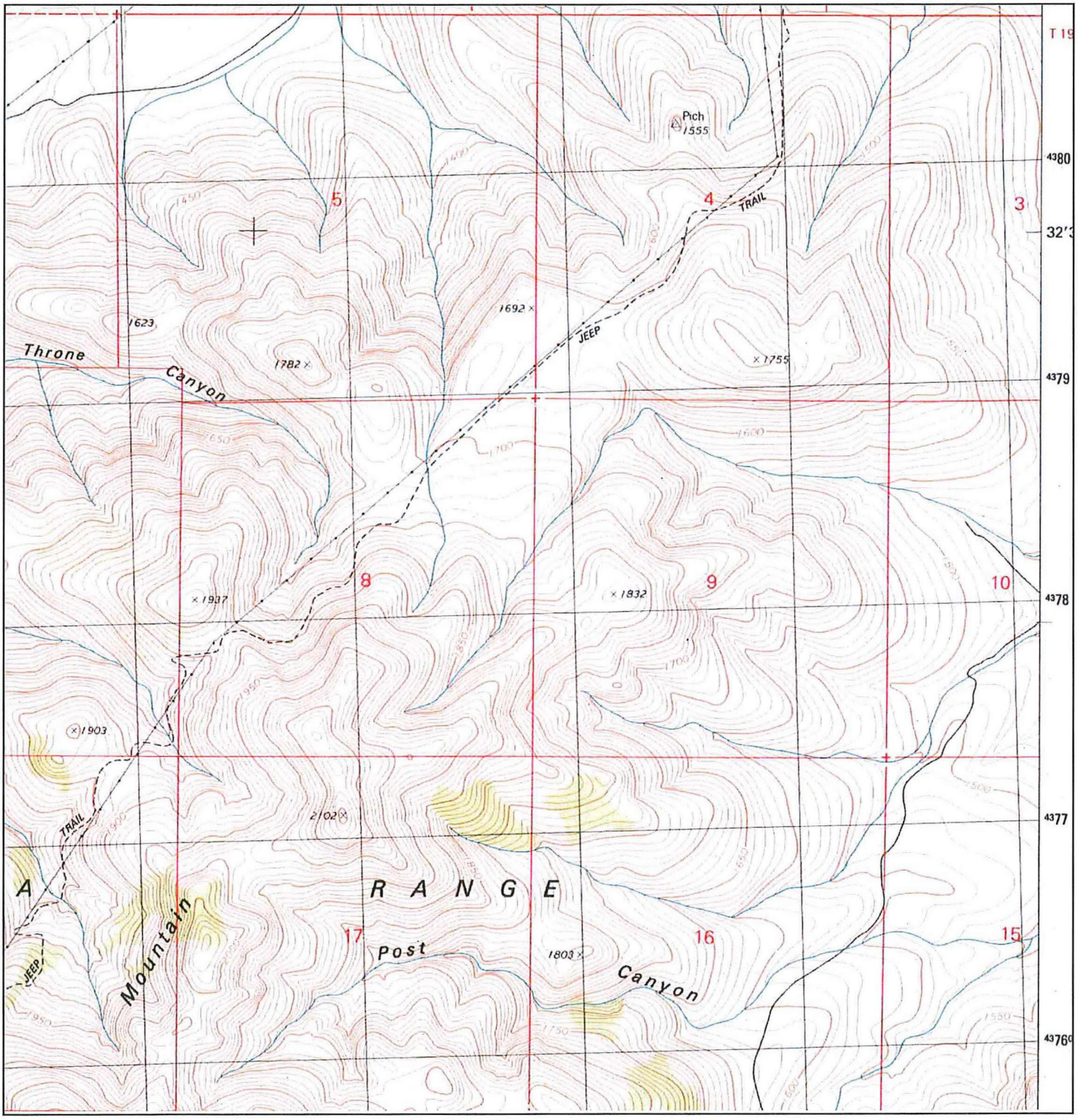
N	ADJOINING QUAD NAME: RENO MAP YEAR: 1893 SERIES: 30 SCALE: 1:125000	SITE NAME:	UCC002-Ph I ESA, 2500 Peru Drive, NV	CLIENT:	McGinley Associates
		ADDRESS:	2500 Peru Drive McCarran, NV 89434	CONTACT:	Jake Orourke
		LAT/LONG:	39.528 / -119.492	INQUIRY#:	4234231.4
				RESEARCH DATE:	03/16/2015

Historical Topographic Map



N	ADJOINING QUAD NAME: SPANISH SPRINGS VALLEY MAP YEAR: 1957 SERIES: 15 SCALE: 1:62500	SITE NAME: UCC002-Ph I ESA, 2500 Peru Drive, NV ADDRESS: 2500 Peru Drive McCarran, NV 89434 LAT/LONG: 39.528 / -119.492	CLIENT: McGinley Associates CONTACT: Jake Orourke INQUIRY#: 4234231.4 RESEARCH DATE: 03/16/2015

Historical Topographic Map



N	ADJOINING QUAD NAME: PATRICK MAP YEAR: 1980 SERIES: 7.5 SCALE: 1:24000	SITE NAME: UCC002-Ph I ESA, 2500 Peru Drive, NV ADDRESS: 2500 Peru Drive McCarran, NV 89434 LAT/LONG: 39.528 / -119.492	CLIENT: McGinley Associates CONTACT: Jake Orourke INQUIRY#: 4234231.4 RESEARCH DATE: 03/16/2015

APPENDIX E

Sanborn Map Report and City Directory Listings

UCC002-Ph I ESA, 2500 Peru Drive, NV
2500 Peru Drive
McCarran, NV 89434

Inquiry Number: 4234231.3
March 13, 2015

Certified Sanborn® Map Report

6 Armstrong Road, 4th Floor
Shelton, Connecticut 06484
Toll Free: 800.352.0050
www.edrnet.com

Certified Sanborn® Map Report

3/13/15

Site Name:
UCC002-Ph I ESA, 2500 Peru
2500 Peru Drive
McCarran, NV 89434

Client Name:
McGinley Associates
815 Maestro Drive
Reno, NV 89511

EDR Inquiry # 4234231.3

Contact: Jake Orourke

The Sanborn Library has been searched by EDR and maps covering the target property location as provided by McGinley Associates were identified for the years listed below. The Sanborn Library is the largest, most complete collection of fire insurance maps. The collection includes maps from Sanborn, Bromley, Perris & Browne, Hopkins, Barlow, and others. Only Environmental Data Resources Inc. (EDR) is authorized to grant rights for commercial reproduction of maps by the Sanborn Library LLC, the copyright holder for the collection. Results can be authenticated by visiting www.edrnet.com/sanborn.

The Sanborn Library is continually enhanced with newly identified map archives. This report accesses all maps in the collection as of the day this report was generated.

Certified Sanborn Results:

Site Name: UCC002-Ph I ESA, 2500 Peru Drive, NV
Address: 2500 Peru Drive
City, State, Zip: McCarran, NV 89434
Cross Street:
P.O. # NA
Project: UCC002
Certification # BE63-43C8-AB1E

Sanborn® Library search results
Certification # BE63-43C8-AB1E

UNMAPPED PROPERTY

This report certifies that the complete holdings of the Sanborn Library, LLC collection have been searched based on client supplied target property information, and fire insurance maps covering the target property were not found.

The Sanborn Library includes more than 1.2 million fire insurance maps from Sanborn, Bromley, Perris & Browne, Hopkins, Barlow and others which track historical property usage in approximately 12,000 American cities and towns. Collections searched:

- ☑ Library of Congress
- ☑ University Publications of America
- ☑ EDR Private Collection

The Sanborn Library LLC Since 1866™

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UCC002-Ph I ESA, 2500 Peru Drive, NV
2500 Peru Drive
McCarran, NV 89434

Inquiry Number: 4234231.5
March 16, 2015

The EDR-City Directory Image Report

EDR® Environmental Data Resources Inc

6 Armstrong Road
Shelton, CT 06484
800.352.0050
www.edrnet.com

TABLE OF CONTENTS

SECTION

Executive Summary

Findings

City Directory Images

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EXECUTIVE SUMMARY

DESCRIPTION

Environmental Data Resources, Inc.'s (EDR) City Directory Report is a screening tool designed to assist environmental professionals in evaluating potential liability on a target property resulting from past activities. EDR's City Directory Report includes a search of available city directory data at 5 year intervals.

RESEARCH SUMMARY

The following research sources were consulted in the preparation of this report. A check mark indicates where information was identified in the source and provided in this report.

Year	Target Street	Cross Street	Source
2013	☑	☑	Cole Information Services
2008	☐	☑	Cole Information Services
2003	☐	☐	Cole Information Services
1999	☐	☐	Cole Information Services
1995	☐	☐	Cole Information Services
1992	☐	☐	Cole Information Services

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FINDINGS

TARGET PROPERTY STREET

2500 Peru Drive
McCarran, NV 89434

Year	*CD Image*	*Source*	
PERU			
2013	pg A1	Cole Information Services	
2008	-	Cole Information Services	Target and Adjoining not listed in Source
2003	-	Cole Information Services	Target and Adjoining not listed in Source
1999	-	Cole Information Services	Target and Adjoining not listed in Source
1995	-	Cole Information Services	Target and Adjoining not listed in Source
1992	-	Cole Information Services	Target and Adjoining not listed in Source

FINDINGS

CROSS STREETS

Year	*CD Image*	*Source*	
USA PKWY			
2013	pg. A2	Cole Information Services	
2008	pg. A3	Cole Information Services	
2003	-	Cole Information Services	Target and Adjoining not listed in Source
1999	-	Cole Information Services	Target and Adjoining not listed in Source
1995	-	Cole Information Services	Target and Adjoining not listed in Source
1992	-	Cole Information Services	Target and Adjoining not listed in Source

City Directory Images

Target Street	Cross Street	Source
✓	-	Cole Information Services

PERU 2013

1705 STATION 5FIRE DEPARTMENT
4086 IAA VEHICLE DONATION
IAA VEHICLE PURCHASING
INSURANCE AUTO AUCTIONS INC

Target Street	Cross Street	Source
-	✓	Cole Information Services

USA PKWY 2008

2125	WALMART DISTRIBUTION CENTER
2155	MCCARRAN CRL
2195	GREAT WIDE DEDICATED TRANSPORT

Target Street	Cross Street	Source
-	✓	Cole Information Services

USA PKWY 2013

420	GUY CUNNINGHAM
	SUBWAY SANDWICHES
500	GOLDEN GATE BAR
	GOLDEN GATE PETROLEUM
2155	WALMART STORES DISTRIBUTION CENTER
2195	WALMART
2555	JACOBSON COMPANIES
	KUEHNE + NAGEL
2777	GSI COMMERCE
	MIDWEST AIR TECHNOLOGIES INC
	PROPAK CORP

APPENDIX F

EDR Radius Map Report

UCC002-Ph I ESA, 2500 Peru Drive, NV
2500 Peru Drive
McCarran, NV 89434

Inquiry Number: 4234231.2s
March 13, 2015

EDR Summary Radius Map Report

EDR® Environmental Data Resources Inc

6 Armstrong Road, 4th floor
Shelton, CT 06484
Toll Free: 800.352.0050
www.edrnet.com

FORM-NULL-PVC

TABLE OF CONTENTS

SECTION	PAGE
Executive Summary	ES1
Overview Map	2
Detail Map	3
Map Findings Summary	4
Map Findings	7
Orphan Summary	8
Government Records Searched/Data Currency Tracking	GR-1

GEOCHECK ADDENDUM

Physical Setting Source Addendum	A-1
Physical Setting Source Summary	A-2
Physical Setting SSURGO Soil Map	A-5
Physical Setting Source Map	A-8
Physical Setting Source Map Findings	A-10
Physical Setting Source Records Searched	PSGR-1

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EXECUTIVE SUMMARY

A search of available environmental records was conducted by Environmental Data Resources, Inc (EDR). The report was designed to assist parties seeking to meet the search requirements of EPA's Standards and Practices for All Appropriate Inquiries (40 CFR Part 312), the ASTM Standard Practice for Environmental Site Assessments (E 1527-13) or custom requirements developed for the evaluation of environmental risk associated with a parcel of real estate.

TARGET PROPERTY INFORMATION

ADDRESS

2500 PERU DRIVE
STOREY County, NV 89440

COORDINATES

Latitude (North):	39.5280000 - 39° 31' 40.80"
Longitude (West):	119.4920000 - 119° 29' 31.20"
Universal Tranverse Mercator:	Zone 11
UTM X (Meters):	285807.8
UTM Y (Meters):	4378128.5
Elevation:	4658 ft. above sea level

USGS TOPOGRAPHIC MAP ASSOCIATED WITH TARGET PROPERTY

Target Property:	TP
Source:	USGS 7.5 min quad index
Target Property:	W
Source:	USGS 7.5 min quad index

AERIAL PHOTOGRAPHY IN THIS REPORT

Portions of Photo from:	20100613, 20100614
Source:	USDA

TARGET PROPERTY SEARCH RESULTS

The target property was not listed in any of the databases searched by EDR.

SURROUNDING SITES: SEARCH RESULTS

Surrounding sites were not identified.

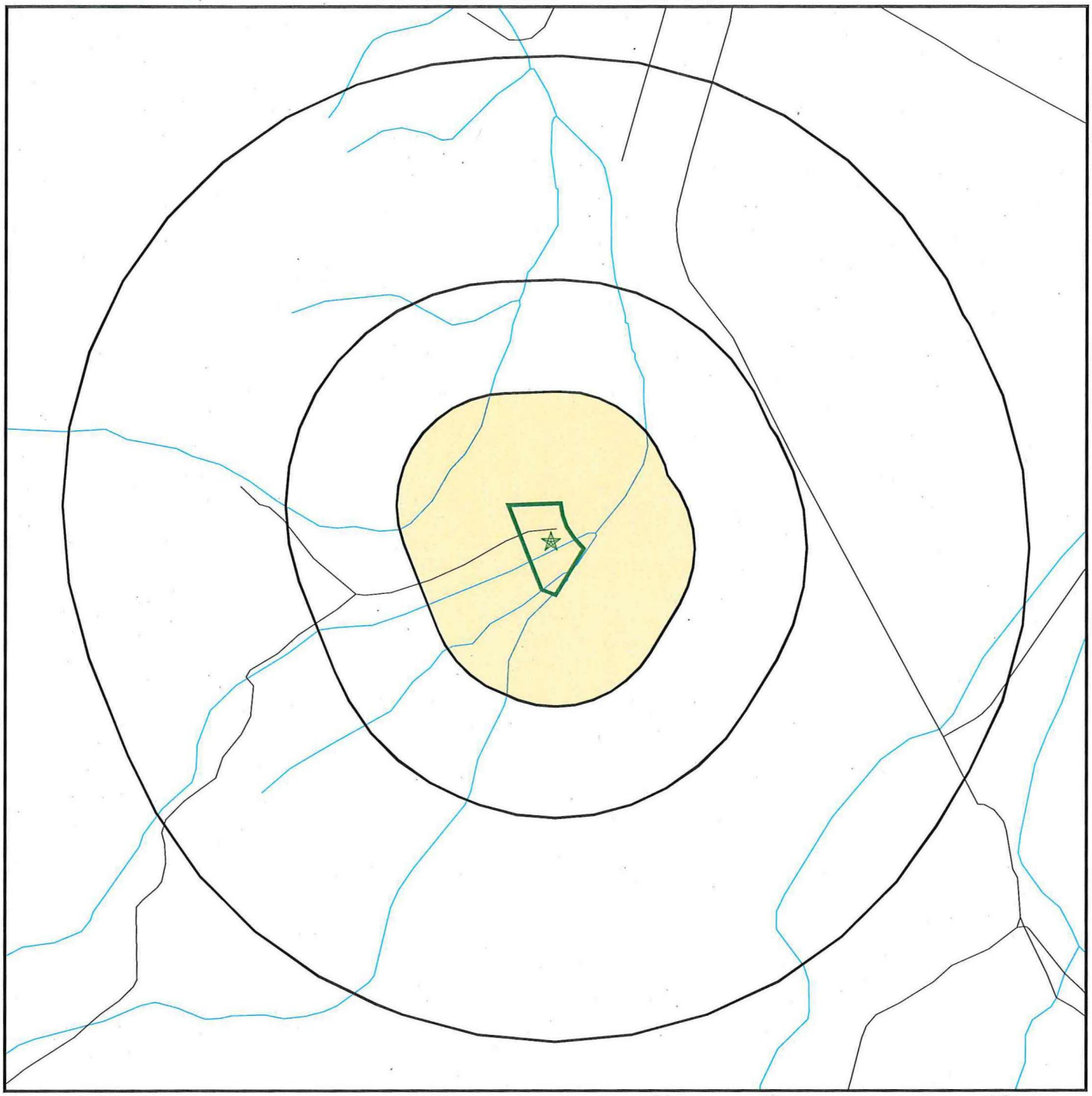
Unmappable (orphan) sites are not considered in the foregoing analysis.

Count: 0 records.

ORPHAN SUMMARY

City	EDR ID	Site Name	Site Address	Zip	Database(s)
		NO SITES FOUND			

OVERVIEW MAP - 4234231.2S



- Target Property
- Sites at elevations higher than or equal to the target property
- Sites at elevations lower than the target property
- Manufactured Gas Plants
- National Priority List Sites
- Dept. Defense Sites
- Indian Reservations BIA
- Oil & Gas pipelines from USGS
- 100-year flood zone
- 500-year flood zone

This report includes Interactive Map Layers to display and/or hide map information. The legend includes only those icons for the default map view.

SITE NAME: UCC002-Ph I ESA, 2500 Peru Drive, NV	CLIENT: McGinley Associates
ADDRESS: 2500 Peru Drive McCarran NV 89434	CONTACT: Jake Orourke
LAT/LONG: 39.528 / 119.492	INQUIRY #: 4234231.2s DATE: March 13, 2015 6:59 pm

000322

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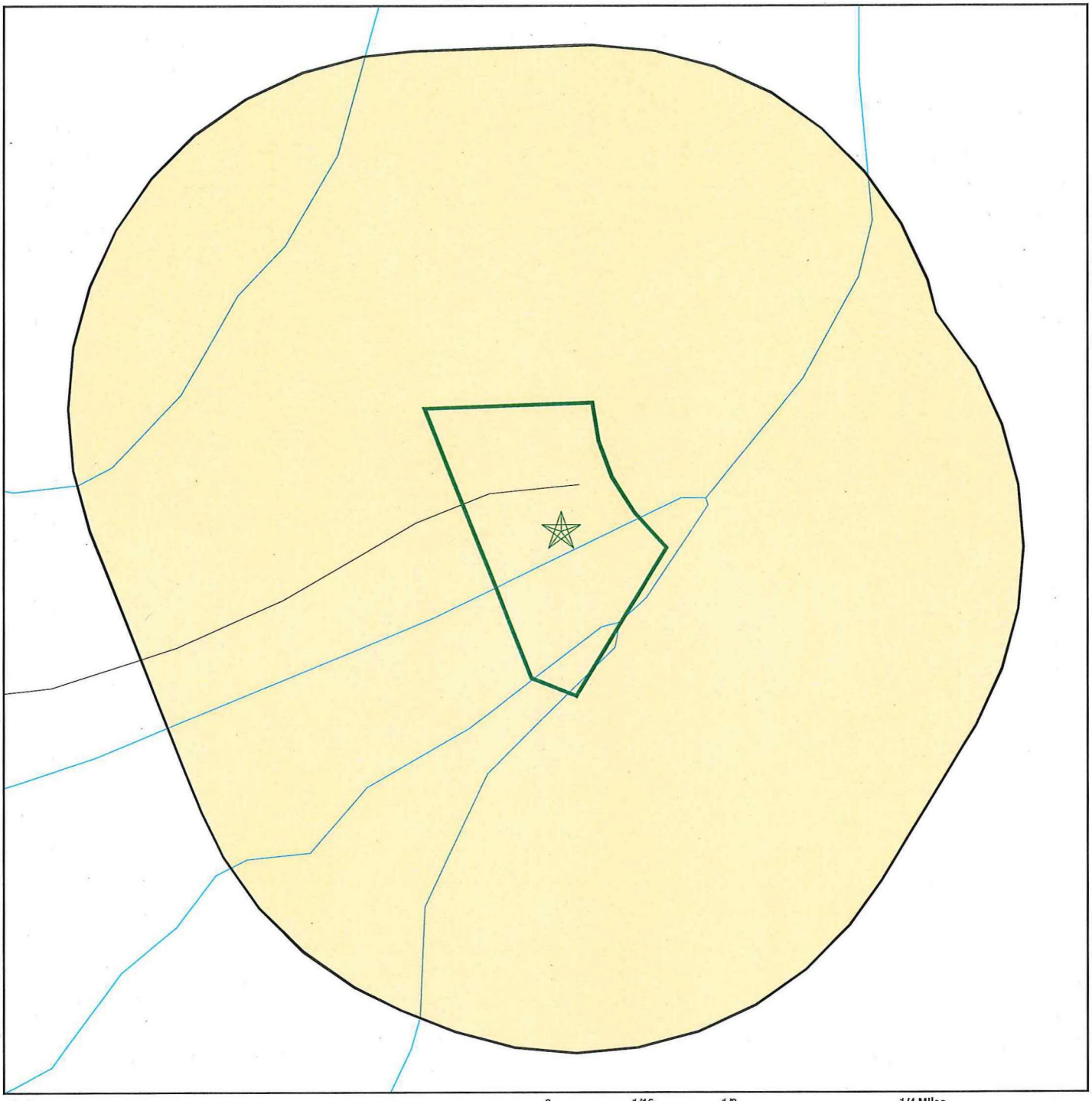
DETAIL MAP - 4234231.2S



Target Property

Sites at elevations higher than or equal to the target property

Sites at elevations lower than the target property

Manufactured Gas Plants

Sensitive Receptors

National Priority List Sites

Dept. Defense Sites

0 1/16 1/8 1/4 Miles

Indian Reservations BIA

Oil & Gas pipelines from USGS

100-year flood zone

500-year flood zone

N

This report includes Interactive Map Layers to display and/or hide map information. The legend includes only those icons for the default map view.

SITE NAME: UCC002-Ph I ESA, 2500 Peru Drive, NV	CLIENT: McGinley Associates
ADDRESS: 2500 Peru Drive McCarran NV 89434	CONTACT: Jake Orourke
LAT/LONG: 39.528 / 119.492	INQUIRY #: 4234231.2s DATE: March 13, 2015 6:59 pm

000323

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MAP FINDINGS SUMMARY

Database	Search Distance (Miles)	Target Property	< 1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total Plotted
STANDARD ENVIRONMENTAL RECORDS								
Federal NPL site list								
NPL	1.000		0	0	0	0	NR	0
Proposed NPL	1.000		0	0	0	0	NR	0
NPL LIENS	TP		NR	NR	NR	NR	NR	0
Federal Delisted NPL site list								
Delisted NPL	1.000		0	0	0	0	NR	0
Federal CERCLIS list								
CERCLIS	0.500		0	0	0	NR	NR	0
FEDERAL FACILITY	0.500		0	0	0	NR	NR	0
Federal CERCLIS NFRAP site List								
CERC-NFRAP	0.500		0	0	0	NR	NR	0
Federal RCRA CORRACTS facilities list								
CORRACTS	1.000		0	0	0	0	NR	0
Federal RCRA non-CORRACTS TSD facilities list								
RCRA-TSDF	0.500		0	0	0	NR	NR	0
Federal RCRA generators list								
RCRA-LQG	0.250		0	0	NR	NR	NR	0
RCRA-SQG	0.250		0	0	NR	NR	NR	0
RCRA-CESQG	0.250		0	0	NR	NR	NR	0
Federal institutional controls / engineering controls registries								
US ENG CONTROLS	0.500		0	0	0	NR	NR	0
US INST CONTROL	0.500		0	0	0	NR	NR	0
LUCIS	0.500		0	0	0	NR	NR	0
Federal ERNS list								
ERNS	TP		NR	NR	NR	NR	NR	0
State- and tribal - equivalent CERCLIS								
SHWS	1.000		0	0	0	0	NR	0
State and tribal landfill and/or solid waste disposal site lists								
SWF/LF	0.500		0	0	0	NR	NR	0
State and tribal leaking storage tank lists								
LUST	0.500		0	0	0	NR	NR	0
INDIAN LUST	0.500		0	0	0	NR	NR	0
State and tribal registered storage tank lists								
UST	0.250		0	0	NR	NR	NR	0

MAP FINDINGS SUMMARY

Database	Search Distance (Miles)	Target Property	< 1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total Plotted
AST	0.250		0	0	NR	NR	NR	0
INDIAN UST	0.250		0	0	NR	NR	NR	0
FEMA UST	0.250		0	0	NR	NR	NR	0
State and tribal voluntary cleanup sites								
INDIAN VCP	0.500		0	0	0	NR	NR	0
VCP	0.500		0	0	0	NR	NR	0
State and tribal Brownfields sites								
BROWNFIELDS	0.500		0	0	0	NR	NR	0
ADDITIONAL ENVIRONMENTAL RECORDS								
Local Brownfield lists								
US BROWNFIELDS	0.500		0	0	0	NR	NR	0
Local Lists of Landfill / Solid Waste Disposal Sites								
DEBRIS REGION 9	0.500		0	0	0	NR	NR	0
ODI	0.500		0	0	0	NR	NR	0
SWRCY	0.500		0	0	0	NR	NR	0
INDIAN ODI	0.500		0	0	0	NR	NR	0
Local Lists of Hazardous waste / Contaminated Sites								
US CDL	TP		NR	NR	NR	NR	NR	0
US HIST CDL	TP		NR	NR	NR	NR	NR	0
Local Land Records								
LIENS 2	TP		NR	NR	NR	NR	NR	0
Records of Emergency Release Reports								
HMIRS	TP		NR	NR	NR	NR	NR	0
Other Ascertainable Records								
RCRA NonGen / NLR	0.250		0	0	NR	NR	NR	0
DOT OPS	TP		NR	NR	NR	NR	NR	0
DOD	1.000		0	0	0	0	NR	0
FUDS	1.000		0	0	0	0	NR	0
CONSENT	1.000		0	0	0	0	NR	0
ROD	1.000		0	0	0	0	NR	0
UMTRA	0.500		0	0	0	NR	NR	0
US MINES	0.250		0	0	NR	NR	NR	0
TRIS	TP		NR	NR	NR	NR	NR	0
TSCA	TP		NR	NR	NR	NR	NR	0
FTTS	TP		NR	NR	NR	NR	NR	0
HIST FTTS	TP		NR	NR	NR	NR	NR	0
SSTS	TP		NR	NR	NR	NR	NR	0
ICIS	TP		NR	NR	NR	NR	NR	0
PADS	TP		NR	NR	NR	NR	NR	0

MAP FINDINGS SUMMARY

Database	Search Distance (Miles)	Target Property	< 1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total Plotted
MLTS	TP		NR	NR	NR	NR	NR	0
RADINFO	TP		NR	NR	NR	NR	NR	0
FINDS	TP		NR	NR	NR	NR	NR	0
RAATS	TP		NR	NR	NR	NR	NR	0
RMP	TP		NR	NR	NR	NR	NR	0
NPDES	TP		NR	NR	NR	NR	NR	0
AIRS	TP		NR	NR	NR	NR	NR	0
HMRI	TP		NR	NR	NR	NR	NR	0
INDIAN RESERV	1.000		0	0	0	0	NR	0
SCRD DRYCLEANERS	0.500		0	0	0	NR	NR	0
Financial Assurance	TP		NR	NR	NR	NR	NR	0
PCB TRANSFORMER	TP		NR	NR	NR	NR	NR	0
COAL ASH	0.500		0	0	0	NR	NR	0
COAL ASH EPA	0.500		0	0	0	NR	NR	0
US AIRS	TP		NR	NR	NR	NR	NR	0
US FIN ASSUR	TP		NR	NR	NR	NR	NR	0
EPA WATCH LIST	TP		NR	NR	NR	NR	NR	0
COAL ASH DOE	TP		NR	NR	NR	NR	NR	0
2020 COR ACTION	0.250		0	0	NR	NR	NR	0
PRP	TP		NR	NR	NR	NR	NR	0
LEAD SMELTERS	TP		NR	NR	NR	NR	NR	0
EDR HIGH RISK HISTORICAL RECORDS								
EDR Exclusive Records								
EDR MGP	1.000		0	0	0	0	NR	0
EDR RECOVERED GOVERNMENT ARCHIVES								
Exclusive Recovered Govt. Archives								
RGA LF	TP		NR	NR	NR	NR	NR	0
RGA LUST	TP		NR	NR	NR	NR	NR	0
RGA HWS	TP		NR	NR	NR	NR	NR	0

NOTES:

TP = Target Property

NR = Not Requested at this Search Distance

Sites may be listed in more than one database

MAP FINDINGS

Map ID Direction Distance Elevation	Site	Database(s)	EDR ID Number EPA ID Number

NO SITES FOUND

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

St	Acronym	Full Name	Government Agency	Gov Date	Arvl. Date	Active Date
NV	AIRS	Permitted Airs Facility Listing	Division of Environmental Protection	03/31/2011	03/31/2011	05/13/2011
NV	AST	Aboveground Storage Tank List	Department of Conservation and Natural Resour	11/13/2014	12/23/2014	01/26/2015
NV	BROWNFIELDS	Project Tracking Database	Division of Environmental Protection	11/13/2014	12/23/2014	01/22/2015
NV	COAL ASH	Coal Ash Disposal Sites	Division of Environmental Protection	10/02/2013	10/03/2013	11/01/2013
NV	Financial Assurance 1	Financial Assurance Information Listing	Department of Environmental Protection	12/28/2010	12/29/2010	02/02/2011
NV	Financial Assurance 2	Financial Assurance Information	Division of Environmental Protection	12/01/2014	12/05/2014	01/22/2015
NV	HMRI	Hazardous Materials Repository Information Data	State Emergency Response Commission	08/05/2008	08/05/2008	08/13/2008
NV	LUST	Sites Database	Department of Conservation and Natural Resour	11/13/2014	12/23/2014	01/22/2015
NV	NPDES	Permitted Facility Listing	Department of Environmental Protection	12/29/2014	12/31/2014	01/22/2015
NV	RGA HWS	Recovered Government Archive State Hazardous Waste Facilitie	Department of Conservation and Natural Resour		07/01/2013	12/26/2013
NV	RGA LF	Recovered Government Archive Solid Waste Facilities List	Department of Conservation and Natural Resour		07/01/2013	01/16/2014
NV	RGA LUST	Recovered Government Archive Leaking Underground Storage Tan	Department of Conservation and Natural Resour		07/01/2013	12/26/2013
NV	SHWS	Sites Database	Department of Conservation and Natural Resour	11/13/2014	12/23/2014	01/22/2015
NV	SWF/LF	Landfill List	Department of Conservation and Natural Resour	03/03/2015	03/06/2015	03/11/2015
NV	SWRCY	Recycling Information Listing	Department of Environmental Protection	02/24/2015	02/25/2015	03/11/2015
NV	UST	Underground Storage Tank List	Department of Conservation and Natural Resour	11/13/2014	12/23/2014	01/26/2015
NV	VCP	Voluntary Cleanup Program Sites	Department of Conservation & Natural Resource	08/16/2011	09/27/2011	10/12/2011
US	2020 COR ACTION	2020 Corrective Action Program List	Environmental Protection Agency	04/22/2013	03/03/2015	03/09/2015
US	BRS	Biennial Reporting System	EPA/NTIS	12/31/2011	02/26/2013	04/19/2013
US	CERCLIS	Comprehensive Environmental Response, Compensation, and Liab	EPA	10/25/2013	11/11/2013	02/13/2014
US	CERCLIS-NFRAP	CERCLIS No Further Remedial Action Planned	EPA	10/25/2013	11/11/2013	02/13/2014
US	COAL ASH DOE	Sleam-Electric Plan Operation Data	Department of Energy	12/31/2005	08/07/2009	10/22/2009
US	COAL ASH EPA	Coal Combustion Residues Surface Impoundments List	Environmental Protection Agency	07/01/2014	09/10/2014	10/20/2014
US	CONSENT	Superfund (CERCLA) Consent Decrees	Department of Justice, Consent Decree Library	01/23/2015	02/13/2015	03/09/2015
US	CORRACTS	Corrective Action Report	EPA	12/09/2014	12/29/2014	01/29/2015
US	DEBRIS REGION 9	Torres Martinez Reservation Illegal Dump Site Locations	EPA, Region 9	01/12/2009	05/07/2009	09/21/2009
US	DELISTED NPL	National Priority List Deletions	EPA	12/16/2014	01/08/2015	02/09/2015
US	DOD	Department of Defense Sites	USGS	12/31/2005	11/10/2006	01/11/2007
US	DOT OPS	Incident and Accident Data	Department of Transporation, Office of Pipeli	07/31/2012	08/07/2012	09/18/2012
US	EDR MGP	EDR Proprietary Manufactured Gas Plants	EDR, Inc.			
US	EPA WATCH LIST	EPA WATCH LIST	Environmental Protection Agency	08/30/2013	03/21/2014	06/17/2014
US	ERNS	Emergency Response Notification System	National Response Center, United States Coast	09/29/2014	09/30/2014	11/06/2014
US	FEDERAL FACILITY	Federal Facility Site Information listing	Environmental Protection Agency	07/21/2014	10/07/2014	10/20/2014
US	FEDLAND	Federal and Indian Lands	U.S. Geological Survey	12/31/2005	02/06/2006	01/11/2007
US	FEMA UST	Underground Storage Tank Listing	FEMA	01/01/2010	02/16/2010	04/12/2010
US	FINDS	Facility Index System/Facility Registry System	EPA	08/16/2014	09/10/2014	10/20/2014
US	FTTS	FIFRA/ TSCA Tracking System - FIFRA (Federal Insecticide, Fu	EPA/Office of Prevention, Pesticides and Toxi	04/09/2009	04/16/2009	05/11/2009
US	FTTS INSP	FIFRA/ TSCA Tracking System - FIFRA (Federal Insecticide, Fu	EPA	04/09/2009	04/16/2009	05/11/2009
US	FUDS	Formerly Used Defense Sites	U.S. Army Corps of Engineers	06/06/2014	09/10/2014	09/18/2014
US	HIST FTTS	FIFRA/TSCA Tracking System Administrative Case Listing	Environmental Protection Agency	10/19/2006	03/01/2007	04/10/2007
US	HIST FTTS INSP	FIFRA/TSCA Tracking System Inspection & Enforcement Case Lis	Environmental Protection Agency	10/19/2006	03/01/2007	04/10/2007
US	HMIRS	Hazardous Materials Information Reporting System	U.S. Department of Transportation	12/29/2014	12/30/2014	03/09/2015
US	ICIS	Integrated Compliance Information System	Environmental Protection Agency	01/23/2015	02/06/2015	03/09/2015
US	INDIAN LUST R1	Leaking Underground Storage Tanks on Indian Land	EPA Region 1	02/01/2013	05/01/2013	11/01/2013
US	INDIAN LUST R10	Leaking Underground Storage Tanks on Indian Land	EPA Region 10	11/10/2014	11/14/2014	02/09/2015
US	INDIAN LUST R4	Leaking Underground Storage Tanks on Indian Land	EPA Region 4	07/30/2014	08/12/2014	08/22/2014
US	INDIAN LUST R5	Leaking Underground Storage Tanks on Indian Land	EPA, Region 5	01/30/2015	02/05/2015	03/09/2015

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

St	Acronym	Full Name	Government Agency	Gov Date	Arvl. Date	Active Date
US	INDIAN LUST R6	Leaking Underground Storage Tanks on Indian Land	EPA Region 6	10/06/2014	10/29/2014	11/17/2014
US	INDIAN LUST R7	Leaking Underground Storage Tanks on Indian Land	EPA Region 7	09/23/2014	11/25/2014	01/29/2015
US	INDIAN LUST R8	Leaking Underground Storage Tanks on Indian Land	EPA Region 8	11/04/2014	11/07/2014	11/17/2014
US	INDIAN LUST R9	Leaking Underground Storage Tanks on Indian Land	Environmental Protection Agency	01/08/2015	01/08/2015	02/09/2015
US	INDIAN ODI	Report on the Status of Open Dumps on Indian Lands	Environmental Protection Agency	12/31/1998	12/03/2007	01/24/2008
US	INDIAN RESERV	Indian Reservations	USGS	12/31/2005	12/08/2006	01/11/2007
US	INDIAN UST R1	Underground Storage Tanks on Indian Land	EPA, Region 1	02/01/2013	05/01/2013	01/27/2014
US	INDIAN UST R10	Underground Storage Tanks on Indian Land	EPA Region 10	11/10/2014	11/14/2014	02/09/2015
US	INDIAN UST R4	Underground Storage Tanks on Indian Land	EPA Region 4	07/30/2014	08/12/2014	08/22/2014
US	INDIAN UST R5	Underground Storage Tanks on Indian Land	EPA Region 5	11/03/2014	11/05/2014	11/17/2014
US	INDIAN UST R6	Underground Storage Tanks on Indian Land	EPA Region 6	10/06/2014	10/29/2014	11/06/2014
US	INDIAN UST R7	Underground Storage Tanks on Indian Land	EPA Region 7	09/23/2014	11/25/2014	01/29/2015
US	INDIAN UST R8	Underground Storage Tanks on Indian Land	EPA Region 8	11/04/2014	11/07/2014	11/17/2014
US	INDIAN UST R9	Underground Storage Tanks on Indian Land	EPA Region 9	11/13/2014	11/18/2014	02/09/2015
US	INDIAN VCP R1	Voluntary Cleanup Priority Listing	EPA, Region 1	09/29/2014	10/01/2014	11/06/2014
US	INDIAN VCP R7	Voluntary Cleanup Priority Lisitng	EPA, Region 7	03/20/2008	04/22/2008	05/19/2008
US	LEAD SMELTER 1	Lead Smelter Sites	Environmental Protection Agency	11/25/2014	11/26/2014	01/29/2015
US	LEAD SMELTER 2	Lead Smelter Sites	American Journal of Public Health	04/05/2001	10/27/2010	12/02/2010
US	LIENS 2	CERCLA Lien Information	Environmental Protection Agency	02/18/2014	03/18/2014	04/24/2014
US	LUCIS	Land Use Control Information System	Department of the Navy	12/03/2014	12/12/2014	01/29/2015
US	MLTS	Material Licensing Tracking System	Nuclear Regulatory Commission	12/29/2014	01/08/2015	01/29/2015
US	NPL	National Priority List	EPA	12/16/2014	01/08/2015	02/09/2015
US	NPL LIENS	Federal Superfund Liens	EPA	10/15/1991	02/02/1994	03/30/1994
US	ODI	Open Dump Inventory	Environmental Protection Agency	06/30/1985	08/09/2004	09/17/2004
US	PADS	PCB Activity Database System	EPA	07/01/2014	10/15/2014	11/17/2014
US	PCB TRANSFORMER	PCB Transformer Registration Database	Environmental Protection Agency	02/01/2011	10/19/2011	01/10/2012
US	PRP	Potentially Responsible Parties	EPA	10/25/2013	10/17/2014	10/20/2014
US	Proposed NPL	Proposed National Priority List Sites	EPA	12/16/2014	01/08/2015	02/09/2015
US	RAATS	RCRA Administrative Action Tracking System	EPA	04/17/1995	07/03/1995	08/07/1995
US	RADINFO	Radiation Information Database	Environmental Protection Agency	10/07/2014	10/08/2014	10/20/2014
US	RCRA NonGen / NLR	RCRA - Non Generators	Environmental Protection Agency	12/09/2014	12/29/2014	01/29/2015
US	RCRA-CESQG	RCRA - Conditionally Exempt Small Quantity Generators	Environmental Protection Agency	12/09/2014	12/29/2014	01/29/2015
US	RCRA-LQG	RCRA - Large Quantity Generators	Environmental Protection Agency	12/09/2014	12/29/2014	01/29/2015
US	RCRA-SQG	RCRA - Small Quantity Generators	Environmental Protection Agency	12/09/2014	12/29/2014	01/29/2015
US	RCRA-TSDF	RCRA - Treatment, Storage and Disposal	Environmental Protection Agency	12/09/2014	12/29/2014	01/29/2015
US	RMP	Risk Management Plans	Environmental Protection Agency	08/01/2014	08/12/2014	11/06/2014
US	ROD	Records Of Decision	EPA	11/25/2013	12/12/2013	02/24/2014
US	SCRD DRYCLEANERS	State Coalition for Remediation of Drycleaners Listing	Environmental Protection Agency	03/07/2011	03/09/2011	05/02/2011
US	SSTS	Section 7 Tracking Systems	EPA	12/31/2009	12/10/2010	02/25/2011
US	TRIS	Toxic Chemical Release Inventory System	EPA	12/31/2011	07/31/2013	09/13/2013
US	TSCA	Toxic Substances Control Act	EPA	12/31/2012	01/15/2015	01/29/2015
US	UMTRA	Uranium Mill Tailings Sites	Department of Energy	09/14/2010	10/07/2011	03/01/2012
US	US AIRS (AFS)	Aerometric Information Retrieval System Facility Subsystem (	EPA	10/16/2014	10/31/2014	11/17/2014
US	US AIRS MINOR	Air Facility System Data	EPA	10/16/2014	10/31/2014	11/17/2014
US	US BROWNFIELDS	A Listing of Brownfields Sites	Environmental Protection Agency	12/22/2014	12/22/2014	01/29/2015
US	US CDL	Clandestine Drug Labs	Drug Enforcement Administration	11/10/2014	12/01/2014	02/09/2015
US	US ENG CONTROLS	Engineering Controls Sites List	Environmental Protection Agency	09/18/2014	09/19/2014	10/20/2014

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

St	Acronym	Full Name	Government Agency	Gov Date	Arvl. Date	Active Date
US	US FIN ASSUR	Financial Assurance Information	Environmental Protection Agency	11/19/2014	11/21/2014	01/29/2015
US	US HIST CDL	National Clandestine Laboratory Register	Drug Enforcement Administration	11/10/2014	12/01/2014	02/09/2015
US	US INST CONTROL	Sites with Institutional Controls	Environmental Protection Agency	09/18/2014	09/19/2014	10/20/2014
US	US MINES	Mines Master Index File	Department of Labor, Mine Safety and Health A	12/30/2014	12/31/2014	01/29/2015
CT	CT MANIFEST	Hazardous Waste Manifest Data	Department of Energy & Environmental Protecti	07/30/2013	08/19/2013	10/03/2013
NY	NY MANIFEST	Facility and Manifest Data	Department of Environmental Conservation	01/01/2015	02/04/2015	02/27/2015
US	Oil/Gas Pipelines	GeoData Digital Line Graphs from 1:100,000-Scale Maps	USGS			
US	AHA Hospitals	Sensitive Receptor: AHA Hospitals	American Hospital Association, Inc.			
US	Medical Centers	Sensitive Receptor: Medical Centers	Centers for Medicare & Medicaid Services			
US	Nursing Homes	Sensitive Receptor: Nursing Homes	National Institutes of Health			
US	Public Schools	Sensitive Receptor: Public Schools	National Center for Education Statistics			
US	Private Schools	Sensitive Receptor: Private Schools	National Center for Education Statistics			
NV	Daycare Centers	Sensitive Receptor: Child Care Facility List	Department of Human Resources			
US	Flood Zones	100-year and 500-year flood zones	Emergency Management Agency (FEMA)			
US	NWI	National Wetlands Inventory	U.S. Fish and Wildlife Service			
US	USGS 7.5' Topographic Map	Scanned Digital USGS 7.5' Topographic Map (DRG)	USGS			

STREET AND ADDRESS INFORMATION

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APPENDIX G

Vapor Encroachment Screen

UCC002-Ph I ESA, 2500 Peru Drive, NV
2500 Peru Drive
McCarran, NV 89434

Inquiry Number: 4234231.6s
March 18, 2015

EDR Vapor Encroachment Screen

Prepared using EDR's Vapor Encroachment Worksheet

EDR® Environmental Data Resources Inc

6 Armstrong Road, 4th floor
Shelton, CT 06484
Toll Free: 800.352.0050
www.edrnet.com

TABLE OF CONTENTS

SECTION	PAGE
Executive Summary	ES1
Primary Map	2
Secondary Map	3
Aerial Photography	4
Map Findings	5
Record Sources and Currency	GR-1

Thank you for your business.
Please contact EDR at 1-800-352-0050
with any questions or comments.

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EXECUTIVE SUMMARY

A search of available environmental records was conducted by Environmental Data Resources, Inc (EDR). The report was designed to assist parties seeking to meet the search requirements of the ASTM Standard Practice for Assessment of Vapor Encroachment into Structures on Property Involved in Real Estate Transactions (E 2600-10).

STANDARD ENVIRONMENTAL RECORDS	Maximum Search Distance*	Summary: property	1/10	1/10 - 1/3
Federal NPL	0.333	0	0	0
Federal CERCLIS	0.333	0	0	0
Federal RCRA CORRACTS facilities list	0.333	0	0	0
Federal RCRA TSD facilities list	0.333	0	0	0
Federal RCRA generators list	property	0	-	-
Federal institutional controls / engineering controls registries	0.333	0	0	0
Federal ERNS list	property	0	-	-
State and tribal - equivalent NPL	not searched	-	-	-
State and tribal - equivalent CERCLIS	0.333	0	0	0
State and tribal landfill / solid waste disposal	0.333	0	0	0
State and tribal leaking storage tank lists	0.333	0	0	0
State and tribal registered storage tank lists	property	0	-	-
State and tribal institutional control / engineering control registries	not searched	-	-	-
State and tribal voluntary cleanup sites	0.333	0	0	0
State and tribal Brownfields sites	0.333	0	0	0
Other Standard Environmental Records	0.333	0	0	0

HISTORICAL USE RECORDS				
Former manufactured Gas Plants	0.333	0	0	0
Historical Gas Stations	not searched	-	-	-
Historical Dry Cleaners	not searched	-	-	-
Exclusive Recovered Govt. Archives	property	0	-	-

*Each category may include several separate databases, each having a different search distance. For each category, the table reports the maximum search distance applied. See the section 'Record Sources and Currency' for information on individual databases.

EXECUTIVE SUMMARY

TARGET PROPERTY INFORMATION

ADDRESS

UCC002-PH I ESA, 2500 PERU DRIVE, NV
2500 PERU DRIVE
MCCARRAN, NV 89434

COORDINATES

Latitude (North):	39.528 - 39° 31′ 40.79956″
Longitude (West):	119.492 - 119° 29′ 31.188354″
Elevation:	4658 ft. above sea level

EXECUTIVE SUMMARY

PHYSICAL SETTING INFORMATION

Flood Zone:	Available
NWI Wetlands:	Available

AQUIFLOW®

Search Radius: 0.333 Mile.

No Aquiflow sites reported.

DOMINANT SOIL COMPOSITION IN GENERAL AREA OF TARGET PROPERTY

The U.S. Department of Agriculture's (USDA) Soil Conservation Service (SCS) leads the National Cooperative Soil Survey (NCSS) and is responsible for collecting, storing, maintaining and distributing soil survey information for privately owned lands in the United States. A soil map in a soil survey is a representation of soil patterns in a landscape. The following information is based on Soil Conservation Service SSURGO data.

Soil Map ID: 1

Soil Component Name:	Fulstone
Soil Surface Texture:	cobbly loam
Hydrologic Group:	Class D - Very slow infiltration rates. Soils are clayey, have a high water table, or are shallow to an impervious layer.
Soil Drainage Class:	Well drained
Hydric Status:	Not hydric
Corrosion Potential - Uncoated Steel:	High
Depth to Bedrock Min:	> 0 inches
Depth to Watertable Min:	> 0 inches

Soil Layer Information

	Boundary			Classification		Saturated hydraulic conductivity micro m/sec	Soil Reaction (pH)
Layer	Upper	Lower	Soil Texture Class	AASHTO Group	Unified Soil		
1	0 inches	5 inches	cobbly loam	Silt-Clay Materials (more than 35 pct. passing No. 200), Silty Soils.	COARSE-GRAINED SOILS, Sands, Sands with fines, Clayey sand. COARSE-GRAINED SOILS, Sands, Sands with fines, Silty Sand.	Max: 14 Min: 4	Max: 7.3 Min: 6.1

EXECUTIVE SUMMARY

Soil Layer Information							
	Boundary			Classification		Saturated hydraulic conductivity micro m/sec	Soil Reaction (pH)
Layer	Upper	Lower	Soil Texture Class	AASHTO Group	Unified Soil		
2	5 inches	18 inches	clay	Silt-Clay Materials (more than 35 pct. passing No. 200), Clayey Soils.	FINE-GRAINED SOILS, Silts and Clays (liquid limit 50% or more), Fat Clay.	Max: 1.4 Min: 0.42	Max: 8.4 Min: 6.6
3	18 inches	55 inches	indurated	Not reported	Not reported	Max: 0.01 Min: 0	Max: Min:

Soil Map ID: 2

Soil Component Name: Lapon

Soil Surface Texture: very stony loam

Hydrologic Group: Class D - Very slow infiltration rates. Soils are clayey, have a high water table, or are shallow to an impervious layer.

Soil Drainage Class: Well drained

Hydric Status: Not hydric

Corrosion Potential - Uncoated Steel: High

Depth to Bedrock Min: > 25 inches

Depth to Watertable Min: > 0 inches

Soil Layer Information							
	Boundary			Classification		Saturated hydraulic conductivity micro m/sec	Soil Reaction (pH)
Layer	Upper	Lower	Soil Texture Class	AASHTO Group	Unified Soil		
1	0 inches	1 inches	very stony loam	Granular materials (35 pct. or less passing No. 200), Silty, or Clayey Gravel and Sand.	COARSE-GRAINED SOILS, Gravels, Gravels with fines, Clayey Gravel	Max: 14 Min: 4	Max: 7.8 Min: 6.6
2	1 inches	9 inches	very gravelly clay loam	Granular materials (35 pct. or less passing No. 200), Silty, or Clayey Gravel and Sand.	COARSE-GRAINED SOILS, Gravels, Gravels with fines, Clayey Gravel	Max: 1.4 Min: 0.42	Max: 9 Min: 6.6

EXECUTIVE SUMMARY

Soil Layer Information							
	Boundary			Classification		Saturated hydraulic conductivity micro m/sec	Soil Reaction (pH)
Layer	Upper	Lower	Soil Texture Class	AASHTO Group	Unified Soil		
3	9 inches	20 inches	indurated	Not reported	Not reported	Max: 0.01 Min: 0	Max: Min:
4	20 inches	24 inches	unweathered bedrock	Not reported	Not reported	Max: 0.01 Min: 0	Max: Min:

Soil Map ID: 3

Soil Component Name: Olac

Soil Surface Texture: very stony loam

Hydrologic Group: Class D - Very slow infiltration rates. Soils are clayey, have a high water table, or are shallow to an impervious layer.

Soil Drainage Class: Well drained

Hydric Status: Not hydric

Corrosion Potential - Uncoated Steel: Moderate

Depth to Bedrock Min: > 25 inches

Depth to Watertable Min: > 0 inches

Soil Layer Information							
	Boundary			Classification		Saturated hydraulic conductivity micro m/sec	Soil Reaction (pH)
Layer	Upper	Lower	Soil Texture Class	AASHTO Group	Unified Soil		
1	0 inches	3 inches	very stony loam	Granular materials (35 pct. or less passing No. 200), Silty, or Clayey Gravel and Sand.	COARSE-GRAINED SOILS, Gravels, Gravels with fines, Clayey Gravel	Max: 14 Min: 4	Max: 7.8 Min: 6.1
2	3 inches	9 inches	extremely gravelly clay loam	Granular materials (35 pct. or less passing No. 200), Silty, or Clayey Gravel and Sand.	COARSE-GRAINED SOILS, Gravels, Gravels with fines, Clayey Gravel	Max: 14 Min: 4	Max: 7.8 Min: 6.1

EXECUTIVE SUMMARY

Soil Layer Information							
	Boundary			Classification		Saturated hydraulic conductivity micro m/sec	Soil Reaction (pH)
Layer	Upper	Lower	Soil Texture Class	AASHTO Group	Unified Soil		
3	9 inches	14 inches	unweathered bedrock	Not reported	Not reported	Max: 0.01 Min: 0	Max: Min:

Soil Map ID: 4

Soil Component Name: Cleaver

Soil Surface Texture: very gravelly sandy loam

Hydrologic Group: Class D - Very slow infiltration rates. Soils are clayey, have a high water table, or are shallow to an impervious layer.

Soil Drainage Class: Well drained

Hydric Status: Not hydric

Corrosion Potential - Uncoated Steel: High

Depth to Bedrock Min: > 36 inches

Depth to Watertable Min: > 0 inches

Soil Layer Information							
	Boundary			Classification		Saturated hydraulic conductivity micro m/sec	Soil Reaction (pH)
Layer	Upper	Lower	Soil Texture Class	AASHTO Group	Unified Soil		
1	0 inches	1 inches	very gravelly sandy loam	Granular materials (35 pct. or less passing No. 200), Stone Fragments, Gravel and Sand.	COARSE-GRAINED SOILS, Gravels, Gravels with fines, Silty Gravel	Max: 42 Min: 14	Max: 9 Min: 6.6
2	1 inches	11 inches	gravelly clay loam	Silt-Clay Materials (more than 35 pct. passing No. 200), Clayey Soils.	COARSE-GRAINED SOILS, Sands, Sands with fines, Clayey sand.	Max: 1.4 Min: 0.42	Max: 8.4 Min: 6.6

EXECUTIVE SUMMARY

Soil Layer Information							
	Boundary			Classification		Saturated hydraulic conductivity micro m/sec	Soil Reaction (pH)
Layer	Upper	Lower	Soil Texture Class	AASHTO Group	Unified Soil		
3	11 inches	20 inches	indurated	Not reported	Not reported	Max: 0.01 Min: 0	Max: Min:
4	20 inches	59 inches	stratified extremely gravelly coarse sand to very gravelly sandy loam	Granular materials (35 pct. or less passing No. 200), Stone Fragments, Gravel and Sand.	COARSE-GRAINED SOILS, Gravels, Clean gravels, Poorly Graded Gravel. COARSE-GRAINED SOILS, Gravels, Gravels with fines, Silty Gravel.	Max: 42 Min: 14	Max: 9 Min: 6.6

EXECUTIVE SUMMARY

SEARCH RESULTS

Unmappable (orphan) sites are not considered in the foregoing analysis.

STANDARD ENVIRONMENTAL RECORDS

Name	Address	Dist/Dir	Map ID	Page

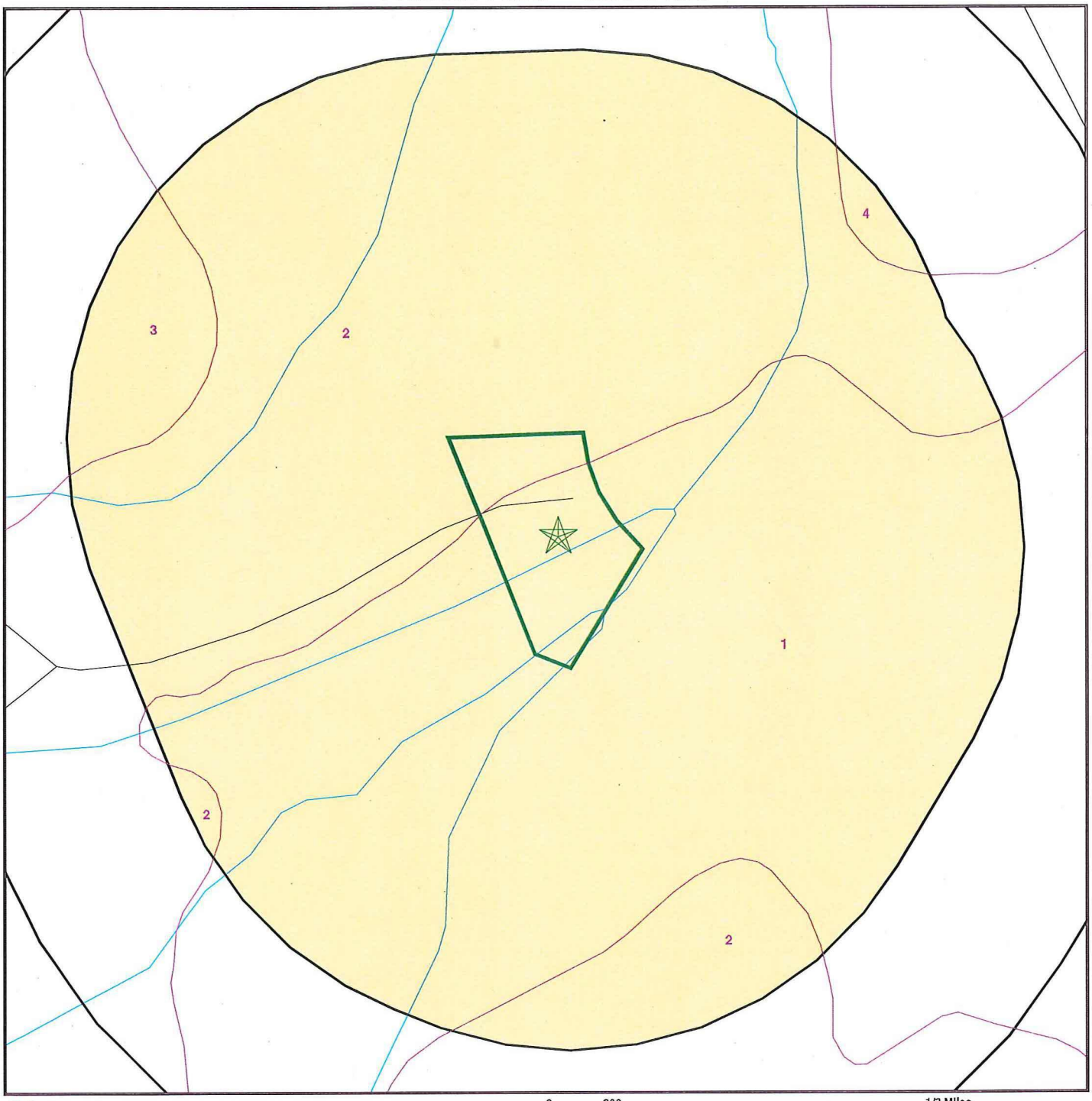
Not Reported

HISTORICAL USE RECORDS

Name	Address	Dist/Dir	Map ID	Page

Not Reported

PRIMARY MAP - 4234231.6S



0 300 1/3 Miles

- Target Property
- Sites at elevations higher than or equal to the target property
- Sites at elevations lower than the target property
- Manufactured Gas Plants
- Sensitive Receptors
- National Priority List Sites
- Dept. Defense Sites
- Indian Reservations BIA
- Oil & Gas pipelines from USGS
- 100-year flood zone
- 500-year flood zone
- Groundwater Flow Direction
- GI Indeterminate Groundwater Flow at Location
- GV Groundwater Flow Varies at Location
- SSURGO Soil

SITE NAME: UCC002-Ph I ESA, 2500 Peru Drive, NV ADDRESS: 2500 Peru Drive McCarran NV 89434 LAT/LONG: 39.528 / 119.492	CLIENT: McGinley Associates CONTACT: Jake Orourke INQUIRY #: 4234231.6s DATE: March 13, 2015 7:45 pm

000342

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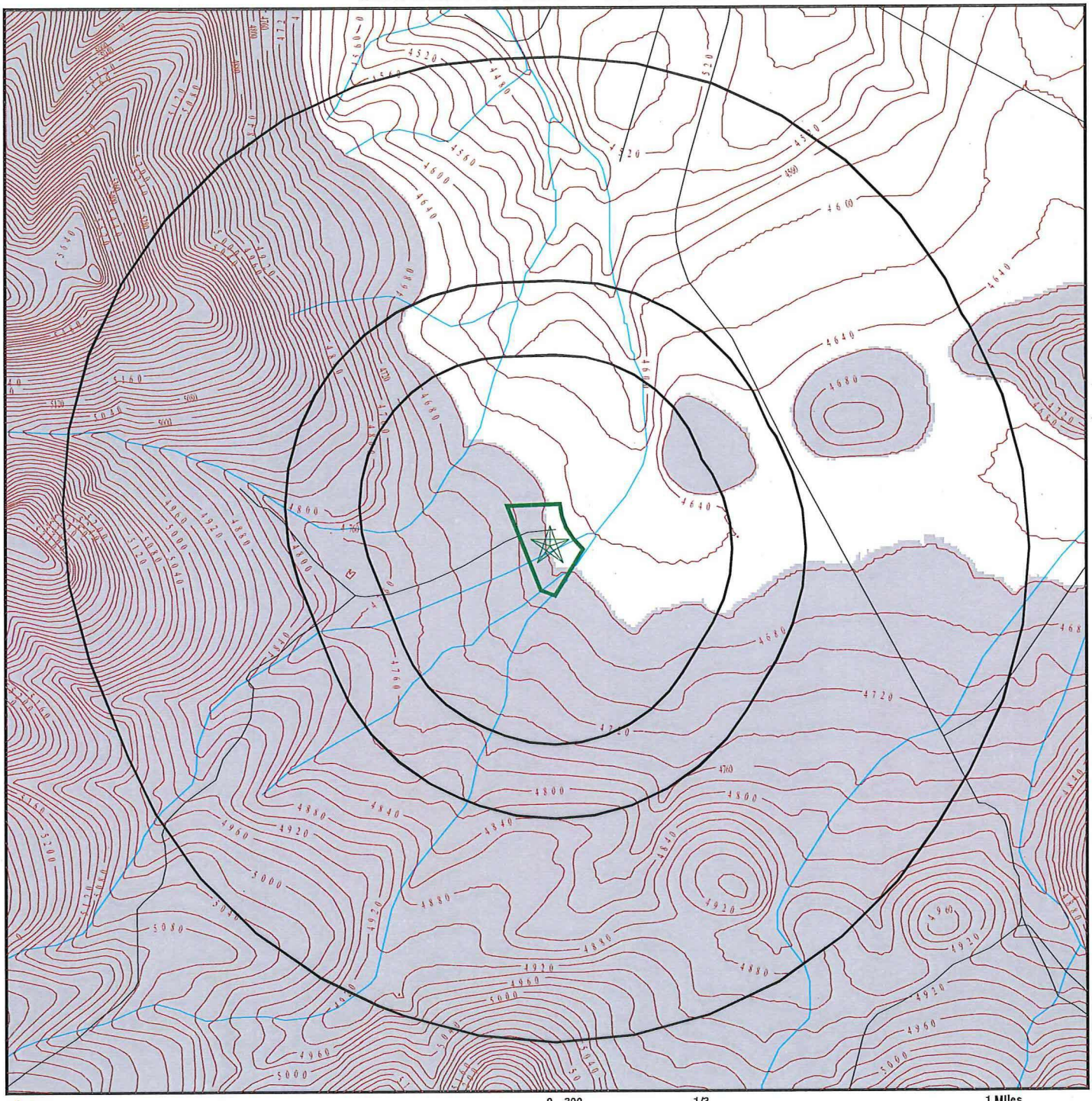
SECONDARY MAP - 4234231.6S



Target Property
Sites at elevations higher than or equal to the target property
Sites at elevations lower than the target property
Manufactured Gas Plants
National Priority List Sites
Dept. Defense Sites

0 300 1/3 1 Miles

Indian Reservations BIA
Contour Lines
Oil & Gas pipelines from USGS
100-year flood zone
500-year flood zone

Upgradient Area

SITE NAME: UCC002-Ph I ESA, 2500 Peru Drive, NV ADDRESS: 2500 Peru Drive McCarran NV 89434 LAT/LONG: 39.528 / 119.492	CLIENT: McGinley Associates CONTACT: Jake Orourke INQUIRY #: 4234231.6s DATE: March 13, 2015 7:45 pm

000343

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AERIAL PHOTOGRAPHY - 4234231.6s

SITE NAME:	UCC002-Ph I ESA, 2500 Peru Drive, NV	CLIENT:	McGinley Associates
ADDRESS:	2500 Peru Drive McCarran NV 89434	CONTACT:	Jake Orourke
		INQUIRY #:	4234231.6s
LAT/LONG:	39.528 / 119.492	DATE:	March 13, 2015 7:46 pm

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MAP FINDINGS

LEGEND

FACILITY NAME **FACILITY ADDRESS, CITY, ST, ZIP**			EDR SITE ID NUMBER
▼ MAP ID#	Direction Distance Range Relative Elevation	(Distance feet / miles) Feet Above Sea Level	ASTM 2600 Record Sources found in this report. Each database searched has been assigned to one or more categories. For detailed information about categorization, see the section of the report Records Searched and Currency.
Worksheet: **Comments:** Comments may be added on the online Vapor Encroachment Worksheet.			

DATABASE ACRONYM: Applicable categories (A hoverbox with database description).

APPENDIX H

Resumes

Brett C. Bottenberg, C.E.M
Managing Partner – Las Vegas Office

Professional Experience

Mr. Bottenberg is an Environmental Scientist and Engineer with more than 15 years of professional experience in conducting Phase I and II Environmental Site Assessments (ESAs), National Environmental Policy Act (NEPA) reviews, Spill Prevention, Control, and Countermeasure (SPCC) Plans, Bioremediation Plans, Brownfields Assessments/Project Management, Leaking Underground Storage Tank (LUST) project management, and analytical data review. Applied experience includes conducting over 500 Phase I ESAs, Phase II ESAs, SPCC Plans, and NEPA reviews throughout Nevada, California, Utah, and Arizona. Mr. Bottenberg's diverse background provides project management experience in both the regulatory and construction industries. Further, Mr. Bottenberg has valuable knowledge pertaining to contaminant transport, chemical interactions, and remediation systems. Mr. Bottenberg is also the McGinley & Associate's (MGA) Las Vegas office managing partner.

Project Experience

Phase I Environmental Site Assessments

Mr. Bottenberg has conducted Phase I ESAs in the western portion of the United States since the year 2000. Currently, Mr. Bottenberg heads the MGA due diligence team. He manages Phase I ESA projects and their associated activities for both the Las Vegas and Reno offices. He has conducted presentations related to revisions of the ASTM Phase I standard (E1527-13) for the Maricopa County Bar Association as well as community banks and is well versed with all requirements related to the standard and the EPA ruling regarding All Appropriate Inquiry (AAI).

Mr. Bottenberg has the following experience related to conducting Phase I ESAs:

- **Nevada** – Conducted over 450 Phase I ESAs throughout Nevada. Client types include but are not excluded to banks, commercial real-estate brokers, private citizens, industrial manufacturers, mines, governmental agencies, school districts, and commercial businesses.
- **California** – Mr. Bottenberg has experience conducting Phase I ESAs in both southern and northern California.

Brownfields Projects

Mr. Bottenberg currently manages the MGA Brownfields division which is responsible for projects associated with MGAs contract with the Nevada Division of Environmental Protection (NDEP) and subcontracted projects associated with the Rural Desert Southwest Brownfields Coalition (RDSBC) grant. His duties include public outreach to locate potential projects, ascertaining funds for those projects from the NDEP or the RDSBC, and managing brownfield related projects which include Phase I ESAs, Phase II ESAs, cleanup and reuse plans, corrective action plans, health and safety plans, removal action plans, abatement projects, and remediation projects.

Leaking Underground Storage Tanks

Mr. Bottenberg currently manages MGA activities associated with the NDEP Leaking Underground Storage Tank (LUST) Contract with NDEP. LUST projects previously or currently managed by Mr. Bottenberg include the following:

- **NDEP Monitoring Well Abandonment** – Approximately 70 former NDEP monitoring wells were abandoned with the Nevada Division of Water Resources through the use of a waiver abandonment procedure. Activities associated with this project included an extensive file review of former projects to determine possible well locations, the use of field equipment to locate potentially lost wells, and management of licensed drillers to abandon located wells.
- **Eagle Gas North UST Removal, Site Assessment, and Remedial Activities** – Underground storage tanks at a gas station located in Carson City were removed along with all associated dispensers, underground piping, and vent piping. Subsequently, the site was further assessed and a conceptual site model was prepared for the site. Based on the conceptual site model, a corrective action plan was implemented and an Air Sparge/Soil Vapor Extraction remediation system was designed and installed. Currently, the remediation system is active and the site is being monitored. Mr. Bottenberg has managed the entire project to date.

Spill Prevention, Control, and Countermeasure Plans

Mr. Bottenberg currently manages MGA activities associated with Spill Prevention, Control, and Countermeasure (SPCC) Plans. He has experience conducting site visits at both small and large facilities, preparing plans, and providing regulatory guidance to clients. Mr. Bottenberg has provided these services at facilities located in California and Nevada and is well versed with state and federal regulations (40 CFR 112) associated with these detailed plans.

Bioremediation Plan

Mr. Bottenberg was the Project Manager responsible for design and implementation of a bioremediation plan to treat soils contaminated with crude oil at an oil production facility in rural Nevada.

Remediation Research Associated with Hazardous Compounds

Mr. Bottenberg provided research services while studying for his Master of Science in Environmental Engineering degree at Washington State University. The following activities were associated with his research:

- **Washington State University, Pullman, WA** – Research Assistant responsible for design and implementation of laboratory projects studying the effectiveness of chemical oxidation for remediation of common soil and groundwater contaminants, including benzene, toluene, perchloroethylene, and carbon tetrachloride. Designed complex soil-water systems with successful results that enabled eventual grant awards for further research in these areas.
- **Washington State University, Pullman, WA** – Researcher responsible for design of specific laboratory systems to study Fenton's Reagent and its role in the enhanced desorption and transformation of chloroaliphatic compounds within modified Fenton's reactions. Determined that vigorous reactions of soluble iron and hydrogen peroxide can not only oxidize organic compounds, but also can induce desorption of those compounds from organic material with subsequent oxidation and/or reduction.

Education

M.S., Environmental Engineering, Washington State University, 1997.
B.S., Civil Engineering, Washington State University, 1995.

Certifications and Registrations

Nevada Certified Environmental Manager, EM#1690 (Exp. 10/7/15)
State of Utah UST Certified Consultant, CC 0251 (Exp. 6/30/16)
Engineer in Training, EIT#20066.
OSHA Hazwoper 40 Hour Certification.
OSHA Hazwoper 8 Hour Refresher.
Adult First Aid/CPR/AED Certification.

Affiliations

Member: Commercial Real Estate Development Association (NAIOP)

- Member of the Government Affairs Committee
- Golf Committee Chair

Member: Nevada Professional Facilities Managers Association (NPFMA)
Member: Air & Waste Management Association, Nevada Section
Member: Nevada Water Resources Association
Participation as a Faculty Member: Maricopa County Bar Association

Jake O'Rourke
Environmental Scientist

Professional Experience

Mr. O'Rourke is an environmental scientist with six months of professional experience.

Project Experience

Phase I Environmental Site Assessment

- **Confidential Clients, numerous sites within NV –** Environmental Scientist responsible for conducting and managing numerous Phase I Environmental Site Assessments (ESAs) in Nevada. Assessed properties for the presence of recognized environmental conditions (RECs) in accordance with ASTM 1527.

Field Work Experience

- **Comstock Mining, Inc., Silver City, NV –** Environmental Scientist responsible for the execution of the environmental site assessment. Site assessment included sampling from a nominal 108 soil borings and the collection of over 300 samples for analysis of mercury, lead, and arsenic. The project is high profile, publically sensitive, and is impacted by the only USEPA Superfund site in the State of Nevada.
- **Water Sampling, Various Sites –** Conducts water sampling of groundwater monitoring and remediation wells.

Education

B.S., Environmental Science, University of Dubuque, Dubuque, Iowa, 2014.

Certifications and Registrations

OSHA, 29 CFR 1910 40-Hour, Hazardous Waste Operations and Emergency Response (HAZWOPER), 2014.

MSHA Part 48, Surface Miner Training, 2014.

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

SURVEY/LEGAL DESCRIPTION

Survey and Legal Description

A Survey and Legal Description will be provided at a later date pending the Close of the USDA RD Guaranteed Loan.

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

FLOOD HAZARD DETERMINATION

DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY

STANDARD FLOOD HAZARD DETERMINATION FORM (SFHDF)

See The Attached Instructions

O.M.B. No. 1660-0040
Expires May 30, 2015

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS	2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (See Instructions for more information)
4435001A-I3162 GREEN BANK, N.A. Greenbriar 1455 RESEARCH FOREST THE WOODLANDS TX 77380 REQUESTER: JENNIFER SURRENCY FAX#: (713) 275-8529 PHONE#: (713) 275-8545	AQUA METALS RENO, INC. 2500 PERU DRIVE MCCARRAN NV 89434

3. LENDER ID NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED
35007		**$**

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number
STOREY CO *	**UNINCORPORATED**	**NV**	**320033**

B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMA/LOMR	4. Flood Zone	5. No NFIP Map
32029C-0100D	**01/16/2009**	Date: _____ Case: _____	**X**	

C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

1. [X] Federal flood Insurance is available (community participates in the NFIP). [X] Regular Program [ ] Emergency Program of NFIP
2. [ ] Federal flood insurance is not available because community is not participating in the NFIP.
3. [ ] Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA). Federal Flood Insurance may not be available.

CBRA/OPA Designation Date: _____

D. DETERMINATION **Determination based on legal description provided by lender.**

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA (ZONES CONTAINING THE LETTERS "A" OR "V")? [ ] YES [X] NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973. Please note, the risk of flooding in this area is only reduced, not removed.

E. COMMENTS (Optional)

This flood determination is provided solely for the use and benefit of the entity name in Section 1, Box 1 in order to comply with the 1994 Flood Insurance Reform Act and may not be used or relied upon by any other entity or individual for any purpose, including, but not limited to deciding whether to purchase a property or determining the value of a property.

CERTIFY TO:	TYPE OF COVERAGE: **Life of Loan**	RUSH: **NO**
HMDA INFO: ST:	CO: MSA:	CT:

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and any other information needed to locate the building/mobile home on the NFIP map.

F. PREPARER'S INFORMATION

AMERICAN FLOOD RESEARCH, INC.

AMERICAN *FLOOD* RESEARCH, *Inc.*
1820 Preston Park Blvd. Suite 1100
Plano, Texas 75093
1-800-995-8667 (TEL)
1-800-995-8669 (FAX)

DATE OF REQUEST: **06/11/2015**
DATE OF DETERMINATION: **06/12/2015**

CERTIFICATE CONTROL NUMBER:
4435001A-I3162

NOTICE TO BORROWER
STRUCTURE IS NOT LOCATED IN A
SPECIAL FLOOD HAZARD AREA

Borrower: **AQUA METALS RENO, INC.**

Property Location: **2500 PERU DRIVE, MCCARRAN NV 89434**

This notice date is as of: **06/12/2015**

Attached is the completed Standard Flood Hazard Determination Form that indicates that the improved real estate or mobile home securing your loan is not located in an area designated by the Director of the Federal Emergency Management Agency (FEMA) as Special Flood Hazard Area (SFHA). As a result of this determination, we will not be requiring you to obtain flood insurance in connection with the making of your loan.

Although flood insurance is not required at this time, your home may be near a SFHA. See your insurance agent or company as to the coverage types and amounts available to you and make your own determination as to whether you desire to purchase flood insurance.

If, however, at any time during the term of your loan the improved real estate or mobile home securing your loan is, due to re-mapping by FEMA or for any other reason, determined to be located in an area that has been identified by the director of FEMA as an area having special hazards and in which flood insurance is available under the National Flood Insurance act of 1968, you will be so notified and advised that you should obtain flood insurance in an amount not less than the amount we advise you is appropriate. If, within 45 days after we send you such notification, you fail to purchase flood insurance in an amount not less than the amount we advise you is necessary we shall purchase flood insurance on your behalf at your expense, as we are authorized to do so in accordance with provisions of the National Flood Disaster Protection Act of 1973, and subsequent amendments thereto.

We may assign, sell, or transfer the servicing of your mortgage loan. If applicable, your new lender/servicer may require more flood insurance coverage than the minimum amount that has been identified in your Notice of Special Flood Hazards (NSFH). The new lender/servicer may require coverage in an amount greater than the minimum, and has the right to require flood coverage at least equal to 100% of the insurable value (also known as replacement cost value) of the building(s) used as collateral to secure the loan or the maximum allowable under the National Flood Insurance Program (NFIP) for the particular type of building. You should review your exposure to flood damage with your insurance provider, as you may wish to increase your coverage above the minimum amount required at the time of your loan closing versus what subsequently the new lender/servicer may require.

I/We, the undersigned borrower(s)/applicant(s), hereby understand and agree to all the above.

Borrower _____ Dated _____

Borrower _____ Dated _____

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

STATE CLEARINGHOUSE COMMENTS & RECOMMENDATIONS

From: **Skip Canfield** <scanfield@lands.nv.gov>
Date: Wed, May 20, 2015 at 5:39 PM
Subject: Nevada State Clearinghouse Notice E2015-160 (Aqua Metals Reno, Inc.)
To: "laura.chavez@nv.usda.gov" <laura.chavez@nv.usda.gov>, (b) (4)
(b) (4)

NEVADA STATE CLEARINGHOUSE
Department of Conservation and Natural Resources, Division of State Lands
901 S. Stewart St., Ste. 5003, Carson City, Nevada 89701-5246
(775) 684-2723 Fax (775) 684-2721

TRANSMISSION DATE: 05/20/2015

U.S. Department of Agriculture - Rural Development

Nevada State Clearinghouse Notice E2015-160
Project: Aqua Metals Reno, Inc.

Follow the link below to find information concerning the above-mentioned project for your review and comment.
E2015-160 - http://clearinghouse.nv.gov/public/Notice/2015/E2015-160.pdf

- **Please evaluate this project's effects on your agency's plans and programs and any other issues that you are aware of that might be pertinent to applicable laws and regulations.**
- **Please reply directly from this e-mail and attach your comments.**
- **Please submit your comments no later than Thursday June 18th, 2015.**
-

Clearinghouse project archive

Questions? Skip Canfield, Program Manager, (775) 684-2723 or nevadaclearinghouse@lands.nv.gov

____No comment on this project ____Proposal supported as written

AGENCY COMMENTS:

Signature:

Date:

Requested By:

Distribution:
- 99ABW Nellis
- Division of Emergency Management
- Intermountain Range
Adele M. Basham - NDEP
Alan Jenne - Department of Wildlife, Elko
Alisanne Maffei - Department of Administration
Alysa Keller - Legislative Counsel Bureau
Bette Hartnett - State Energy Office
Bill Thompson - Department of Transportation, Aviation
Bob Roper - Nevada Division of Forestry
Bob Turner - Nellis AFB
Cayenne Engel - Nevada Division of Forestry
Chris Anderson - Washoe County Health Department
Chuck King - Hawthorne Army Depot
Claudia Vecchio - Nevada Commission on Tourism
Cory Lytle - Lincoln County
Craig Mortimore - Wild Nevada
Cynthia Turiczek - Public Utilities Commission
D. Bradford Hardenbrook - Department of Wildlife, Las Vegas
Dagny Stapleton - NACO
Dave Marlow -
David David - UNR Bureau of Mines
David Mouat - Desert Research Institute
Denesa Johnston - Fire Marshal
Ed Rybold - NAS Fallon
Eddy Quaglieri - Division of Water Resources
Elizabeth A. Harrison - Tahoe Resource Team - Division of State Lands
Elyse Randles - State Land Office

J Crandell - Colorado River Commission of Nevada
James D. Morefield - Natural Heritage Program
Jane Freeman - US Forest Service
Jennifer Newmark - NDOW - Wildlife Diversity
Jennifer Scanland - Division of State Parks
Jered McDonald - Legislative Counsel Bureau
Jim Balderson - NDEP
Jim English - Washoe County
Jim Olson - Lander County
Jim Souba - City of Fallon Public Works
John Christopherson - Nevada Division of Forestry
John Muntean - UNR Bureau of Mines
John Tull - NDOW
Jon Price - UNR Bureau of Mines
Julie Ernstein - State Historic Preservation Office
Kacey KC - Sagebrush Ecosystem Technical Team
Karen Beckley - State Health Division
Kevin Hill - Nevada State Energy Office
Kristin Szabo - Nevada Natural Heritage Program
Larry Cruz - Hawthorne Army Depot
Levi Kryder - Nye County
Linda Cohn - National Nuclear Security Administration
Lindsey Lesmeister - NDOW
Major Doug McEldowney - Nevada National Guard
Mark Enders - NDOW
Mark Freese - Department of Wildlife
Mark Harris, PE - Public Utilities Commission
Matt Maples - NDOW
Michael Visher - Division of Minerals
Mitch Ison - NDOT
Moira Kolada - NDOW
Nancy Boland - Esmeralda County
Rebecca Palmer - State Historic Preservation Office
Rich Perry - Nevada Division of Minerals
Richard Arnold - Nevada Indian Commission
Rick Martin - Division of Emergency Management
Robert Rule - NAS Fallon
Sandy Quilici - Department of Conservation & Natural Resources
Sherry Rupert - Indian Commission
Shimi Mathew - Nellis AFB
Skip Canfield - State Land Use Planning Agency
Stephen Foree - NDOW
Steve Endacott - City of Fallon
Terry Rubald - Nevada Department of Taxation, Local Government, Centrally Assessed Property
Tim Rubald - Conservation Districts
Timothy Mueller - Department of Transportation
Tina Mudd - Dept of Agriculture
Tod Oppenborn - Nellis Air Force Base
Tracy Kipke - NDOW
Valerie King - NDEP
Warren Turkett - Colorado River Commission of Nevada
Wes Henderson - Nevada League of Cities
Zip Upham - NAS Fallon

USDA RURAL DEVELOPMENT
BUSINESS & INDUSTRY GUARANTEED LOAN PROGRAM

Aqua Metals Reno, Inc.

ORGANIZATIONAL DOCUMENTATION

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "AQUA METALS RENO, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SEVENTH DAY OF JANUARY, A.D. 2015.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "AQUA METALS RENO, INC." WAS INCORPORATED ON THE TWENTY-SIXTH DAY OF JANUARY, A.D. 2015.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE NOT BEEN ASSESSED TO DATE.

Jeffrey W. Bullock, Secretary of State

5681378 8300

150099483

AUTHENTICATION: 2069834

DATE: 01-27-15

You may verify this certificate online at corp.delaware.gov/authver.shtml

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "AQUA METALS RENO, INC.", FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF JANUARY, A.D. 2015, AT 5:24 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Jeffrey W. Bullock, Secretary of State

5681378 8100

150099483

AUTHENTICATION: 2069833

DATE: 01-27-15

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:46 PM 01/26/2015
FILED 05:24 PM 01/26/2015
SRV 150099483 - 5681378 FILE

CERTIFICATE OF INCORPORATION

OF

AQUA METALS RENO, INC.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this certificate of incorporation and do hereby certify as follows:

FIRST: The name of the Corporation is: AQUA METALS RENO, INC. (hereinafter referred to as the **"Corporation"**).

SECOND: The address of the registered office of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, DE 19808. The name of its registered agent at such address is The Company Corporation.

THIRD: The purpose of this Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "**GCL**").

FOURTH: The Corporation is authorized to issue one class of stock. The authorized capital stock of the Corporation shall consist of five thousand (5,000) shares which shall be designated as Common Stock, each with a par value of $0.0001.

FIFTH: In furtherance and not in limitation of the powers conferred by the GCL, the Board is expressly authorized to make, alter and repeal the bylaws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any bylaw whether adopted by them or otherwise.

SIXTH: 1. To the fullest extent permitted by the GCL as the same exists or may hereafter be amended, a director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damage for breach of fiduciary duty as a director. If the GCL is amended after the date of the filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the GCL, as so amended from time to time. No amendment or repeal of this Article Sixth shall adversely affect any right or protection of a director of the Corporation provided hereunder with respect to any act or omission occurring prior to such amendment or repeal.

2. The Corporation may indemnify to the fullest extent permitted by the GCL as the same exists or may hereafter be amended, any person made, or threatened to be made, a defendant or witness to any action, suit or proceeding (whether civil or criminal or otherwise) by reason of the fact that such person, or his or her testator or intestate, is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint

venture, trust, employee benefit plan or enterprise. Nothing contained herein shall affect any rights to indemnification to which any person may be entitled by law.

3. In furtherance and not in limitation of the powers conferred by statute:

(a) the Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer, employee or agent of the Corporation, or is serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify against such liability under the provisions of law; and

(b) the Corporation may create a trust fund, grant a security interest and/or use other means (including, without limitation, letters of credit, surety bonds and/or other similar arrangements), as well as enter into contracts providing indemnification to the full extent authorized or permitted by law and including as part thereof provisions with respect to any or all of the foregoing to ensure the payment of such amounts as may become necessary to effect indemnification as provided therein, or elsewhere.

SEVENTH: Elections of directors need not be by written ballot unless a duly adopted bylaw of the Corporation shall so provide.

EIGHTH: The name and mailing address of the incorporator of the Corporation are as follows:

Name	Address
Lili A. Skrumbis	c/o Greenberg Traurig LLP 1840 Century Park East, 19th Fl. Los Angeles, CA 90067

NINTH: The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

[Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned has executed and acknowledged this Certificate of Incorporation this 26th day of January, 2015.

Lili A. Skrumbis, Incorporator

OC 287351805v1

BYLAWS

OF

AQUA METALS RENO, INC.,

A DELAWARE CORPORATION

Page(s) 000368 thru 000470
withheld:

5 U.S.C. § 552, Exemption (b)(4) of the FOIA protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.

Proposed USDA Rural Development Business & Industry
LOAN SUMMARY
June 25, 2015

Borrower:	AQM Reno, Inc.	
Ownership:	Aqua Metals, Inc.	100%
Guarantor(s):	(b) (4)	
Purpose of Loan:	To purchase land, construct a building and pay soft costs.	

Loan Amount:	$10,000,000
Guaranteed Portion:	(b) (4)
Unguaranteed Portion:	

RD Loan Terms	
Principal	$10,000,000
Rate* (P+ 2.00%)	INTEREST RATE FLOOR CURRENTLY PREVAILS
Interest Rate Floor	
Term**	(b) (4)
Amortization Period	
Initial Monthly Payment	

* The annual variable interest rate will be adjusted quarterly at 200 basis points over the lowest Wall Street Journal Prime Rate, as published in the Wall Street Journal. There is an interest rate floor on this loan (b) (4)

** Prepayment penalties will approximate (b) (4) the amount prepaid during the first year, 4% of the amount prepaid during the second year, (b) (4) the amount prepaid during the third year, (b) (4) of the amount prepaid during the fourth year (b) (4) of the amount prepaid during the (b) (4).

Source and Use of Funds

(b) (4)

Collateral Summary

(b) (4)

Lender's Analysis – Aqua Metals Reno, Inc.
USDA B&I Loan - $10,000,000

Overview

Aqua Metals Reno, Inc. is requesting USDA Rural Development guarantee 90% of Green Bank's $10,000,000 loan. The loan will provide permanent financing to facilitate the purchase of 12 acres of raw

(b) (4)

Sources and Uses of USDA Loan Proceeds

Use of Proceeds	Project Costs	Equity	RD Loan
Purchase Land	(b) (4)		$1,050,000
Construct Facility			$8,356,400
Loan Origination Fee			$200,000
Appraisal*			$20,000
Phase I Site Assessment*			$5,000
Feasibility Study*			$25,000
Survey*			$3,000
Legal & Closing*			$45,600
Transfer Tax (max)			$25,000
RD Guarantee Fee			$270,000
Total			**$10,000,000**

Financial Analysis

The company's financial statements were compiled by the company's management team and presented in accordance with Generally Accepted Accounting Principles (GAAP) standards. A selected portion of the Proforma Balance Sheet, Income Statement and financial ratios are listed below:

Selected Financial Statement Key Items & Ratios

	Post Closing *Projected*	Year 1 *Proforma*	Year 2 *Proforma*	Year 3 *Proforma*
(b) (4)				

Additional detail of the Proforma income statement and balance sheet for a period of five years is provided in the ***Projected Financial Statements*** section. An electronic copy of management's full financial model is available upon request.

Three Year Projected Tangible Net Worth Calculations

	Post-Closing	Year 1	Year 2	Year 3
(b) (4)				

The above chart displays the projected post-closing and three year proforma tangible net worth calculations for the company and illustrates ample tangible net worth coverage to meet USDA requirements. Additional detail is provided via a complete post-closing balance sheet in the ***Projected Financial Statements*** section.

Proforma Assumptions

Balance Sheet

1. Accounts receivable are 30 day, 100% collections.
2. The (b) (4) year one is for plant cleanup post close.
3. Fixed Assets:
    a. Land and building are all listed in year 1.

(b) (4)

Income Statement

(b) (4)

Company Analysis

Aqua Metals, Inc. (Aqua Metals) is a U.S. based lead recycling company with patent pending technology (AquaRefining) that dramatically improves the cost, efficiency, logistics and environmental impact of the recycling of Used Lead Acid Batteries (ULABs). This technology represents a disruptive change within the ULAB recycling industry, thus allowing Aqua Metals to gain rapid market share from incumbent lead smelters. The company is planning to raise $25MM though an IPO in August of 2015 with this technology developed to full-scale. The Aqua Metals Management Team has already attracted $6MM in start-up

(b) (4)

ULAB recycling is a $24 billion/year global industry. The U.S. has nearly 250 million passenger vehicles with batteries that will expire after 10 to 15 years of use. Around 500 to 750 million vehicle batteries will be discarded as ULABs, which the USEPA considers and regulates as toxic and hazardous materials. According to USGS, the amount of lead recovered annually from scrap batteries within the U.S. increased from around 900,000 metric tons in 1995 to more than 1,100,000 metric tons in 2012. The total percentage of U.S. lead production attributed to battery scrap increased from 65% in 1995 to 87% in 2012. The industry falls under the NAICS code 331492 (Secondary Smelting, Refining, and Alloying of Nonferrous Metals - Except Copper and Aluminum). The NAICS code financial comparison report by RMA is attached for review.

Aqua Metals' first commercial scale LAB recycling facility will be ideally located on a 15 acre site located in the Tahoe Reno Industrial Center (TRIC). TRIC is made up of 107,000 acres or 160 square miles, making it one of the world's largest industrial centers. In the past 10 years, 3,800 acres of industrial zoned property, 22,000 acres of mixed-use residential commercial property and 7,000 acres of alternative energy use land have been sold. TRIC is the logistics hub of the west, as it has a one-day ground shipping time to California, Arizona, Nevada, Utah, Colorado, Oregon, Idaho, and Washington. TRIC also provides a competitive advantage for manufacturers, processers, and recyclers by reducing transportation and occupancy costs while improving the supply chain process. The industrial park is located approximately 9 miles from Reno/Sparks and is only 15 miles from the Reno Tahoe International Airport. TRI Center has three interchanges accessing the park off of Interstate 80, with Exit 32 USA Parkway, State Route 805, being the main thoroughfare as it crosses the heart of TRI Center for 16 miles, eventually extending all the way to HWY 50.

The Aqua Metals building will be approximately 125,000 SF and built to house the following processes:

1. An integrated battery breaking and de-sulfurization plant, with a production capacity sufficient to support 80 Tons/day of lead production. Wirtz Manufacturing Co., Inc., based in Port Huron, MI, will supply this. Wirtz is an established and highly regarded manufacturer of LAB recycling and LAB manufacturing equipment. Wirtz, is also a Strategic Partner and investor in AMI, which shares Aqua Metals' commitment to eradicating smelter based recycling of LABs.
2. A 100 module Aqua Refining system, supplied by AMO out of its Oakland facility.
3. A lead refining and ingot production facility, which will also be supplied by Wirtz.
4. Offices.

Management Analysis

The Aqua Metals' Management Team has over 50 years of combined experience in operations, manufacturing, consulting, and battery production/recycling businesses. They have represented both private and public companies, overseeing successful IPO's and capital intensive projects.

Dr. Stephen Clarke (Chairman and CEO) holds over 20 years of experience in the development and commercialization of disruptive technologies in advanced batteries and battery materials. He co-founded and led Applied Intellectual Capital (AIC) through a successful IPO on the London Stock Exchange's Alternative Investment Market raising $40MM.

Sewlyn Mould (COO) has 12 years of experience in working with disruptive battery technologies and an additional 7 years of experience in consulting on large-scale international corporate turnarounds.

Thomas Murphy (CFO) also holds 12 years of experience with disruptive battery technologies and has extensive experience in public companies, international finance, tax efficient structures and high value equipment leasing.

Steve Cotton (Chief Commercial Officer) co-founded and grew a battery technology company which later became the global leader for providing innovative packaging of lead acid batteries, monitoring equipment, and lifecycle management services for the data center industry. Steve brings an extensive knowledge of the LAB industry to Aqua Metals.

Affiliate Analysis

Aqua Metals, Inc. was formed on June 20, 2014 as a holding company, whose stock will be traded when the company undergoes an IPO, planned for Q3 2015. The company has spent the previous year in research, development, and planning for the opening of its Reno facility. The company intends to manufacture the equipment it has developed, and will operate it at the lead acid battery recycling facilities.

(b) (4)

Since the company's primary recycling operations have not yet commenced, the historical income statement appropriately reflects a net loss. A significant portion of the company's balance sheet assets consists of cash and cash equivalents and intellectual property. The company's liabilities mainly consist of the Convertible Note private placement with few other expenses.

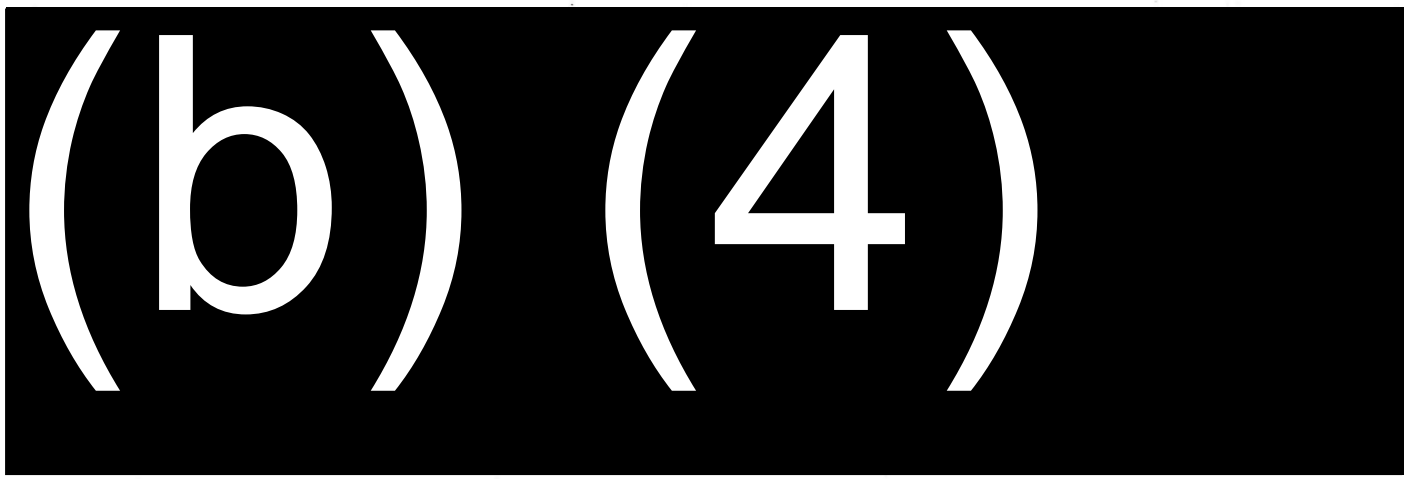
Company Credit Reports

Aqua Metals Reno, Inc.

(b) (4)

Aqua Metals, Inc.

(b) (4)

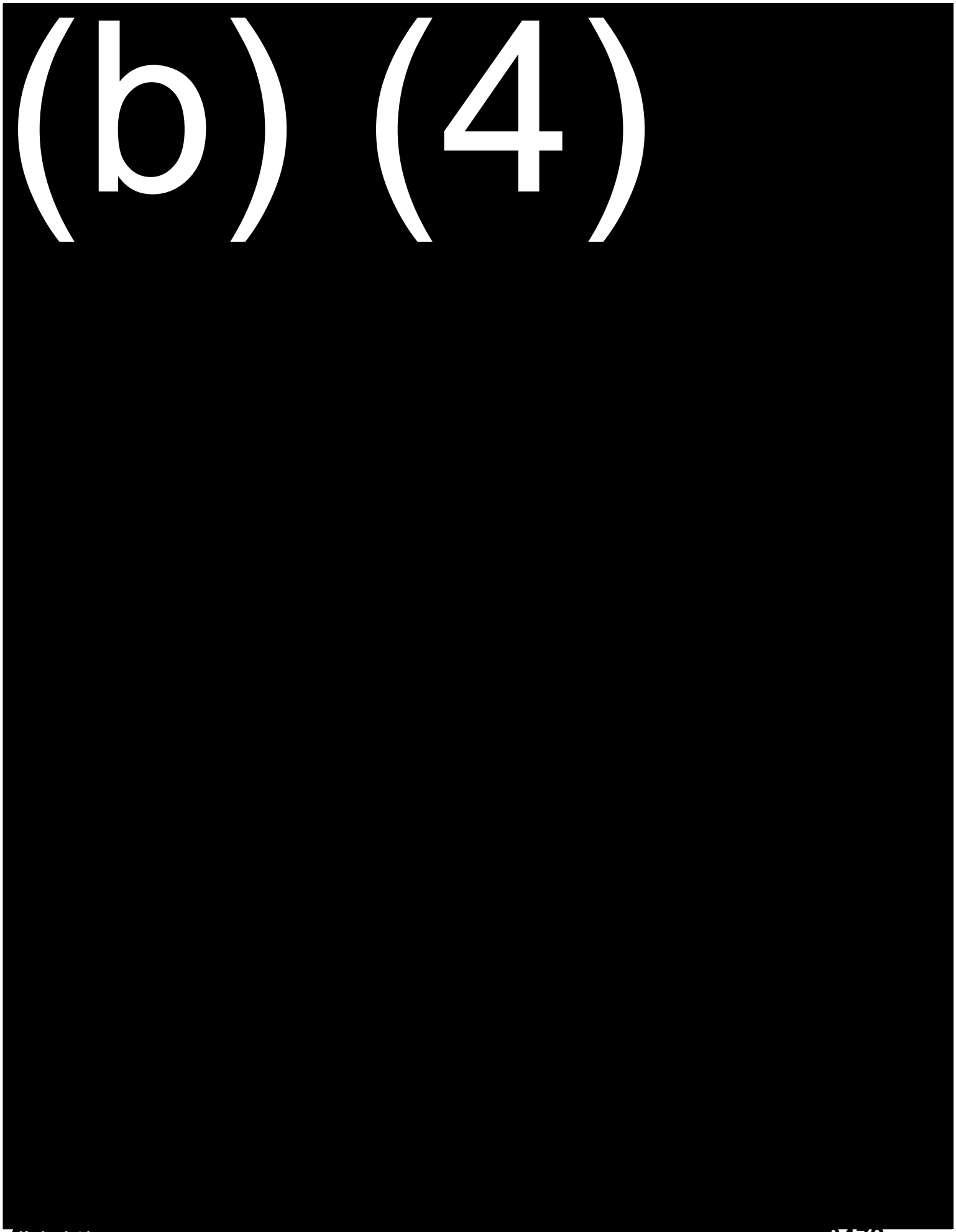


Enhanced Guarantee Request

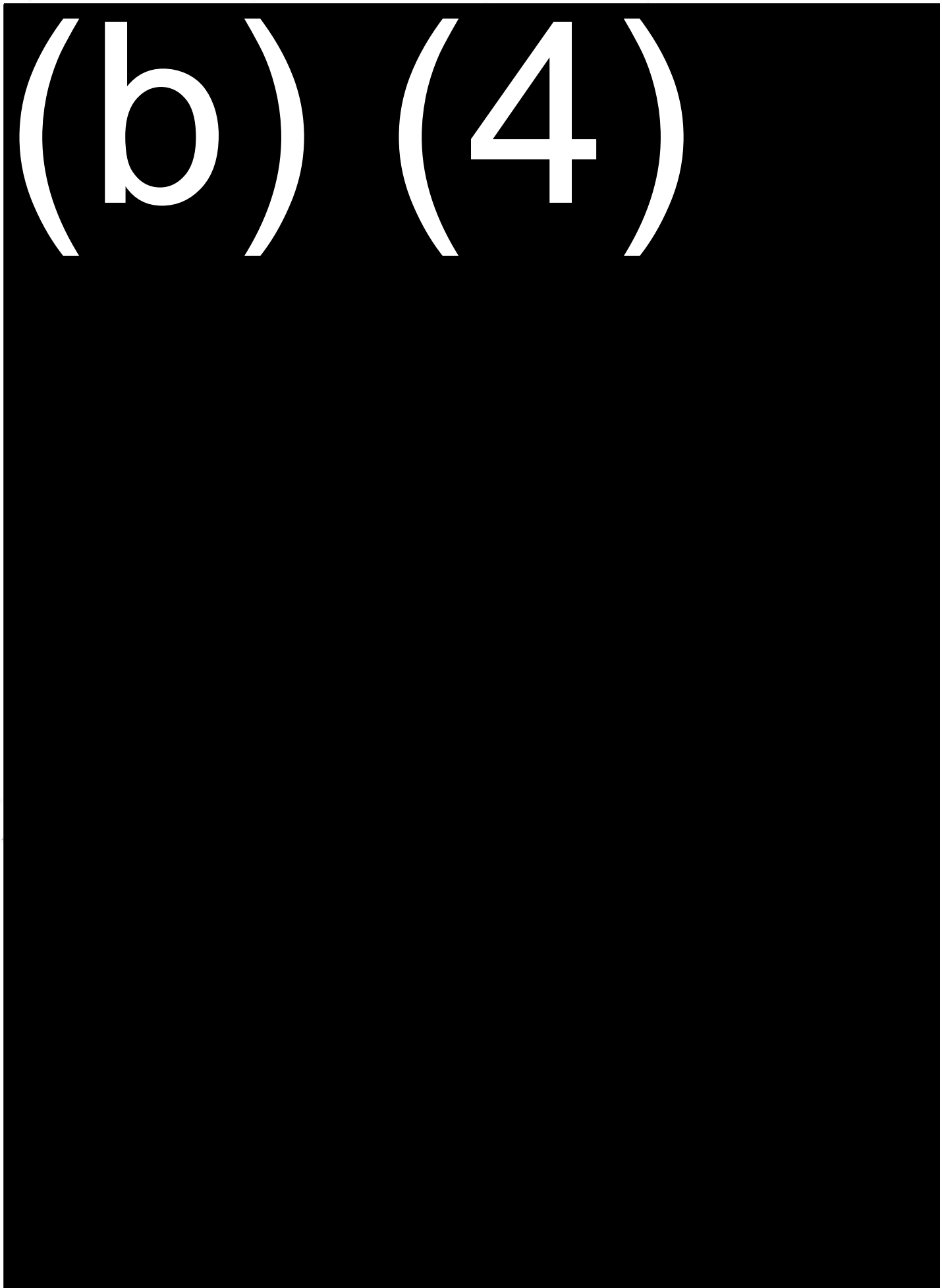
The bank's approval of this loan is contingent upon the receipt of a Loan Note Guarantee issued by the USDA that guarantees ninety percent (90%) of the loan amount. The bank requests that the Administrator grant a 90% guarantee due to the following circumstances:

1. The project is a high-priority project in accordance with § 4279.155 on the Priority Points Scoring sheet (see attached).
2. The loan will not be made if the higher guarantee percentage is not approved due to the bank's loan policies.

**A detailed business plan is provided in a latter section to greater define the business opportunity, corporate structure, and the experience of corporate management.


(b) (4)

(b) (4)



© RMA 2014
See Pages 00 through 00 for Explanation of Ratios and Data

M = $ thousand MM = $ million

Note: The ratings are Moody's.edf rating (e.g. Ba1.edf) and not Moody's Investor Services Long Term Bond Ratings.
If a number of statements appears for the Risk Calc Plus EDF (1 yr), it also applies to the (5 yr).

(b) (4)

© RMA 2014
See Pages 00 through 00 for Explanation of Ratios and Data

M = $ thousand MM = $ million

Note: The ratings are Moody's.edf rating (e.g. Ba1.edf) and not Moody's Investor Service Long-Term Debt Ratings.
If a number of statements appears for the Risk Calc Plus EDF (1 yr), it also applies to the (5 yr).

GREEN BANK®

July 14, 2015

Herb Shedd
Business and Cooperative Programs Director
US Department of Agriculture
Rural Development
1390 S. Curry Street
Carson City, NV 89703

Re: Aqua Metals, Inc - $10MM Business & Industry Loan
Lender: Green Bank

Mr. Shedd:

Based on USDA regulation 4279-B § 4279.119(b)(1), we respectfully request the USDA RD Nevada office consider proceeding with providing a 90% guarantee on this loan, (b) (4) (b) (4).

It is our understanding the USDA can allow a 90% guarantee on a loan for $10,000,000 or less if the loan is considered a high priority loan based on the B&I scoring system with the State Director and Administrator having authority to award additional discretionary points at their discretion. Utilizing the USDA scoring sheet, the Aqua Metals, Inc. (b) (4) without discretionary points awarded, and in our opinion, meets the minimum required per the USDA to be eligible for a 90% guarantee loan as it is considered a high priority loan.

The Aqua Metals project will provide quality jobs as they will have an average wage of (b) (4) (b) (4) required per the USDA. The attached sheet is the actual staffing list of the employees that will be employed at the facility if the loan were to be approved. Based on this sheet, the Borrower will be creating (b) (4) in the community of Storey County, Nevada.

Finally, the requested terms from the borrower is for a full amortizing USDA B&I loan and our loan policies do not allow us to fund a loan with no call provisions. In addition, the credit is a startup facility outside our target geographic footprint with loan proceeds of $10MM, therefore, we are requesting a 90% guarantee to mitigate this enhanced liquidity and credit risk to our bank.

(b) (4)

Sincerely,

(b) (4)

Senior Vice President

GREEN BANK™

July 31, 2015

Herb Shedd
Business and Cooperative Programs Director
US Department of Agriculture
Rural Development
1390 S. Curry Street
Carson City, NV 89703

Re: Aqua Metals, Inc - $10MM Business & Industry Loan
Lender: Green Bank

Mr. Shedd:

We respectfully request the USDA RD Nevada office consider proceeding with providing a 90% guarantee on this project prior to and during the duration of construction as (b) (4) (b) (4).

It is our understanding based on USDA regulation 4279-B § 4279.156(b)(7), the USDA has the discretion to add additional items (i-vii) to mitigate the Agency's risk when issuing the guarantee prior to substantial completion of the project, but this is not an official requirement. (b) (4)

(b) (4)

In lieu of the USDA reducing the percentage of guarantee by (b) (4) on the project per (i), we will require the borrower to purchase a construction completion guarantee by a reputable third party firm to ensure the construction will be completed in the event of default.

(b) (4)

(7) Other means to mitigate the Agency's risk when issuing the guarantee prior to substantial completion of the project include: (Added 12-05-13, PN 466.)

(i) Reducing the percentage of guarantee (b) (4)

(ii) Requiring the use of American Institute of Architects (AIA) contracts and documents;

(iii) Requiring firm fixed-price construction contracts;

(iv) Requiring construction contracts through an independent general contractor and not allowing the owner or an affiliate to act as the general contractor;

(v) Requiring all construction contract and equipment quotes to be firm or fixed price contracts and all be received for the entire project before loan closing and issuance of the guarantee;

(vi) Requiring an additional 5 percent tangible balance sheet equity; and

(vii) Requiring adequate contingency funds.

As you are aware, banking institutions regulated by the FDIC and OCC are required to comply and maintain with very strict legal lending limits and capital requirements. If the USDA does not provide the guarantee during construction, our institutions' capital will be heavily constrained due to funding a $10MM loan, whereas, if a guarantee is attached during construction the regulators will not count the

(b) (4)

Based on the information above, we feel we have mitigated the construction risk to the agency and our institution and request approval of the 90% guarantee during construction and throughout the remainder of the loan term.

Sincerely,

(b) (4)

Senior Vice President

Page(s) 000486 thru 000722
withheld:

5 U.S.C. § 552, Exemption (b)(4) of the FOIA protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.

BUSINESS AND INDUSTRY
APPLICATION PRIORITY POINTS SCORING

Date: 7/9/2015

Name Aqua Metals Reno, Inc.

State Nevada

List the maximum points the applicant is eligible for under each category. See § 4279.155 of this subpart for information on how to determine points.

1. *Population priority.*

Located in an unincorporated area or in a city with under 25,000 population. Population data can be obtained from: http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml

10 Points 10

The project will be located at the Tahoe Reno Industrial Center in McCarran, Storey County, NV. No specific Census data on McCarran however, all of Storey County only contains 4,010 people.

2. *Community priority.*

A. Located in an eligible area of long term population decline and job deterioration based on reliable statistical data. In order to receive points for the project being located in an area of long-term population decline and job deterioration, both of the criteria must be met and documented. The following link should be used to document the long term population decline criterion: http://www.census.gov/population/www/censusdata/cencounts/index.html

5 Points 0

B. Located in a rural community that has remained persistently poor over the last 60 years. The Agency may accept ERS data as evidence of persistent poverty. ERS has the best available data on persistent poverty counties, which are counties where the poverty rate is 20 percent or more. This data only goes back to 1970 and can be found at: http://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being/geography-of-poverty.aspx

5 points 0

C. Located in a rural community that is experiencing trauma as the result of a natural disaster or experiencing fundamental structural changes in its economic base. To be awarded these points, the community must still be recovering from the effects of the natural disaster (normally not to exceed 2 years from the date of issuance of the disaster declaration but major disasters, such as Hurricane Katrina, could be much longer). Natural disasters may be found at: http://www.fema.gov/disasters/

5 points 5

All 16 counties in Nevada have been declared disaster areas due to the continued drought now in its fourth year.

D. Located in a city or county with an unemployment rate 125 percent of the statewide rate or greater. The most recent statewide unemployment rate may be found at: http://www.bls.gov/cps/ *5 points* 0

3. *Empowerment Zone/Enterprise Community (EZ/EC). (Cannot exceed a total of 10 points).*

A. Located in EZ/EC designated area. EZ/EC Communities may be found at: http://egis.hud.gov/ezrclocator/

10 points 0

B. Located in a non-designated EZ/EC applicant community. A Champion Community is a community which developed a strategic plan to apply for an EZ/EC designation, but not selected as a designated EZ/EC Community. Champion Communities may be found at: http://www.rurdev.usda.gov/rbs/ezec/communit/champions.html

5 points 0

4. *Loan features.*

A. Lender will price the loan at the Wall Street Journal published Prime Rate plus 1.5 percent or less. The rate the lender proposes to charge must be the equivalent of or less than WSJ Prime +1.5 percent. Floor rates in excess of these rates cannot be awarded priority points. The current WSJ Prime Rate may be found at: http://www.bankrate.com/rates/interest-rates/wall-street-prime-rate.aspx *5 points* 0

B. Lender will price the loan at the Wall Street Journal published Prime Rate plus 1 percent or less. The rate the lender proposes to charge must be the equivalent of or less than WSJ Prime +1 percent. Floor rates in excess of these rates cannot be awarded priority points. If this condition is met, the application will receive the five points under paragraph (b)(4)(i) of section 4279.155 and the five points under this paragraph. The current WSJ Prime Rate may be found at: http://www.bankrate.com/rates/interest-rates/wall-street-prime-rate.aspx *5 points* 0

C. The Agency guaranteed loan is less than 50 percent of project cost. 5 points 0

D. Percentage of guarantee is 10 or more percentage points less than the maximum allowable for a loan of its size. In order to receive these points, a project that would qualify for an 80 percent guarantee must have a 70 percent or less guarantee, a project that would qualify for a 70 percent guarantee must have a 60 percent or less guarantee, and a project that would qualify for a 60 percent guarantee must have a 50 percent or less guarantee. You may not consider 90 percent guarantees the maximum allowed since a 90 percent guarantee requires an exception to the regulations. 5 points 0

5. *High impact business investment priorities (Total score for the following three categories:*

A. Industry.

(i) Industry that has 20 percent or more of its sales in international attractions. Verifiable sales documentation or projections supported by a feasibility study must be provided to support these points. 5 points 5

As stated in the feasibility study completed on the project,

(b) (4)

(ii) Industry that is not already present in the community. In order to receive these points, a project must be a new business with no businesses in that same industry already present in the community. 5 points 5

There are no other used lead acid battery (ULAB) recycling operations within northern Nevada.

B. *Business*.

(i) Business that offers high value, specialized products and services that command high prices. In order to receive these points, both criteria must be met (high value and specialized), and it must be thoroughly documented on the scoresheet what high value, specialized products and services the business provides. *2 points* 2

Although lead is definitely not considered a "precious metal" thus not commanding the high dollar amount that gold or platinum would, but the pure lead product, which requires distinct refining, would demand a higher price than lead alloy, the typical product of recycling.

(ii) Business that provides an additional market for existing local businesses. This means that the business sells product or provides services to existing local businesses. *3 points* 3

(b) (4)

(iii) Business that is locally owned and managed. Locally owned and managed means that the owners and managers reside within the local commuting area. *3 points* 0

(iv) Business that will produce a natural resource value-added product. In order to receive these points, the business must manufacture a product from a natural resource. RD Instruction 4279-A, section 4279.2 defines a natural resource value-added product as any naturally occurring product that is processed to add value to the product. 2 points 2

In this particular case lead ore is a natural occurring product that is mined, or extracted, from certain deposits around the globe. Refining that lead ore into pure lead

[redacted]

C. Occupations (Cannot exceed 10 points).

(i) Business that creates jobs with an average wage exceeding 125 percent of the Federal minimum wage. The Federal minimum wage may be found at: http://www.laborlawcenter.com/t-federal-minimum-wage.aspx
5 points _____

(ii) Business that creates jobs with an average wage exceeding 150 percent of the Federal minimum wage. The Federal minimum wage may be found at: http://www.laborlawcenter.com/t-federal-minimum-wage.aspx
10 points 10

The company (b) (4) at the start-up of operations with an average wage of (b) (4) exceeds the Federal minimum wage of $7.25 over threefold (26.15/7.25 = 3.61).

6. State Director's administrative points: (May be up to 10 points). Attach justification. 10 .

Under Nevada AN No. 1315 regarding State Director's administrative points for the guaranteed B&I program, distribution of funds for manufacturing projects in Nevada receive the maximum 10 points.

Total Points 52

Signature _____ Date July 9, 2015

Title Business & Cooperative Programs Director

Form 4279-6
(Rev.12-14)

Position 5

FORM APPROVED
OMB NO. 0570-0017

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

ASSIGNMENT GUARANTEE AGREEMENT
(Business and Industry and Section 9006 Program)

Type of Loan _____

USDA Loan Identification Number

_____

7 C.F.R. part 4279, subparts A ,B and C
7 C.F.R. part 4287, subpart B and D
7 C.F.R. part 4280, subpart B

Capitalized terms will have the meaning defined in the applicable program regulations.

(Lender) has made a loan to _____

in the principal amount of $_____ as evidenced by a note dated _____.
The United States of America, acting through the U.S. Department of Agriculture (USDA) entered into a Loan Note Guarantee (Form 4279-5) with the Lender applicable to such loan to guarantee the loan not to exceed _____ percent of the amount of the principal advanced and any interest due thereon as provided therein.

_____ of _____

(Holder) desires to purchase from Lender _____ percent of the guaranteed portion of such loan. Copies of Borrower's note and the Loan Note Guarantee are attached hereto as a part hereof.

NOW, THEREFORE, THE PARTIES AGREE:

1. The principal amount of the loan now outstanding is $ _____ . Lender hereby assigns to Holder _____ percent of the guaranteed portion of the loan representing $ _____ of such loan now outstanding in accordance with all of the terms and conditions hereinafter set forth. The Lender and USDA certify to the Holder that the Lender has paid and USDA has received the guarantee fee in exchange for the issuance of the Loan Note Guarantee and any applicable annual renewal fees.

2. **Loan Servicing.** The Lender is responsible for servicing the entire loan and will remain mortgagee and secured party of record. The entire loan is secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The Lender will receive all payments on account of principal of, or interest on, the entire loan and shall promptly remit to the Holder its pro rata share thereof determined according to their respective interests in the loan, less only the Lender's servicing fee

3. **Servicing Fee.** Holder agrees that Lender will retain a servicing fee of _____ percent per annum of the unpaid balance of the guarantee portion of the loan assigned hereunder.

4. **Purchase by Holder.** The Holder will hereby succeed to all rights of the Lender under the Loan Note Guarantee to the extent of the assigned portion of the loan. The Lender, however, will remain bound by all obligations under the Loan Note Guarantee and the program regulations found in 7 C.F.R. parts 4279 subparts A and B, and 4287 subpart B for Business and Industry Guaranteed Loans, 7 C.F.R. part 4280 subpart B for Rural Energy for America Program, and 7 C.F.R parts 4279 subpart C, and 4287 subpart D for Biorefinery Assistance Program

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0017. The time required to complete this information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

5. **Full Faith and Credit.** The Loan Note Guarantee constitutes an obligation supported by the full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which the Holder has actual knowledge at the time of this assignment, or which it participates in or condones. The guarantee will be unenforceable to the extent that any loss is occasioned by a provision for interest on interest.

6. **Rights and Liabilities.** The guarantee and right to require purchase will be directly enforceable by Holder notwithstanding any fraud or misrepresentations by Lender or any unenforceability of the Loan Note Guarantee by Lender. Nothing contained herein shall constitute any waiver by USDA of any rights it possesses against the Lender, and the Lender agrees that Lender will be liable and will promptly reimburse USDA for any payment made by USDA to Holder which, if such Lender had held the guaranteed portion of the loan, USDA would not be required to make. The Holder upon written notice to the Lender and USDA may resell the unpaid balance of the guaranteed portion of the loan assigned hereunder.

7. **Repurchase by the Lender (Defaults).** The Lender has the option to repurchase the unpaid guaranteed portion of the loan from the Holder within 30 days of written demand by the Holder when: (a) the Borrower is in default not less than 60 days on principal or interest due on the loan or (b) the Lender has failed to remit to the Holder its pro rata share of any payment made by the Borrower or any loan subsidy within 30 days of its receipt thereof. The repurchase by the Lender will be for an amount equal to the unpaid guaranteed portion of principal and accrued interest, less the Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan accruing after 90 days from the date of the demand letter to the Lender requesting the repurchase. Holder will concurrently send a copy of demand to USDA. The Lender will accept an assignment without recourse from the Holder upon repurchase. The Lender is encouraged to repurchase the loan to facilitate the accounting for funds, resolve any problems, and to permit the Borrower to cure any default, where reasonable. The Lender will notify the Holder and USDA of its decision.

8. **Purchase by USDA.** If Lender does not repurchase as provided by paragraph 7, USDA will purchase from Holder the unpaid principal balance of the guaranteed portion together with accrued interest to date of repurchase, less Lender's servicing fee, within 30 days after written demand to USDA from the Holder. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the original demand letter of the Holder to the Lender requesting the repurchase. Such demand will include a copy of the written demand made upon the Lender. The Holder or its duly authorized agent will also include evidence of its right to require payment from USDA. Such evidence will consist of either the original of the Loan Note Guarantee properly endorsed to USDA or the original of the Assignment Guarantee Agreement properly assigned to USDA without recourse including all rights, title, and interest in the loan. USDA will be subrogated to all rights of Holder. The Holder will include in its demand the amount due including unpaid principal, unpaid interest to date of demand and interest subsequently accruing from date of demand to proposed payment date. Unless otherwise agreed to by USDA, such proposed payment will not be later than 30 days from the date of demand.

   USDA will promptly notify the Lender of its receipt of the Holder's demand for payment. The Lender will promptly provide USDA with the information necessary for USDA's determination of the appropriate amount due the Holder. Any discrepancy between the, amount claimed by Holder and the information submitted by the Lender must be resolved before payment will be approved. USDA will notify both parties who must resolve the conflict before payment will be approved. Such a conflict will suspend the running of the 30 day payment requirement. Upon receipt of the appropriate information, USDA will review the demand and remit the appropriate check to Holder.

9. **Lender's Obligations.** Lender consents to the purchase by USDA and agrees to furnish on request by USDA a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by Borrower on the loan and the amount then owed to any Holder. Lender agrees that any purchase by USDA does not change, alter or modify any of the Lender's obligations to USDA arising from said loan or guarantee nor does it waive any of USDA's right against Lender, and that USDA shall have the right to set-off against Lender all rights inuring to USDA as the Holder of this instrument against USDA's obligation to Lender under the Loan Note Guarantee.

10. **Repurchase by Lender for Servicing.** If, in the opinion of the Lender, repurchase of the assigned portion of the loan is necessary to adequately service the loan, the Holder will sell the assigned portion of the loan to the Lender for an amount equal to the unpaid principal and interest on such portion less Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the demand letter of the Lender or USDA to the Holder requesting the Holder to tender their guaranteed portion.

a. The Lender will not repurchase from the Holder for arbitrage purpose or other purposes to further its own financial gain.

b. Any repurchase will only be made after the Lender obtains USDA written approval.

c. If the Lender does not repurchase the portion from the Holder, USDA at its option may purchase such guaranteed portions for servicing purposes.

11. **Termination of Lender's Servicing Fee.** The lender's servicing fee will stop when the Agency purchases the guaranteed portion of the loan from the secondary market. No such servicing fee may be charged to the Agency and all loan payments and collateral proceeds received will be applied first to the guaranteed loan and when applied to the guaranteed loan will be applied on a pro rata basis.

12. **Foreclosure.** The Lender is responsible for determining who the necessary parties are to any foreclosure action or who should be named on a deed of conveyance taken in lieu of foreclosure. When the conveyance is received and the property is liquidated, the net proceeds will be applied to the guaranteed loan debt. If USDA has repurchased the guaranteed portion of the loan from the Holder, the Lender must obtain USDA's concurrence to any foreclosure action to be taken by the Lender; however, USDA will not be considered to be a necessary party to the action or otherwise required to join in.

13. **Reassignment.** Holder upon written notice to Lender and USDA may reassign the unpaid guaranteed portion of the loan sold hereunder. Upon such notification, the assignee will succeed to all rights and obligations of the Holder hereunder.

14. **Notices.** All notices and actions will be initiated through the USDA _____ for _____ (state) with mailing address at the date of this assignment.

Dated this _____ day _____, 20 ____.

LENDER:

ADDRESS:

ATTEST:

_____ *(SEAL)*

By _____

Title _____

HOLDER:

ADDRESS:

By _____

ATTEST:

_____ *(SEAL)*

Title _____

UNITED STATES OF AMERICA
Department of Agriculture

ADDRESS: _____

By _____

_____

Title _____

Form 4279-6
(Rev.12-14)

Position 5

FORM APPROVED
OMB NO. 0570-0017

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

ASSIGNMENT GUARANTEE AGREEMENT

(Business and Industry and Section 9006 Program)

Type of Loan _____

USDA Loan Identification Number

_____

7 C.F.R. part 4279, subparts A ,B and C
7 C.F.R. part 4287, subpart B and D
7 C.F.R. part 4280, subpart B

Capitalized terms will have the meaning defined in the applicable program regulations.

(Lender) has made a loan to _____

in the principal amount of $_____ as evidenced by a note dated _____.
The United States of America, acting through the U.S. Department of Agriculture (USDA) entered into a Loan Note Guarantee (Form 4279-5) with the Lender applicable to such loan to guarantee the loan not to exceed _____ percent of the amount of the principal advanced and any interest due thereon as provided therein.

_____ of _____

(Holder) desires to purchase from Lender _____ percent of the guaranteed portion of such loan. Copies of Borrower's note and the Loan Note Guarantee are attached hereto as a part hereof.

NOW, THEREFORE, THE PARTIES AGREE:

1. The principal amount of the loan now outstanding is $ _____ . Lender hereby assigns to Holder _____ percent of the guaranteed portion of the loan representing $ _____ of such loan now outstanding in accordance with all of the terms and conditions hereinafter set forth. The Lender and USDA certify to the Holder that the Lender has paid and USDA has received the guarantee fee in exchange for the issuance of the Loan Note Guarantee and any applicable annual renewal fees.

2. **Loan Servicing.** The Lender is responsible for servicing the entire loan and will remain mortgagee and secured party of record. The entire loan is secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The Lender will receive all payments on account of principal of, or interest on, the entire loan and shall promptly remit to the Holder its pro rata share thereof determined according to their respective interests in the loan, less only the Lender's servicing fee

3. **Servicing Fee.** Holder agrees that Lender will retain a servicing fee of _____ percent per annum of the unpaid balance of the guarantee portion of the loan assigned hereunder.

4. **Purchase by Holder.** The Holder will hereby succeed to all rights of the Lender under the Loan Note Guarantee to the extent of the assigned portion of the loan. The Lender, however, will remain bound by all obligations under the Loan Note Guarantee and the program regulations found in 7 C.F.R. parts 4279 subparts A and B, and 4287 subpart B for Business and Industry Guaranteed Loans, 7 C.F.R. part 4280 subpart B for Rural Energy for America Program, and 7 C.F.R parts 4279 subpart C, and 4287 subpart D for Biorefinery Assistance Program

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0017. The time required to complete this information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

5. **Full Faith and Credit.** The Loan Note Guarantee constitutes an obligation supported by the full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which the Holder has actual knowledge at the time of this assignment, or which it participates in or condones. The guarantee will be unenforceable to the extent that any loss is occasioned by a provision for interest on interest.

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Dated this _____ day _____, 20 ____.

LENDER:

ADDRESS:

ATTEST:

_____ *(SEAL)*

By _____

Title _____

HOLDER:

ADDRESS:

By _____

ATTEST:

_____ *(SEAL)*

Title _____

UNITED STATES OF AMERICA
Department of Agriculture

ADDRESS: _____

By _____

_____

Title _____

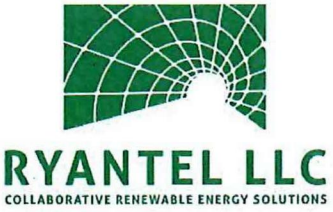
FEASIBILITY STUDY
AQUA METALS INC

Prepared For:

Dr. Stephen Clarke

CEO/President

Aqua Metals Inc.



Prepared By:

Dr. Maggie Teliska

Owner

RyanTel LLC

Table of Contents

I. Executive Summary 4

II. Introduction—Project Description and Justification 7

A. Description of the project 7

B. General setting and need for project 7

C. Work already completed, pertinent dates, and those involved in the project 7

D. Special Notes 7

III. Industry Background 8

A. Global and North American Lead Market and Use 8

B. North American ULAB Recycling/Refining 8

C. Market Segmentation and Lifecycle 11

D. Economic conditions of the industry 13

E. Implications and feasibility of entering industry 13

IV. Marketing 14

A. Market potential for goods 14

B. Ease or limitations of entering the market 15

C. Marketing plan 16

D. Overall assessment of the marketing situation and plan 16

E. Recommendations 16

V. Operational and Technical Characteristics 17

A. Supply of labor and its quality (including management) 17

C. Technical characteristics and specifications of required plant and equipment 17

D. Location considerations and assessment 18

E. Management Summary 19

F. Overall assessment of Operational and Technical Plan 19

G. Recommendations 19

VI. Financial Statements and Projections 19

A. Projected revenues, operating costs, and net income and cash flow 19

B. Capital requirements, potential and actual sources of equity 20

C. Financial plan summary 20

D. Recommendations 20

VII. Summary and Recommendations 20

A. Concise Summarization of the Major Findings 20

VIII. Appendix 22

USDA Regulations 22

NAICS/SIC Codes for ULABs Acquisition 23

LIST OF FIGURES

Figure 1 LME Historical Pricing 8
Figure 2 Global Lead Consumption 8
Figure 3 Current Battery Recycling 9
Figure 4 US/Canada Smelter Locations 10
Figure 5 BCI Recycling Rates 10
Figure 7 Wholesale Distribution 12
Figure 6 Reverse Distribution 12
Figure 8 Other Distribution 12
Figure 9 Market Assessment 14
Figure 10 Strategic Location of Reno NV 15
Figure 11 Modular Build-Out Plan 18

I. Executive Summary

Aqua Metals Inc. has developed an environmentally clean alternative to refining and recycling lead. Using a biodegradable and safe solvent extraction, lead is refined via an electrochemical process to produce pure lead (LME grade >99.995% pure) through their novel process called "AquaRefining". AquaRefining is a more cost effective operating method than smelting. The process is also environmentally clean, emitting no toxic substances into the air or water streams. The first Aqua Metals Inc. production site will be located in Reno, NV and is scheduled to begin build-out in mid-2015.

The following provides an analysis of the technical feasibility of the Aqua Metals Inc.'s future production facility. Assessments and recommendations are given for the marketing, technical/operations and financial plans for the build out of the Aqua Metals Inc. Reno, NV facility.

Marketing Plan Assessment

(b) (4)

Recommendations

(b) (4)

(b) (4)

Operational and Technical Plans Assessment

(b) (4)

Recommendations

(b) (4)

Financial Assessment

(b) (4)

Recommendations

1. *ISO/TS Compliance* – Aqua Metals should begin to develop a business operating system and processes to achieve and demonstrate compliance which will be necessary for the viability of their business.

A review of Aqua Metals Inc. marketing, technical, operation, and financial models shows that they are well positioned for a successful launch. At a time when the lead acid battery industry has been reflected negatively in the press, end customers are becoming more aware of the impact on health and the environment of their lead acid batteries. Currently there are no other alternative technologies commercially available to recycle lead. Aqua Metals Inc. has developed an alternative environmentally clean process to meet the needs that are evolving due to increasing regulatory, environmental and health issues associated with current lead recycling technology. The timing to introduce a clean environmentally friendly lead recycling process has never been better. They are providing a new cleaner alternative for lead refining and recycling that has the potential to replace all of the current smelting technology in the market.

II. Introduction—Project Description and Justification

A. Description of the project

Aqua Metals Inc. is a Delaware based corporation in the business of recycling lead acid batteries using proprietary refining technology. For compliance with USDA funding Aqua Metals Inc. must provide a feasibility study done by an outside consultant to assess the following: economic feasibility, market feasibility, technical feasibility, financial feasibility and management feasibility. [Ref RD Instruction 4279-B Appendix A]

B. General setting and need for project

To comply with the USDA funding requirements Aqua Metals Inc. secured outside consulting with Dr. Teliska of RyanTel LLC. Dr. Teliska was chosen and approved by both Aqua Metals Inc. and the USDA to conduct this technical feasibility study for Aqua Metals Inc.

C. Work already completed, pertinent dates, and those involved in the project

(b) (4)

D. Special Notes

Aqua Metals Inc. has developed a disruptive technology in the lead refining space. Certain elements to their technology are proprietary. The visit included witnessing the equipment operating and the proprietary nature of the technology. To protect Aqua Metals Inc. no reference will be made to the proprietary elements of their design and technology and will be referred to in this report as simply "AquaRefining".

Lead acid batteries at end of life have several different names in the industry. The industry commonly uses the terms "Scrap", "Cores", and "Junks" while the regulatory industry uses the terms "Used" and "Spent". For this report the term "Used Lead Acid Batteries" or the acronym "ULAB(s)" will be used for clarity to describe end of life lead acid batteries.

III. Industry Background

A. Global and North American Lead Market and Use

The North American lead recycling industry operates in a global market and the price of refined lead is set by the London Metals Exchange (LME). LME lead pricing has remained relatively flat in the past year due to balanced global supply and demand as shown in Figure 1. [1]

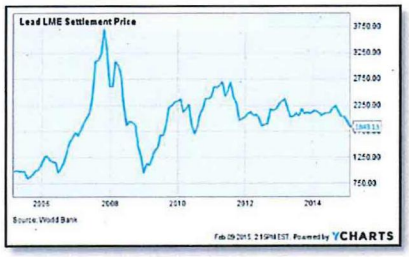


Figure 1 LME Historical Pricing

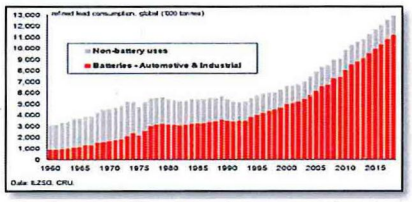


Figure 2 Global Lead Consumption

Demand for refined lead is primarily in the transportation industry and is used as base materials for lead acid batteries. In 2014 85% of global lead consumption was in the lead acid battery industry shown in Figure 2.[2] Global lead consumption is expected to grow at an annual rate of 3.5% in 2015-16 according to the Economist intelligence Unit with the main driver in automotive and replacement batteries.[3]

The NA lead market will be driven primarily by the lead acid battery market in the automotive sector. The US car parc is currently around 247M vehicles with an average age of 10.6 years, equivalent to 2-3 aftermarket battery replacements depending on location during the lifetime of the vehicle. Total North American shipments of automotive batteries is expected to grow at a 1.0% compounded growth rate (5.3M units) through 2019. OE shipments are expected to grow 2-3% through 2017 while aftermarket shipments are expected to remain flat growing at a compound rate of 0.6% over the next five years.

The North American Industrial segment which includes telecommunications and heavy duty batteries has a forecasted growth of 5.8% CAGR for 2013-2016 (Motive Power 4.2% to $1.07B, Stationary 7.3% to $1.21M). Market drivers in this segment are increases in mobile data demand, energy storage incentives data center expansion, cloud computing, and regulation.

B. North American ULAB Recycling/Refining

There are two types of refined lead used in the lead acid battery market. Primary lead denotes higher than 99.9995% purity and is processed from mining lead sulfide ores and refining via smelting in high temperature furnaces. Primary lead is used in lead oxide which is a precursor material for battery grid paste and in battery grid material for "pure lead" products such as Johnson Controls Optima® and Exide Orbital® spiral wound product as well as Enersys Genesis® flat plate designs.

Secondary lead primarily comes from recycling of ULABs. It is less than 99% pure and is used in lead acid battery oxide, grids, paste, intercell weld connectors and bushings and is based on the manufacturer's specifications. Lead can be recycled indefinitely.

---

[1] 2014 BCI Presentation. North American Forecast. Dale Gospodarek - JCI

[2] 2014 BCI Presentation. Interesting Times for New and Recycled Battery Materials. Ray Kubis - ECOBAT

[3] Economist Intelligence Unit http://www.gfs.eiu.com/Article.aspx?articleType=cfh&articleId=1742685558

ULABs currently are recycled using the following process: Batteries are broken apart via hammer mill. The plastic, lead, and electrolyte are separated for further processing. The recovery of lead is done using smelter technology and heating to high temperatures in a furnace upon which it is separated into ingots for resale. The process is shown in Figure 3.[4] Lead acid recycling has been named one of the worst polluting industries as the smelting process emits large amounts of pollution in the form of toxic particulates, effluents and solid waste. [5] Workers in these facilities can suffer severe health issues from exposure to lead particulates in the air causing lead poisoning.

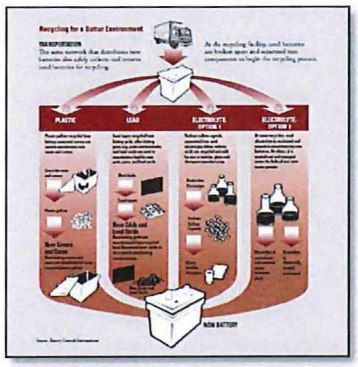


Figure 3 Current Battery Recycling

The lead acid battery manufacturing industry including primary and secondary lead smelters is subject to federal, state, local and foreign environmental laws and regulations. These regulations control the storage, handling, disposal, emission, transportation and discharge of hazardous substances, materials and waste products. In order to protect health and environmental quality new revised EPA standards from the Clean Air Act in 2008 forced manufacturers and smelters to reduce allowable airborne lead levels by 90%. The amount of investment was significant and forced the closure of two Exide Technology Inc. smelters (Frisco and Vernon). In 2013 the last primary lead smelter in the US located in Herculaneum, MO and run by Doe Run Inc. closed due to increasing lead emission standards.[6] Although Exide Technologies Inc. closed its Vernon CA facility in March 2014 it is still receiving major violations citing high rates of cancer in former employees as well as residual toxic substances surrounding the facility.[7]

Johnson Controls Inc. who owns both manufacturing and smelting capacity publicly announced annual price increases to offset the cost of increasing environmental and health standards for their manufacturing plants and recycling facilities. In 2011 a price increase of 5-9% was to compensate for additional transportation regulations. [8] The 2012 price increase of 8% noted an additional spend of $162M for their existing facilities and $50M for improvements in employee blood lead levels.[9] The 2013 price increase of 3-4% was to support ongoing manufacturing and investments in health, safety and

---

[4] BCI – Battery Recycling and Sustainability Brochure http://batterycouncil.org/?page=battery_recycling

[5] http://www.worstpolluted.org/projects_reports/display/96

[6] "End of an Era: Last US Smelter to Close in December" 10/25/2013 NRA-ILA publication. https://www.nraila.org/articles/20131025/end-of-an-era-last-us-lead-smelter-to-close-in-december

[7] "Exide hit with 8 violations over Vernon Recycling Facility" http://www.scpr.org/news/2015/01/28/49523/exide-hit-with-8-violations-over-vernon-battery-re/

[8] "Johnson Controls announces price increase for lead acid batteries" 4/13/2011 http://www.bloomberg.com/apps/news?pid=conewsstory&tkr=JCI:US&sid=aUYe0WcrjOiQ

[9] "Johnson Controls Announces Price Increase for Lead Acid Batteries" 3/7/2012 http://www.prnewswire.com/news-releases/johnson-controls-announces-price-increase-for-lead-acid-batteries-141789143.html

environmental projects.[10] Johnson Controls estimates the North American lead recycling industry will spend nearly $600 million on meeting the new environmental standards.[11]

There are currently 13 smelters operating in the United States (including Puerto Rico) processing approximately 1,874,387 tons of lead annually. Canada has 10 smelters with an annual installed capacity of 475,550 tons,[12] and Mexico has 25 smelters processing 1,504,669 tons.[13] There remains only one smelter west of the Rockies which is owned by RSR Inc. in The City of Industry CA. Recently that smelter came under violations for high arsenic levels following the closure and public outrage over Exide's Vernon facility. Figure 4 shows the location and estimated capacity of the smelters in the US and Canada. [14]

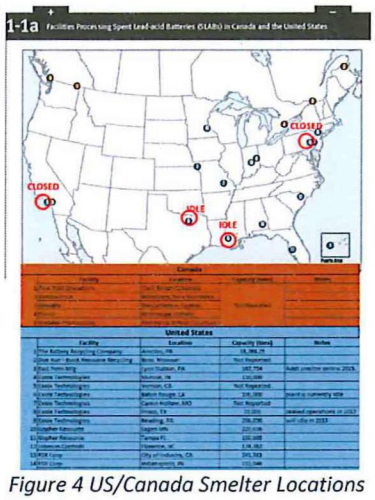


Figure 4 US/Canada Smelter Locations

The Battery Council International releases studies every 5 years to record and document the North American lead acid battery recycling rate. Figure 5 shows the data from the past two reports. The recycling rate of ULABs is currently 99% however, there was a significant increase (60%) in exported cores from the time period of 2004-2008.

Years	Total Lead in Batteries Consumed Domestically (lbs)	Battery Scrap lead Imports (lbs)	Battery Scrap Lead Exports (lbs)	Battery Lead Available For Recycling (lbs)	Lead Recycled from Batteries (lbs)	Recycling Rate
2009-2013	14,357,908,429	474,136,320	2,541,720,948	12,290,323,800	12,171,337,251	99%
2004-2008	13,565,585,218	343,260,666	1,589,413,875	12,319,432,009	11,824,428,867	96%
% Change	6%	38%	60%	0.24%	3%	3%

Figure 5 BCI Recycling Rates

The increase in the export of cores to Mexico was driven by Johnson Controls Inc. who built and acquired smelting capability in Mexico and the US. (Garcia, Mexico and Florence SC) as well as provided upgrades to an acquired smelter (Cienega, Mexico).[15] With additional smelter capacity in Mexico ULAB exports increased significantly.[16] A 2011 NY Times article titled "Lead from Old US Batteries Sent to Mexico Raises

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[10] "Johnson Controls announces price increase for lead acid batteries" 5/8/2013 http://www.autoserviceprofessional.com/article/93262/johnson-controls-announces-price-increase-for-lead-acid-batteries#?1#?1#WebrootPlugIn#?1#?1#PhreshPhish#?1#?1#agtpwd

[11] "Rising lead recycling costs may prompt cutbacks" Reuters 3/12/2012 http://www.reuters.com/article/2012/03/26/us-metals-lead-environment-idUSBRE82P0HC20120326

[12] "Mexico's Toxic Lead-Acid Battery Industry Jan 27 2015 Equal Times" article http://www.equaltimes.org/mexico-s-toxic-lead-acid-battery#.VNY1rJXcnIV

[13] 2013 CEC report "Hazardous Trade? An Examination of Spent Lead Acid Battery Exports and Secondary Lead Recycling in Canada, Mexico and the United States"

[14] http://www.leadfreefrisco.com/2013/12/19/scaqmd-california-breaking-news-agency-orders-rsr-owned-quemetco-lead-smelter-perform-health-risk-study-source-test-shows-elevated-levels-arsenic-emissions/

[15] "Johnson Controls Submission of Comments to the Commission on Environmental Cooperation (CEC) 2012" http://www.cec.org/Storage/139/16415_CEC_Report.pdf

[16] 2004-2008 BCI Recycling Rate Report; 2009-2013 BCI Recycling Rate Report

Risks"[17] called out retail customers such as AutoZone and WalMart to force domestic recycling. The report noted high lead levels in children living near the smelter. Also suggested in the article was that major manufacturers Exide Technologies Inc. and Johnson Controls Inc. were selling cores across the border and buying from third party recyclers because and the lack of standards in Mexico which both companies denied.

The Commission on Environmental Cooperation (CEC) issued a report in 2013 commenting that the ULAB recycling efforts in Mexico still did not meet US standards and had significant gaps in their environmental and health standards. The CEC outlined recommendations which included raising the standards in Canada and Mexico, more adequate monitoring of ULAB exports, and for Mexico to establish regulatory measures to protect people in and around smelters. [18]

C. Market Segmentation and Lifecycle

(b) (4)

Acquisition of Cores:

The lead acid battery market (from a supplier standpoint) can be segmented into the following channels: OE/OES Retail/Mass merchant, Wholesale/Battery Specialist and Other.

OE/OES – Original Equipment: Batteries sold into this channel include automotive OEs (Ford, GM, Chrysler, etc.). and their respective OES which includes service parts (FCSD, GM-SPO, etc.)

Retail/Mass Merchant: Batteries are sold in auto parts and mass merchant retail stores. The Retail channel includes customers such as AutoZone, Advance Auto, O'Reilly Auto Parts, and Pep Boys. The mass merchant channel includes customers such as WalMart/Sam's Club and Costco (NASDAQ: COST).

Wholesale/Battery Specialists: Batteries are sold with a 3-4 step tiered distribution model in this channel and include large entities with a national footprint such as Interstate Battery Systems of America (IBSA™) and NAPA. Smaller regional players called "Battery Specialists" such as Battery Systems Inc. and Continental Battery Inc. operate in this space and generally follow a 3 tired distribution approach.

Other: Batteries in this channel are sold to non-automotive OE customers such as in the telecommunications, forklift, tractor, golf, etc. Included in this channel are batteries sold to the government and military installations.

[17] http://www.nytimes.com/2011/12/09/science/earth/recycled-battery-lead-puts-mexicans-in-danger.html?pagewanted=all&_r=0

[18] 2013 CEC report Hazardous Trade? An Examination of Spent Lead Acid Battery Exports and Secondary Lead Recycling in Canada, Mexico and the United States.

The lifecycle and distribution of a battery from new to used varies in each of these segments. In all of the channels except "Other", batteries mostly follow a reverse distribution model or have tolling arrangements made with the battery manufacturers. (Figure 6 & 7) In reverse distribution model batteries are delivered to the customer in full truckloads and ULABs are collected at the same time and sent to a lead recycling facility. End customers may pay a "core fee" which is returned upon returning a ULAB to the retail or wholesale store. The core fee is regulated by states and gives incentive to the end customer to return ULABs.[19]

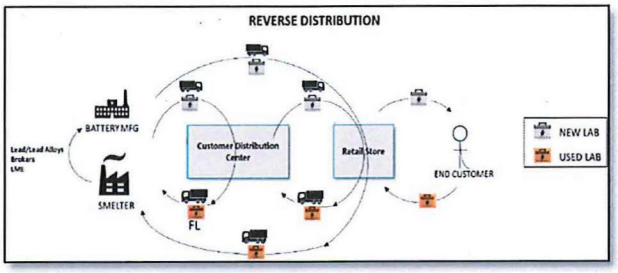


Figure 7 Reverse Distribution

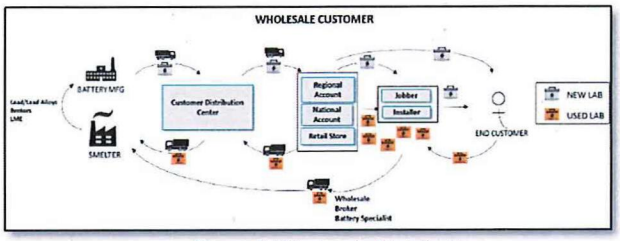


Figure 6 Wholesale Distribution

Most recently a major manufacturer has included a core return rate incentive in their pricing to ensure recovery of spent batteries to feed their smelting operations and a penalty if the customer does not achieve a 1:1 new battery/used battery collection. Other manufacturers have also followed this method.[20]

Outside of the retail and wholesale channels, smaller battery customers who do not have agreements with the manufacturer use brokers/aggregators. Brokers and aggregators will collect ULABs from sources such as small retailers, service stations, and junk yards. They subsequently offer the batteries for sale on the open market. In 2010 the EPA issued new regulations for brokers and aggregators to submit documentation and seek approval from the receiving country if they were to export ULABs.[21]

In some cases, based on location, OES and battery specialists will sell into the open market if a tolling arrangement is not made and that is normally in locations that do not have a smelter. In the "Other" category, supply and return agreements are also often not in place. In this market there is no standard collection method and provides the greatest opportunity to buy ULABs in the marketplace. (Figure 8)

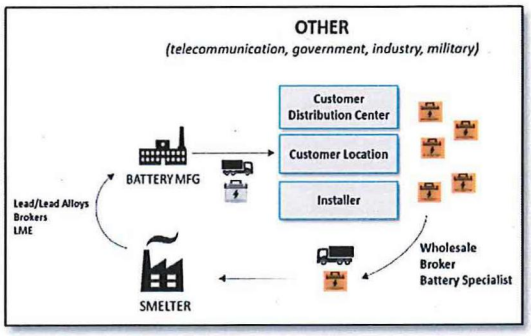


Figure 8 Other Distribution

[19] BCI – State Recycling Laws http://batterycouncil.org/?page=State_Recycling_Laws
[20] Confidential Source – Battery Manufacturer & Major Retail Customers
[21] http://www.epa.gov/osw/hazard/international/slab-flyer.pdf

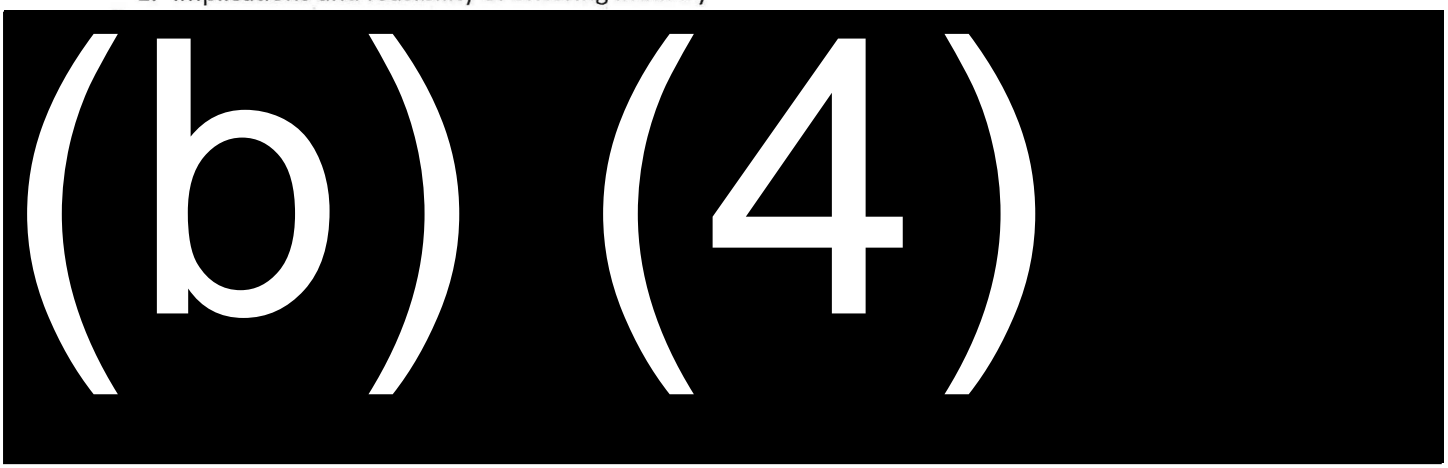
Selling Lead

D. Economic conditions of the industry

The buying and selling of lead in the open market is subject to LME pricing and is a spot buy market. As the price of lead rises, both the buying of ULABs rises as well as the purchase price of lead. In the past year the price of lead has declined slightly. Currently at the time that this report was written LME was at $1843.13/ton.

ULABs are also a spot buy market and current pricing in the open market is around $0.33-0.38/lb. with one major wholesale distributor offering $0.31/lb this week (2/9/2015). Tolling arrangements in the Midwest are at $0.42/lb. from a major manufacturer and in the Southwest, $0.34/lb for ULABs and $0.41/lb for deep cycle ULABs.[24]

E. Implications and feasibility of entering industry



[22] https://www.lme.com/metals/non-ferrous/lead/contract-specifications/tapos/
[23] Confidential Source – Battery Manufacturer
[24] Confidential source – Battery Specialist
[25] Confidential source – Battery Manufacturer

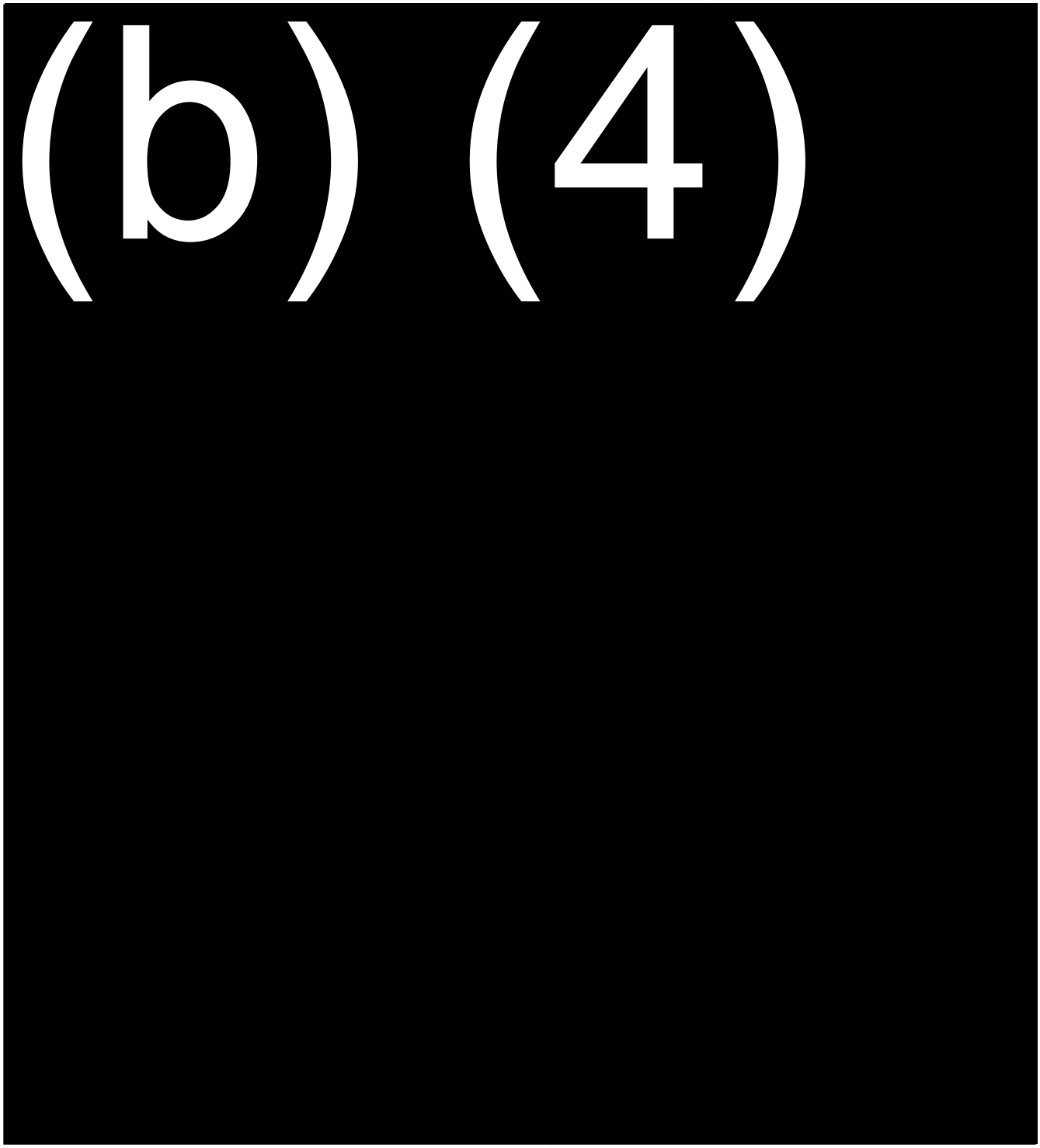
Additional opportunities to buy ULABs is rich in the "other" category and should be explored as they go to market. Recently in the telecommunications industry, end users of batteries announced that they will halt exporting of lead acid batteries to Mexico.[26] The article cited that major investors filed resolutions to make AT&T and IBM to stop supporting exporting ULABs and investors of Google, Amazon and Verizon are expected to follow suit.

(b) (4)

IV. Marketing

(b) (4)

[26] http://www.metal.com/newscontent/66189_u.s-companies-halt-battery-recycling-in-mexico-on-lead-pollution-and-health-concerns


(b) (4)

C. Marketing plan

(b) (4)

D. Overall assessment of the marketing situation and plan

(b) (4)

E. Recommendations

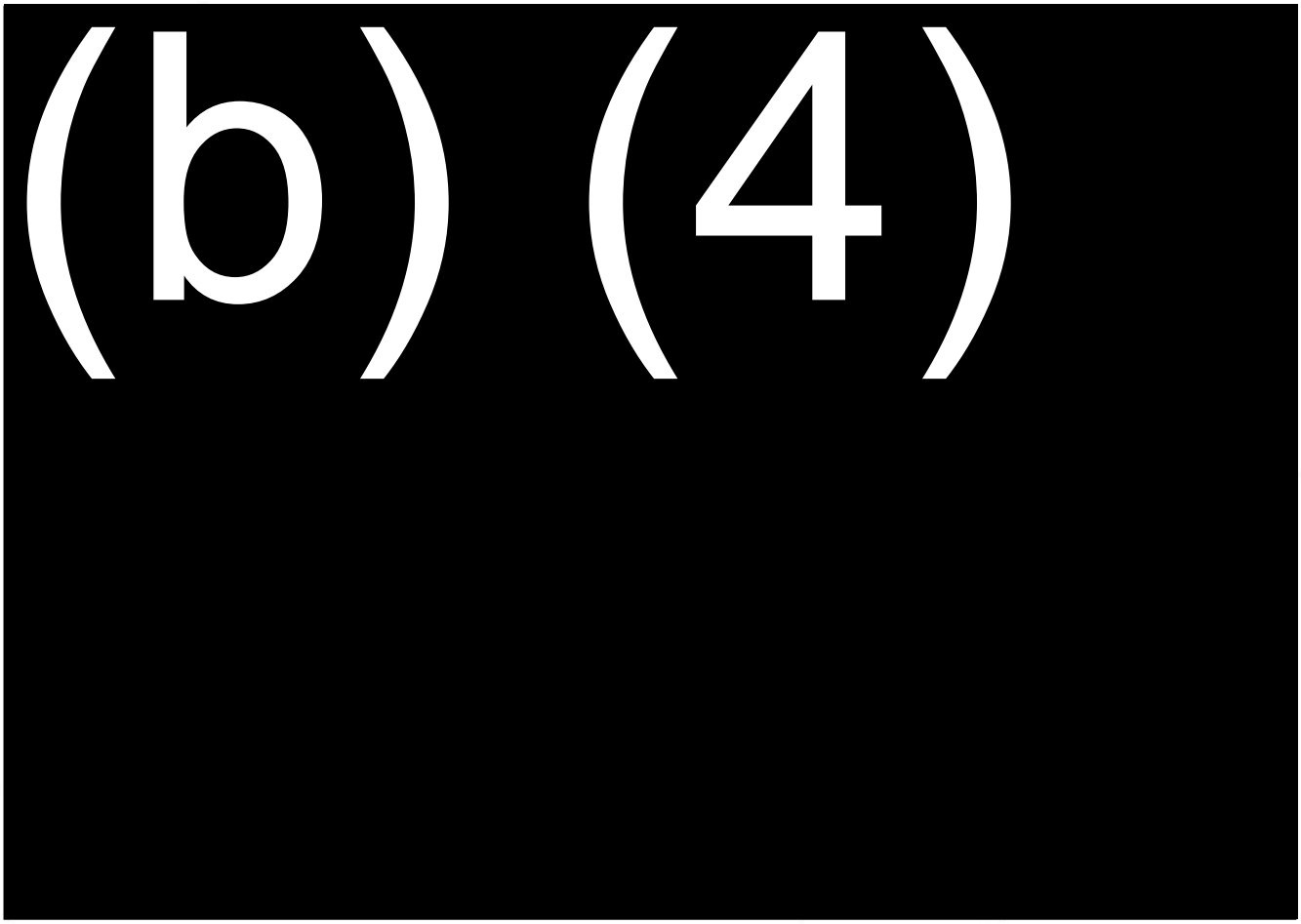
(b) (4)

(b) (4)

V. Operational and Technical Characteristics

(b) (4)

[27] http://www.city-data.com/city/Reno-Nevada.html



D. Location considerations and assessment

Aqua Metals Inc. first production facility will be located in the Tahoe Reno Industrial Center (TRIC) in Reno, NV. Reno, NV is home to two major highways, the Union Pacific railroad and several airline and trucking carriers which makes it attractive to manufacturing and distribution companies. According to the Reno Economic Development website Reno has also been named one of the 2014 "Best mid-size city to live in" and is positioning itself as a place for the clean energy and technology startups. The ability to attract talent in the Reno area is high and Nevada is a "right to work" state with no personal income tax. [28]

Additionally in the TRIC location several other major companies will be building facilities including the new Tesla Gigafactory and Google datacenter. Battery Systems Inc. will have a distribution center nearby. The influx of technology companies into TRIC has also led to the development and improvements of the 8 miles of USA Parkway which will connect to HWY 50 reducing the time to commute (45 minutes) to other major metropolitans areas such as Las Vegas and Southern California.[29]

[28] http://www.reno.gov/business/reno-s-economy
[29] http://www.tahoereno.com/maps/

E. Management Summary

Aqua Metals leadership team has experience in creating and selling disruptive technologies in the marketplace particularly in the electrochemical and battery space. They have many relationships within the lead acid battery community which will be key to the development of buyer/seller relationships. The team is well rounded in the areas of commercial, finance, operations, and technical. They have previously worked together before to successfully bring new disruptive technologies to market.

F. Overall assessment of Operational and Technical Plan

Aqua Metals has developed a practical plan for the build out of their production facility. While the pilot production equipment is not the final intended production equipment, they have detailed out the risks involved and mitigation strategies. The nature and characteristics of the AquaRefining process does not present any additional risks or challenges at this time with the information given. To protect the intellectual property of the process they have submitted provisional patent applications with plans for future submissions to further protect the proprietary nature of the technology.

(b) (4)

G. Recommendations

1. *Technical Project Management:* Include technical insight and approvals in the launch plan of the production facility. This can be done by including a multi-functional project management team approach (technical, operations, finance, and facility) with a detailed plan and designated gate checks for each stage of the build out. This should be done in parallel with the outsourced construction company plans.

2. *Risk Analysis:* Review often the risk analysis of the proposed production equipment during the production launch period.

VI. Financial Statements and Projections

A. Projected revenues, operating costs, and net income and cash flow

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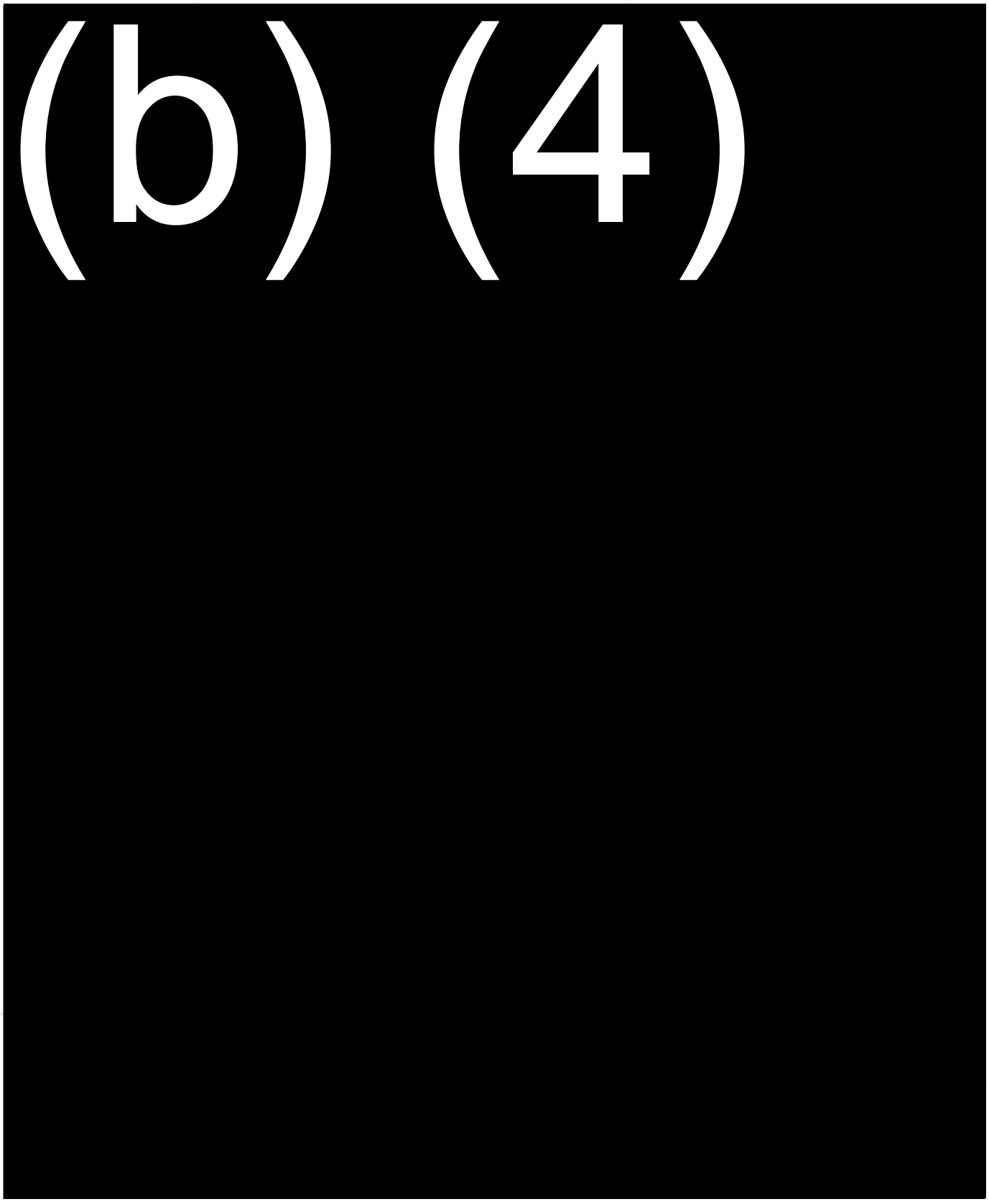
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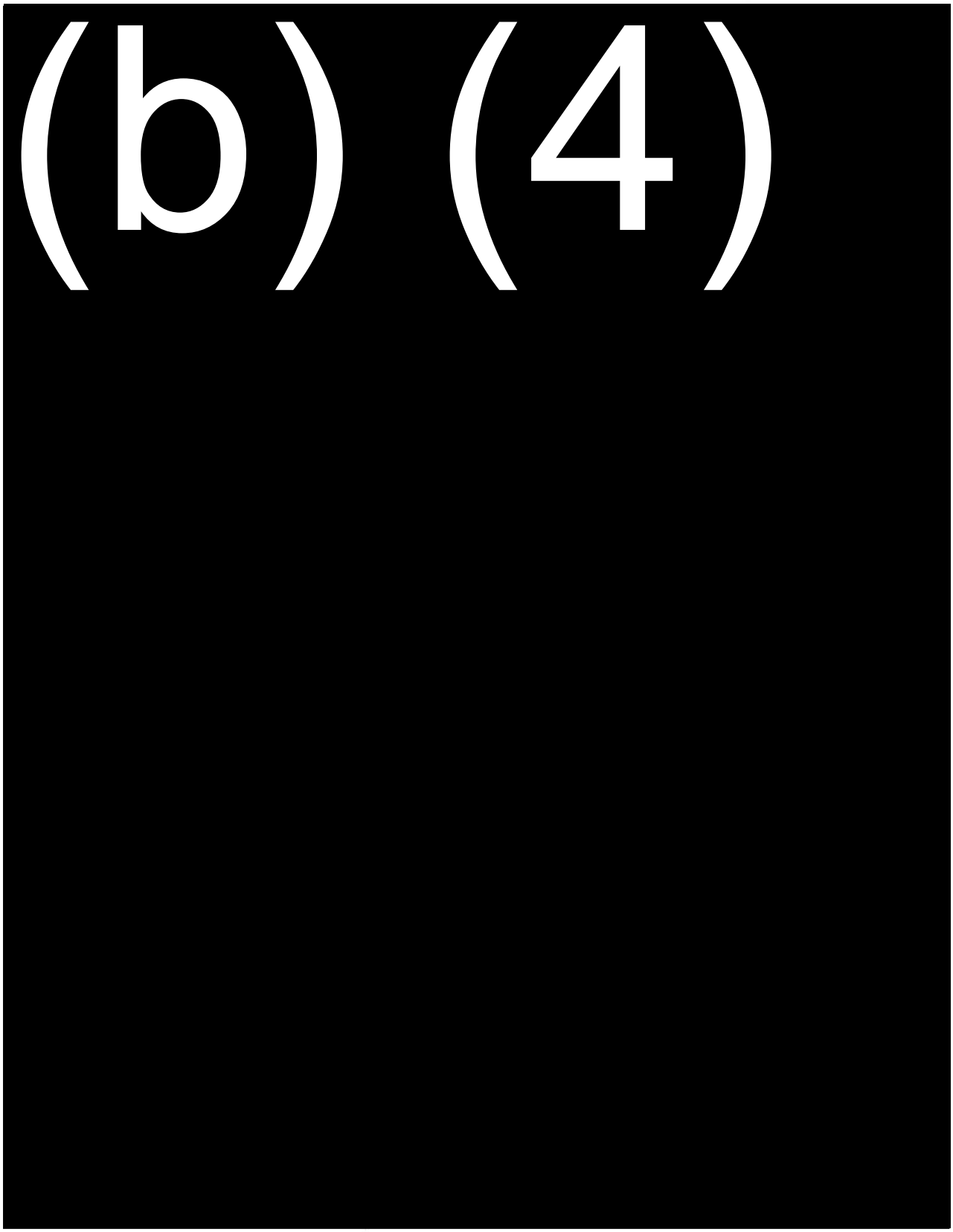
(b) (4)

lead refining and recycling that has the potential to replace all of the current smelting technology in the market.

VIII. Appendix

USDA Regulations

RD Instruction 4279-B
Appendix A

Guide for Completion of Feasibility Studies

A feasibility study by a recognized independent consultant may be required by the Agency for start-up businesses or existing businesses when the project will significantly affect the borrower's financial operations. An acceptable feasibility study should include, but not be limited to:

(a) Economic feasibility. Information related to the project site; availability of trained or trainable labor; utilities; rail, air, and road service to the site; and the overall economic impact of the project.

(b) Market feasibility. Information on the sales organization and management, nature and extent of market and market area, marketing plans for sale of projected output, extent of competition, and commitments from customers or brokers.

(c) Technical feasibility. Technical feasibility reports shall be prepared by individuals who have previous experience in the design and analysis of similar facilities or processes proposed in the application. The technical feasibility reports shall address the suitability of the selected site for the intended use including an environmental impact analysis. The report shall be based upon verifiable data and contain sufficient information and analysis so that a determination may be made on the technical feasibility of achieving the levels of income or production that are projected in the financial statements. The report shall also identify any constraints or limitations in these financial projections and any other facility or design-related factors which might affect the success of the enterprise. The report shall also identify and estimate project operating and development costs and specify the level of accuracy of these estimates and the assumptions on which these estimates have been based. For the purpose of the technical feasibility reports, the project engineer or architect may be considered an independent party provided neither the principals of the firm nor any individual of the firm who participates in the technical feasibility report has a financial interest in the project, and provided further that no other individual or firm with the expertise necessary to make such a determination is reasonably available to perform the function.

(d) Financial feasibility. An opinion on the reliability of the financial projections and the ability of the business to achieve the projected income and cash flow. An assessment of the cost accounting system, the availability of short-term credit for seasonal business, and the adequacy of raw materials and supplies.

(e) Management feasibility. Evidence that continuity and adequacy of management has been evaluated and documented as being satisfactory.

ooo

(12-23-96) SPECIAL PN

NAICS/SIC Codes for ULABs Acquisition

423110 Automobile and Other Motor Vehicle Merchant Wholesalers 5012 Automobiles and Other Motor Vehicles
423120 Motor Vehicle Supplies and New Parts Merchant Wholesalers 5013 Motor Vehicle Supplies and New Parts
423130 Tire and Tube Merchant Wholesalers 5014 Tires and Tubes
423140 Motor Vehicle Parts (Used) Merchant Wholesalers 5015 Motor Vehicle Parts, Used
425120 Wholesale Trade Agents and Brokers 5012 Automobiles and Other Motor Vehicles
425120 Wholesale Trade Agents and Brokers 5013 Motor Vehicle Supplies and New Parts
425120 Wholesale Trade Agents and Brokers 5014 Tires and Tubes
425120 Wholesale Trade Agents and Brokers 5015 Motor Vehicle Parts, Used
425120 Wholesale Trade Agents and Brokers 5021 Furniture
441110 New Car Dealers 5511 New and Used Car Dealers
441120 Used Car Dealers 5521 Used Car Dealers
441210 Recreational Vehicle Dealers 5561 Recreational Vehicle Dealers
441222 Boat Dealers 5551 Boat Dealers
441228 Motorcycle, ATV, and All Other Motor Vehicle Dealers 5571 Motorcycle Dealers
441228 Motorcycle, ATV, and All Other Motor Vehicle Dealers 5599 Automotive Dealers, Nec
441310 Automotive Parts and Accessories Stores 5013 Motor Vehicle Supplies and New Parts
441310 Automotive Parts and Accessories Stores 5015 Motor Vehicle Parts, Used
441310 Automotive Parts and Accessories Stores 5531 Auto and Home Supply Stores
441310 Automotive Parts and Accessories Stores 5731 Radio, Television, and Electronic Stores
441320 Tire Dealers 5014 Tires and Tubes
441320 Tire Dealers 5531 Auto and Home Supply Stores
517110 Wired Telecommunications Carriers 4813 Telephone Communication, Except Radio
517110 Wired Telecommunications Carriers 4822 Telegraph and Other Communications
517110 Wired Telecommunications Carriers 4841 Cable and Other Pay Television Services
517110 Wired Telecommunications Carriers 7375 Information Retrieval Services
517210 Wireless Telecommunications Carriers (except Satellite) 4812 Radiotelephone Communication
517210 Wireless Telecommunications Carriers (except Satellite) 4812 Radiotelephone Communication
517210 Wireless Telecommunications Carriers (except Satellite) 4899 Communication Services, Nec
517410 Satellite Telecommunications 4899 Communication Services, Nec
517911 Telecommunications Resellers 4812 Radiotelephone Communication
517911 Telecommunications Resellers 4813 Telephone Communication, Except Radio
517919 All Other Telecommunications 4899 Communication Services, Nec
517919 All Other Telecommunications 7375 Information Retrieval Services
518210 Data Processing, Hosting, and Related Services 7374 Data Processing and Preparation
518210 Data Processing, Hosting, and Related Services 7379 Computer Related Services, Nec
518210 Data Processing, Hosting, and Related Services 7389 Business Services, Nec

721211 RV (Recreational Vehicle) Parks and Campgrounds 7033 Trailer Parks and Campsites
721214 Recreational and Vacation Camps (except Campgrounds) 7032 Sporting and Recreational Camps
811111 General Automotive Repair 7538 General Automotive Repair Shops
811112 Automotive Exhaust System Repair 7533 Auto Exhaust System Repair Shops
811113 Automotive Transmission Repair 7537 Automotive Transmission Repair Shops
811118 Other Automotive Mechanical and Electrical Repair and Maintenance
7539 Automotive Repair Shops, Nec
811191 Automotive Oil Change and Lubrication Shops 7549 Automotive Services, Nec
811192 Car Washes 7542 Carwashes
811198 All Other Automotive Repair and Maintenance 7534 Tire Retreading and Repair Shops
811198 All Other Automotive Repair and Maintenance 7539 Automotive Repair Shops, Nec
811198 All Other Automotive Repair and Maintenance 7549 Automotive Services, Nec
811211 Consumer Electronics Repair and Maintenance 7622 Radio and Television Repair

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withheld:

5 U.S.C. § 552, Exemption (b)(4) of the FOIA protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.

USDA Rural Development **Nevada**

PROJECT: Aqua Metals Reno, Inc.

RD Program: Guaranteed Business & Industry Loan

Amount: $10,000,000 **Year:** FY 2015

Photo Description:

Ground breaking for 125,000 square foot aqua-refining facility in the Tahoe Reno Industrial Center, Storey County.

Outcome: New start-up business access to $10,000.000 loan guarantee which will supplement company's $23,000,000 investment to construct the first of its kind of lead acid battery recycling plant.

Business Recipient: Aqua Metals Reno, Inc. a subsidiary of Aqua Metals, Inc. an Oakland, CA based disruptive technology company.

Loan Guarantee Recipient and Staff: Green Bank, NA based in Houston, TX working in conjunction with North Avenue Capital, a Texas based loan packager: Alex Lewis and Eric Johnson.

Partners: North Avenue Capital, Storey County, Tahoe Reno Industrial Center, Miles Construction (Carson City), and USDA Rural Development.

Discussion/Background: Aqua Metals, Inc. developed a new aqua based refining technology to recycle the lead from lead acid batteries (LABs) which are currently being recycled via a high temperature smelting processing operation. This older smelting process has been in existence over 100 years in the United States. It is energy intensive and highly polluting to the environment. The new "aqua refining" process will disrupt the lead smelting industry as the new technology is scalable and replicable so the processing/recycling of lead from used LABs can be completed in facilities around the USA and world in much cleaner fashion with no lead contamination to surrounding environment.

FEASIBILITY STUDY
AQUA METALS INC

AquaMetals

Prepared For:

Dr. Stephen Clarke

CEO/President

Aqua Metals Inc.

RYANTEL LLC
COLLABORATIVE RENEWABLE ENERGY SOLUTIONS

Prepared By:

Dr. Maggie Teliska

Owner

RyanTel LLC

000770

Attn: Dr. Stephen Clarke

Aqua Metals

Reference: USDA Loan for Aqua Metals Inc.

RyanTel, LLC Job AMI001 Technical Feasiility

I. At the request of Aqua Metals Inc. and North Investment group I have completely vetted the information provided by Aqua Metals Inc. in anticipation of securing a loan for their future production facility to be built in the Tahoe Reno Industrial Complex in Reno NV. Please find the summary of my findings below:

A. ***Aqua Metals Inc. Description:*** Aqua Metals Inc. has developed an environmentally clean alternative to refining and recycling lead. Using a biodegradable and safe solvent extraction, lead is refined via an electrochemical process to produce pure lead (LME grade >99.995% pure) through their novel process called "AquaRefining". AquaRefining is a more cost effective operating method than smelting. The process is also environmentally clean, emitting no toxic substances into the air or water streams. The first Aqua Metals Inc. production site will be located in Reno, NV and is scheduled to begin build-out in mid-2015.

B. ***Marketing Plan Assessment:*** (b) (4)

(b) (4)

C. ***Operational and Technical Plans Assessment:*** (b) (4)

(b) (4)

(b) (4)

[1] http://www.reno.gov/business/reno-s-economy

USA Parkway which will connect to HWY 50 reducing the time to commute (45 minutes) to other major metropolitans areas such as Las Vegas and Southern California.[2]

D. ***Financial Assessment:*** A review of Aqua Metals Inc. cost model and cost estimations show a profitable business model. The operating costs are detailed out and fluctuations in any of the key variables which have been analyzed is not considered a high risk with the information provided. (b) (4)

(b) (4)

II. Final Summary

A review of Aqua Metals Inc. marketing, technical, operation, and financial models shows that they are well positioned for a successful launch. At a time when the lead acid battery industry has been reflected negatively in the press, end customers are becoming more aware of the impact on health and the environment of their lead acid batteries. Currently there are no other alternative technologies commercially available to recycle lead. Aqua Metals Inc. has developed an alternative environmentally clean process to meet the needs that are evolving due to increasing regulatory, environmental and health issues associated with current lead recycling technology. The timing to introduce a clean environmentally friendly lead recycling process has never been better. They are providing a new cleaner alternative for lead refining and recycling that has the potential to replace all of the current smelting technology in the market.

(b) (4)

[2] http://www.tahoereno.com/maps/

Project Description and Justification

A. Description of the project

Aqua Metals Inc. is a Delaware based corporation in the business of recycling lead acid batteries using proprietary refining technology. For compliance with USDA funding Aqua Metals Inc. must provide a feasibility study done by an outside consultant to assess the following: economic feasibility, market feasibility, technical feasibility, financial feasibility and management feasibility. [Ref RD Instruction 4279-B Appendix A]

B. General setting and need for project

To comply with the USDA funding requirements Aqua Metals Inc. secured outside consulting with Dr. Teliska of RyanTel LLC. Dr. Teliska was chosen and approved by both Aqua Metals Inc. and the USDA to conduct this technical feasibility study for Aqua Metals Inc.

C. Work already completed, pertinent dates, and those involved in the project

Aqua Meals provided documents to Dr. Teliska via email for review prior to the onsite visit. The onsite visit by Dr. Teliska was done on February 3-4, 2015 at Aqua Metals Inc. Oakland CA office and pilot production facility. During this time Dr. Teliska worked with the Aqua Metals Inc. leadership team: Dr. Stephen Clarke, CEO, Steve Cotton, CCO and Selwyn Mould, COO and Thomas Murphy CFO.

USDA

United States Department of Agriculture

Rural Development

Nevada State Office

1390 S. Curry St.
Carson City, NV
89703

Voice 775.887.1222
Fax 855.816.1209

July 20, 2015

TO: Brenda Griffin
Branch Chief
National Office Business & Industry, Loan Processing Branch

FROM: Sarah Adler
State Director
Nevada State Office

SUBJECT: Business and Industry Guaranteed Program
Aqua Metals Reno, Inc.
Request for a 90 Percent Guarantee

We are requesting a 90 percent guarantee for the subject application. I certify that the borrower's business is consistent with RD Instruction 4279-B, § 4279.107(a). The borrower's business is a high impact business development investment in accordance with § 4279.155(b)(5) and is located in a rural community that is experiencing trauma as a result of natural disaster.

This high impact project has a priority point score of 52, and the Application Priority Points Scoring is attached. The project also qualifies for an additional 13 points as a Strategic Economic and Community Development (Section 6025) Priority project. Also attached is the lender's letter requesting the 90 percent guarantee and providing its reasons why the loan will not be made without the enhanced guaranteed percentage. The B&I LAPAS sheet for the loan is also attached.

The $10,000,000 loan will be guaranteed after construction and will finance the purchase of land and construction of a building for a lead recycling business that will use a proprietary technology to process pure lead without using a highly polluting lead smelter.

Please contact Herb Shedd, Business and Cooperative Programs Director, at 775-887-1222, ext. 119 or herb.shedd@nv.usda.gov if you have any questions.

Attachments

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html , or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov

United States Department of Agriculture

Field Contact: Mark Williams
Phone: 775-887-1222, ext. 116
Obligation Date: TBD

PROJECT INFORMATION

Rural Development has approved a conditional commitment for a guaranteed loan of $10,000,000

Program:	Business and Industry Guaranteed Loan
State:	Nevada
County:	Storey
Congressman, District:	Mark Amodei, 02
Senators:	Harry Reid and Dean Heller
Borrower:	Aqua Metals Reno, Inc.
Borrower Contact:	(b) (4)
Mailing Address:	501 23rd Avenue, Oakland, CA 94606
Email Address:	(b) (4)
Telephone:	
Project Description:	Funds will be to purchase land and construct a building for the business. The business will use a disruptive technology to recycle lead from used lead acid batteries. The proprietary process will avoid the use of a smelter which is a highly polluting process. The project (b) (4)
Lender:	Green Bank
Other Funding:	(b) (4) Borrower Contribution/Equity
Total Project Cost:	(b) (4)

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Revised: 04/22/2013

BUSINESS AND INDUSTRY
APPLICATION PRIORITY POINTS SCORING

Date: **7/9/2015**

Name **Aqua Metals Reno, Inc.**

State **Nevada**

List the maximum points the applicant is eligible for under each category. See § 4279.155 of this subpart for information on how to determine points.

1. *Population priority.*

Located in an unincorporated area or in a city with under 25,000 population. Population data can be obtained from: http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml

10 Points **10**

The project will be located at the Tahoe Reno Industrial Center in McCarran, Storey County, NV. No specific Census data on McCarran however, all of Storey County only contains 4,010 people.

2. *Community priority.*

A. Located in an eligible area of long term population decline and job deterioration based on reliable statistical data. In order to receive points for the project being located in an area of long-term population decline and job deterioration, both of the criteria must be met and documented. The following link should be used to document the long term population decline criterion: http://www.census.gov/population/www/censusdata/cencounts/index.html

5 Points **0**

B. Located in a rural community that has remained persistently poor over the last 60 years. The Agency may accept ERS data as evidence of persistent poverty. ERS has the best available data on persistent poverty counties, which are counties where the poverty rate is 20 percent or more. This data only goes back to 1970 and can be found at: http://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being/geography-of-poverty.aspx

5 points **0**

C. Located in a rural community that is experiencing trauma as the result of a natural disaster or experiencing fundamental structural changes in its economic base. To be awarded these points, the community must still be recovering from the effects of the natural disaster (normally not to exceed 2 years from the date of issuance of the disaster declaration but major disasters, such as Hurricane Katrina, could be much longer). Natural disasters may be found at: http://www.fema.gov/disasters/

5 points 5

All 16 counties in Nevada have been declared disaster areas due to the continued drought now in its fourth year.

D. Located in a city or county with an unemployment rate 125 percent of the statewide rate or greater. The most recent statewide unemployment rate may be found at: http://www.bls.gov/cps/ 5 points 0

3. *Empowerment Zone/Enterprise Community (EZ/EC). (Cannot exceed a total of 10 points).*

A. Located in EZ/EC designated area. EZ/EC Communities may be found at: http://egis.hud.gov/ezrclocator/

10 points 0

B. Located in a non-designated EZ/EC applicant community. A Champion Community is a community which developed a strategic plan to apply for an EZ/EC designation, but not selected as a designated EZ/EC Community. Champion Communities may be found at: http://www.rurdev.usda.gov/rbs/ezec/communit/champions.html

5 points 0

4. *Loan features.*

A. Lender will price the loan at the Wall Street Journal published Prime Rate plus 1.5 percent or less. The rate the lender proposes to charge must be the equivalent of or less than WSJ Prime +1.5 percent. Floor rates in excess of these rates cannot be awarded priority points. The current WSJ Prime Rate may be found at: http://www.bankrate.com/rates/interest-rates/wall-street-prime-rate.aspx 5 points 0

B. Lender will price the loan at the Wall Street Journal published Prime Rate plus 1 percent or less. The rate the lender proposes to charge must be the equivalent of or less than WSJ Prime +1 percent. Floor rates in excess of these rates cannot be awarded priority points. If this condition is met, the application will receive the five points under paragraph (b)(4)(i) of section 4279.155 and the five points under this paragraph. The current WSJ Prime Rate may be found at: http://www.bankrate.com/rates/interest-rates/wall-street-prime-rate.aspx 5 points 0

C. *The Agency guaranteed loan is less than 50 percent of project cost.* *5 points* ___0___

D. *Percentage of guarantee is 10 or more percentage points less than the maximum allowable for a loan of its size. In order to receive these points, a project that would qualify for an 80 percent guarantee must have a 70 percent or less guarantee, a project that would qualify for a 70 percent guarantee must have a 60 percent or less guarantee, and a project that would qualify for a 60 percent guarantee must have a 50 percent or less guarantee. You may not consider 90 percent guarantees the maximum allowed since a 90 percent guarantee requires an exception to the regulations.* *5 points* ___0___

5. *High impact business investment priorities (Total score for the following three categories:*

A. *Industry.*

(i) Industry that has 20 percent or more of its sales in international attractions. Verifiable sales documentation or projections supported by a feasibility study must be provided to support these points. *5 points* ___5___

As stated in the feasibility study completed on the project, the company will initially be selling its recycled lead products (b) (4) [redacted]

(ii) Industry that is not already present in the community. In order to receive these points, a project must be a new business with no businesses in that same industry already present in the community. *5 points* ___5___

There are no other used lead acid battery (ULAB) recycling operations within northern Nevada.

B. *Business*.

(i) Business that offers high value, specialized products and services that command high prices. In order to receive these points, both criteria must be met (high value and specialized), and it must be thoroughly documented on the scoresheet what high value, specialized products and services the business provides. *2 points* **2**

Although lead is definitely not considered a "precious metal" thus not commanding the high dollar amount that gold or platinum would, but the pure lead product, which requires distinct refining, would [redacted]

(ii) Business that provides an additional market for existing local businesses. This means that the business sells product or provides services to existing local businesses. *3 points* **3**

[redacted]

(iii) Business that is locally owned and managed. Locally owned and managed means that the owners and managers reside within the local commuting area. *3 points* **0**

(iv) Business that will produce a natural resource value-added product. In order to receive these points, the business must manufacture a product from a natural resource. RD Instruction 4279-A, section 4279.2 defines a natural resource value-added product as any naturally occurring product that is processed to add value to the product. 2 points **2**

In this particular case lead ore is a natural occurring product that is mined, or extracted, from certain deposits around the globe. Refining that lead ore into pure lead ingots typically involves a high temperature smelter process with numerous byproducts, most of which are very unhealthy. (b) (4) [redacted]

C. *Occupations (Cannot exceed 10 points).*

(i) Business that creates jobs with an average wage exceeding 125 percent of the Federal minimum wage. The Federal minimum wage may be found at: http://www.laborlawcenter.com/t-federal-minimum-wage.aspx 5 points _____

(ii) Business that creates jobs with an average wage exceeding 150 percent of the Federal minimum wage. The Federal minimum wage may be found at: http://www.laborlawcenter.com/t-federal-minimum-wage.aspx 10 points **10**

The company projects (b) (4) **at the start-up of operations with an average wage of** (b) (4) **exceeds the Federal minimum wage of $7.25 over threefold (26.15/7.25 = 3.61).**

6. State Director's administrative points: (May be up to 10 points). Attach justification. **10**

Under Nevada AN No. 1315 regarding State Director's administrative points for the guaranteed B&I program, distribution of funds for manufacturing projects in Nevada receive the maximum 10 points.

Total Points **52**

(b) (4) [redacted]

Date July 9, 2015

Title Business & Cooperative Programs Director

GREEN BANK®

July 14, 2015

Herb Shedd
Business and Cooperative Programs Director
US Department of Agriculture
Rural Development
1390 S. Curry Street
Carson City, NV 89703

Re: Aqua Metals, Inc - $10MM Business & Industry Loan
Lender: Green Bank

Mr. Shedd:

Based on USDA regulation 4279-B § 4279.119(b)(1), we respectfully request the USDA RD Nevada office consider proceeding with providing a 90% guarantee on this loan, as our institution will not approve the loan internally without the enhanced guarantee.

It is our understanding the USDA can allow a 90% guarantee on a loan for $10,000,000 or less if the loan is considered a high priority loan based on the B&I scoring system with the State Director and Administrator having authority to award additional discretionary points at their discretion. Utilizing the USDA scoring sheet, the Aqua Metals, Inc. loan has (b) (4) discretionary points awarded, and in our opinion, meets the minimum required per the USDA to be eligible for a 90% guarantee loan as it is considered a high priority loan.

The Aqua Metals project will provide quality jobs as they will have an average wage of (b) (4) ***which is*** (b) (4) ***than the $9.06/hourly rate*** required per the USDA. The attached sheet is the actual staffing list of the employees that will be employed at the facility if the loan were to be approved. Based on this sheet, the Borrower will be creating ***45 new jobs*** in the community of Storey County, Nevada.

Finally, the requested terms from the borrower is for a full amortizing USDA B&I loan and our loan policies do not allow us to fund a loan with no call provisions. In addition, the credit is a startup facility outside our target geographic footprint with loan proceeds of $10MM, therefore, we are requesting a 90% guarantee to mitigate this enhanced liquidity and credit risk to our bank.

Based on the information above, the Aqua Metals credit merits itself as a "high priority" loan and is eligible for the 90% guarantee and we respectfully request it be submitted to the national office for approval at a 90% guarantee.

Sincerely,

(b) (4)

Senior Vice President

Attachment to Form RD 4279-3, "Conditional Commitment"
Aqua Metals Reno, Inc. 33-015-136629165
$10,000,000 Business & Industry (B&I) Guaranteed Loan
Approval Date: 07/24/2015

LOAN PURPOSE:

1. The purpose of the loan is to provide long-term financing for the construction of an approximately 125,000 sq. ft. building and loan fees and costs at a commercial property located at 2500 Peru Drive, McCarran, Nevada 89434 to be used as a lead recycling facility. Funds will be used for construction costs of the facility(b) (4) [redacted]

PERCENTAGE OF GUARANTEE:

2. A 90% guarantee will be issued prior to the substantial completion of development work when the terms of this Conditional Commitment have been met. Construction conditions are outlined below which will address construction requirements.

INTEREST RATE AND TERM:

3. [redacted]

RENEWAL FEE:

4. [redacted]

COLLATERAL:

5. [redacted]

§ 4279.181 Conditions precedent to issuance of Loan Note Guarantee.

The Loan Note Guarantee will not be issued until the lender, including a CLP lender, certifies to the following:

(a) No major changes have been made in the lender's loan conditions and requirements since the issuance of the Conditional Commitment, unless such changes have been approved by the Agency.

(b) All planned property acquisition has been or will be completed, all development has been or will be substantially completed in accordance with plans and specifications, conforms with applicable Federal, state, and local codes, and costs have not exceeded the amount approved by the lender and the Agency.

(c) Required hazard, flood, liability, worker compensation, and personal life insurance, when required, are in effect.

(d) Truth-in-lending requirements have been met.

(e) All equal credit opportunity requirements have been met.

(f) The loan has been properly closed, and the required security instruments have been obtained or will be obtained on any acquired property that cannot be covered initially under State law.

(g) The borrower has marketable title to the collateral then owned by the borrower, subject to the instrument securing the loan to be guaranteed and to any other exceptions approved in writing by the Agency.

(h) When required, the entire amount of the loan for working capital has been disbursed except in cases where the Agency has approved disbursement over an extended period of time.

(i) When required, personal, partnership, or corporate guarantees have been obtained.

(j) All other requirements of the Conditional Commitment have been met.

(k) Lien priorities are consistent with the requirements of the Conditional Commitment. No claims or liens of laborers, subcontractors, suppliers of machinery and equipment, or other parties have been or will be filed against the collateral and no suits are pending or threatened that would adversely affect the collateral when the security instruments are filed.

(1) The loan proceeds have been or will be disbursed for purposes and in amounts consistent with the Conditional Commitment and Form 4279-1. A copy of the detailed loan settlement of the lender must be attached to support this certification.

(m) There has been neither any material adverse change in the borrower's financial condition nor any other material adverse change in the borrower, for any reason, during the period of time from the Agency's issuance of the Conditional Commitment to issuance of the Loan Note Guarantee regardless of the cause or causes of the change and whether or not the change or causes of the change were within the lender's or borrower's control. The lender must address any assumptions or reservations in the requirement and must address all adverse changes of the borrower, any parent, affiliate, or subsidiary of the borrower, and guarantors.

(n) None of the lender's officers, directors, stockholders, or other owners (except stockholders in an institution that has normal stockshare requirements for participation) has a substantial financial interest in the borrower and neither the borrower nor its officers, directors, stockholders, or other owners has a substantial financial interest in the lender. If the borrower is a member of the board of directors or an officer of a Farm Credit System (FCS) institution that is the lender, the lender will certify that an FCS institution on the next highest level will independently process the loan request and act as the lender's agent in servicing the account.

(o) The Loan Agreement includes all measures identified in the Agency's environmental impact analysis for this proposal (measures with which the borrower must comply) for the purpose of avoiding or reducing adverse environmental impacts of the proposal's construction or operation.

Green Bank hereby certifies that the above conditions precedent to issuance of the Loan Note Guarantee have been met for Aqua Metals Reno, Incorporated.

CERTIFIED BY;

GREEN BANK

BY: _____ DATE: _____

Attachment to Form RD 4279-3, "Conditional Commitment"
Aqua Metals Reno, Inc. 33-015-136629165
$10,000,000 Business & Industry (B&I) Guaranteed Loan
Approval Date: 07/24/2015

LOAN PURPOSE:

1. The purpose of the loan is to provide long-term financing for the construction of an approximately 125,000 sq. ft. building and loan fees and costs at a commercial property located at 2500 Peru Drive, McCarran, Nevada 89434 to be used as a lead recycling facility. (b) (4) [redacted]

PERCENTAGE OF GUARANTEE:

2. A 90 % guarantee will be issued after any development work is completed and the terms of this Conditional Commitment have been met.

INTEREST RATE AND TERM:

3. [redacted]

RENEWAL FEE:

4. [redacted]

COLLATERAL:

5. [redacted]

(b) (4)

(b) (4)

GUARANTOR(S):

(b) (4)

INSURANCE:

7. Hazard insurance naming the lender as mortgagee or loss payee, as applicable, will be maintained in an amount at least equal to the outstanding loan balance or the replacement value (whichever is greater) of the collateral. Hazard insurance includes fire, windstorm, lightning, hail, explosion, riot, civil commotion, aircraft, vehicle, marine, smoke, builder's risk during construction, and property damage. Worker's Compensation must be carried in accordance with State law.

   Key person life insurance is not required.

EQUITY:

8. (b) (4)

LOAN AGREEMENT:

9. A loan agreement between the lender and borrower will be executed which conforms to RD Instruction 4279-B, § 4279.161(b)(11).

   a. The borrower must obtain audited financial statements annually, prepared in accordance with Generally Accepted Accounting Principles, and submit them to the lender within 90 days of the business' fiscal yearend. Financial statements will contain, at a minimum, a balance sheet and a profit and loss statement reflecting the financial condition of the borrower as of its yearend. The lender is responsible for obtaining all required financial statements from the borrower, analyzing them, and providing copies of statements with a detailed written analysis to Rural Development within 120 days.

   b. All personal and commercial guarantors of this loan must provide annual financial statements to the lender within 90 days of guarantor's fiscal or calendar yearend.

   c. The borrower will refrain from co-signing or otherwise becoming liable for obligations or liabilities of others.

   d. Dividend payments will be limited to an amount that, when taken, will not adversely affect the repayment ability of the borrower. No dividend payments will be made unless (1) an after-tax profit was made in the preceding fiscal year, (2) the borrower is and will remain in compliance with covenants of the Loan Agreement and Conditional Commitment, (3) all borrower debts are paid to a current status, and (4) prior written concurrence of the lender is obtained. This is not intended to apply to dividend payments to cover personal tax liability resulting from profitability of the business.

   e. Borrower will not invest in additional fixed asset purchases in an annual aggregate of more than (b) (4) without concurrence of the lender. Borrower will not lease, sell, transfer, or otherwise encumber fixed assets without the concurrence of the lender. Disposition of fixed assets serving as collateral for this loan must also have the concurrence of Rural Development.

   f. Compensation of officers and owners will be limited to an amount that, when taken, will not adversely affect the repayment ability of the borrower. This amount may not be increased year to year unless (1) an after-tax profit was made in the preceding fiscal year, (2) the borrower is and will remain in compliance with covenants of the Loan Agreement and Conditional Commitment, (3) all borrower debts are paid to a current status, and (4) prior written concurrence of the lender is obtained.

   g. Borrower's debt-to-net worth, based upon yearend financial statements and as defined by Generally Accepted Accounting Principles, shall not exceed 1 to 1, and the Borrower's current ratio, similarly defined, shall not fall below 1.5 to 1.

   h. Borrower shall not enter into any merger or consolidation or sell the business without prior written concurrence of the lender.

i. Outside investment and loans/advances to stockholders, owners, officers, or affiliates require the prior written consent of the lender. Loans from stockholders, owners, officers or affiliates must be subordinated to the guaranteed loan or converted to stock. No payments are to be made on these debts unless the B&I loan is current and in good standing.

ENVIRONMENTAL:

10. The lender will take action to ensure that all construction associated with this credit facility and the continuing operations of the business are completed in accordance with applicable Federal, State, and local laws, regulations, and ordinances, as related to any adverse impact the project/operations may potentially have on the environment.

The borrower will be required to comply with the following measures, identified in Rural Development's environmental review process, to avoid or reduce adverse environmental impacts from this project's construction or operation as follows:

A pedestrian archeological survey of the project site is requested by the Nevada State Historic Preservation Office prior to construction. A copy of the report is to be provided to the Agency.

The borrower is to mitigate potential storm run off during the construction of the project using best management practices.

Documentation that is required to be submitted to the State Department of Environmental Protection for hazardous material permit compliance is to be provided to the Agency.

Indicate restrictions on storage of hazardous materials on the security property.

APPRAISAL:

(b) (4)

CONSTRUCTION:

12. This project involves construction. The lender must ensure that all project facilities are designed and completed in accordance with accepted architectural and engineering practices and conform to applicable Federal, State, and local codes and to approved plans, specifications, and contract documents. The lender will also ensure that the project will be completed with available funds and, once completed, will be used for its intended purpose and produce products in the quality and quantity proposed in the

completed application approved by the Agency. Furthermore, B&I Guaranteed Loans that involve the construction of or addition to commercial facilities that accommodate the public must comply with the Americans with Disabilities Act which became effective January 26, 1992. For all construction contracts in excess of $10,000, the contractor must comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 and supplemented by Department of Labor regulations 41 CFR, part 60. The borrower and lender are responsible for ensuring that the contractor complies with these requirements.

The lender is to ensure that all work is properly planned and carried out. The lender will monitor the progress of design and construction and undertake the reviews and inspections necessary to ensure that construction is done in accordance with RD Instruction 4279-B, section 4279.156, and conforms to applicable Federal, State, and local code requirements. Copies of any written inspections will be furnished to the lender and the Agency. Proceeds are to be used in accordance with approved plans, specifications, and contract documents, and funds are to be used for eligible project costs. Prior to disbursement of construction funds, the lender ordinarily will have:

a. Have a complete set of plans and specifications for the project on file, as well as the required building permits with sign-offs and provide a complete set of plans and specifications to the Agency for its review.

b. Require the use of American Institute of Architects (AIA) contracts and documents.

c. Have a detailed timetable for the project with a corresponding budget of costs, setting forth the parties responsible for payment. The timetable and budget must be agreed to by the borrower.

d. Have a qualified individual confirm that the budget is adequate for the planned development.

e. Have firm construction contract costs and provisions for change order approvals, a retainage percentage, and a disbursement schedule.

f. Make sure the borrower has 100 percent performance/payment bonds on the contractor or provide a construction monitoring plan acceptable to the Agency. The bonding agent must be listed on Treasury Circular 570.

g. Have contingencies in place to handle foreseeable cost overruns without seeking additional guaranteed B&I assistance. These are to be agreed to by the borrower.

Furthermore, once construction begins, the lender is to:

h. Use any borrower funds in the project first.

i. Have inspections made by a qualified individual prior to any progress payment.

j. Obtain lien waivers from all contractors prior to any disbursement.

l. Provide at least monthly, written reports to Rural Development on fund disbursement and project status.

Once construction is completed, the lender is to provide Rural Development with:

m. A copy of the Certificate of Occupancy or Notice of Completion.

LOAN GUARANTEE CLOSING:

13. GREEN BANK and AQUA METALS RENO, INC. must each execute Form AD-3031, "Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants," at loan closing and provide the forms to the Agency prior to issuance of the Loan Note Guarantee.

14. Coincident with, or immediately after loan closing, and prior to issuance of the guarantee, the lender will provide Rural Development with the following:

(b) (4)

b. An executed RD Form 4279-4, "Lender's Agreement."

c. A copy of the executed Loan Agreement that contains any continuing loan conditions set forth by the Agency in this Conditional Commitment.

d. A copy of the executed Promissory Note(s).

e. A copy of the executed Settlement Statement.

f. Original, executed Forms RD 4279-14, "Unconditional Guarantee," as required;

g. Original, executed Forms AD-3031, "Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants," for both the lender and borrower.

h. Written lender certification in accordance with RD Instruction 4279-B, § 4279.181.

i. Borrower's loan closing balance sheet, prepared in accordance with Generally Accepted Accounting Principles, demonstrating required tangible balance sheet equity. The balance sheet must reflect the business' post loan closing status.

15. The lender is required to hold in its own portfolio or retain a minimum (b) (4) of the total loan amount. The amount required to be retained must be of the unguaranteed portion of the loan and cannot be participated to another. The lender may sell the remaining amount of the unguaranteed portion of the loan only through participation.

16. Agency personnel and any person(s) accompanying Agency personnel shall be authorized to enter upon the premises and into any building thereon, whether permanent or temporary, jointly or separately, with

personnel of the lender to carry out the functions involving their interests. Scheduled and unscheduled inspections may be conducted by these personnel to determine the effectiveness of the loan program.

17. The lender will always retain responsibility for servicing the entire loan and for notifying the Agency of any violations of the terms of the Loan Agreement or Conditional Commitment. The lender will advise the Agency of the loan classification within 90 days of issuance of the guarantee and whenever the lender revises its classification of the loan.

18. Lender will become an approved participant in Rural Development's Lender Interactive Network Connection (LINC). The USDA eAuthentication is the system used by USDA agencies to enable customers to obtain accounts that will allow them to access USDA Web applications and services via the Internet. To conduct official business transactions, such as submitting annual renewal fees and borrower account status reporting using the LINC, the customer must have Level 2 eAuthentication credentials. You may work directly with the Rural Development Nevada State Office to accomplish this. The contact person is Laura Chavez who can be reached at (775) 887-1222, ext. 117. Please see attachment for additional information.

19. Any public body or nonprofit corporation that receives a guaranteed loan that meets the thresholds established by OMB Circulars A-128 or A-133 or successor regulations or circulars must provide an audit in accordance with the applicable circular or regulation for the fiscal year (of the borrower) in which the Loan Note Guarantee is issued. If the loan is for development or purchases made in a previous fiscal year through interim financing, an audit will also be provided for the fiscal year in which the development or purchases occurred.

20. [redacted]

[redacted]

22. By signing this Conditional Commitment, the lender and borrower certify that they understand and accept the conditions outlined herein. No provision stated herein shall be amended or waived without the prior written consent of the lender and Rural Development. Any loans or advances made to the Borrower by the Lender after issuance of the Loan Note Guarantee will not be covered by the guarantee, except authorized protective advances. Regulations contained in RD Instructions 4279-A and 4279-B, and Form RD 4279-4, "Lender's Agreement," will apply.

23. Any request for an extension of the expiration date of this Conditional Commitment must be made in writing and received by Rural Development prior to the expiration date. This request must be accompanied by a full explanation as to why the extension is needed.

(b) (4)

USDA

United States Department of Agriculture

Rural Development

Nevada State Office

1390 S. Curry St.
Carson City, NV
89703

Voice 775.887.1222
Fax 855.816.1209

July 20, 2015

TO: Brenda Griffin
Branch Chief
National Office Business & Industry, Loan Processing Branch

FROM: Sarah Adler
State Director
Nevada State Office

SUBJECT: Business and Industry Guaranteed Program
Aqua Metals Reno, Inc.
Request for a 90 Percent Guarantee

We are requesting a 90 percent guarantee for the subject application. I certify that the borrower's business is consistent with RD Instruction 4279-B, § 4279.107(a). The borrower's business is a high impact business development investment in accordance with § 4279.155(b)(5) and is located in a rural community that is experiencing trauma as a result of natural disaster.

(b) (4)

The $10,000,000 loan will be guaranteed after construction and will finance the purchase of land and construction of a building for a lead recycling business that will use a proprietary technology to process pure lead without using a highly polluting lead smelter.

Please contact Herb Shedd, Business and Cooperative Programs Director, at 775-887-1222, ext. 119 or herb.shedd@nv.usda.gov if you have any questions.

Attachments

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html , or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov

USDA

United States Department of Agriculture

Rural Development

Nevada State Office

1390 S. Curry St.
Carson City, NV
89703

Voice 775.887.1222
Fax 855.816.1209

August 5, 2015

Kevin Coffman
Senior Vice President
Green Bank
400 Greenbriar
Houston, TX 77098

RE: Aqua Metals Reno, Inc.
Conditional Commitment

Dear Mr. Coffman:

Please find your copy of Form 1940-3 "Obligation of Funds" enclosed. The obligation confirms that funding has been set-aside for the project. The Loan Note Guarantee will be issued when all conditions listed in the Conditional Commitment have been met.

Please read this letter carefully as it contains all of the instructions necessary to close the loan and obtain the loan note guarantee.

The following documents are enclosed:

1. Conditional Commitment (original and two)
The lender and borrower are to execute all three copies. Please return the USDA copy to our office immediately with the lender and borrower each retaining their respective copies. Be sure all copies are signed and dated appropriately. The bank cannot proceed to closing until the commitment is accepted and returned to Rural Development.

2. Certification of Conditions Precedent to Issuance of Loan Note Guarantee
The lender will execute the original (at the time of loan closing) and return it to our office.

3. Guaranteed Loan Closing Report
The lender will execute an original report for the loan. Please call our office if you need any assistance completing the form. Once complete, return the report our office with a check made payable to USDA Rural Development in (b) (4) [redacted] An approved copy will subsequently be sent to you.

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html , or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov

4. Loan Classification Form
The lender should complete the classification form and return it to Rural Development along with the loan closing report and other documents. At closing, the credit is ordinarily classified as "Current Non-Problem".

Lender Post-Closing Process

Once the loan closing has taken place, please return the following items to our office:

1. Copy of the loan disbursement (settlement) sheet documenting fully the use of loan proceeds.

2. Copy of the borrower's balance sheet as of the closing date being sure that the effect of the new loan is shown. Please refer to the specific balance sheet requirements for this transaction which are located in the Conditional Commitment.

3. Executed Certification of Conditions

4. Copies of all appropriate closing documents and security instruments.

5. Completed Loan Closing Report (Form 1980-19 described above).

6. Loan Classification Form.

Our office will review the closing documents and determine if all the requirements of the Conditional Commitment have been met. When all conditions have been met, the Loan Note Guarantee will be issued.

Please contact me at (775) 887-1222 ext. 116 or at mark.williams@nv.usda.gov if you have any questions.

Sincerely,

HERB SHEDD
Business and Cooperative Programs Director

Enclosures

CC: Alex Lewis and Eric Johnson, North Avenue Investors

USDA
United States Department of Agriculture

Rural Development

Nevada State Office

1390 S. Curry St.
Carson City, NV
89703

Voice 775.887.1222
Fax 855.816.1209

August 5, 2015

Kevin Coffman
Senior Vice President
Green Bank
4000 Greenbriar
Houston, TX 77098

RE: Aqua Metals Reno, Inc.
Conditional Commitment

Dear Mr. Coffman:

Please find your copy of Form 1940-3 "Obligation of Funds" enclosed. The obligation confirms that funding has been set-aside for the project. The Loan Note Guarantee will be issued when all conditions listed in the Conditional Commitment have been met including construction.

Please read this letter carefully as it contains all of the instructions necessary to close the loan and obtain the loan note guarantee.

The following documents are enclosed:

1. Conditional Commitment (original and two)
The lender and borrower are to execute all three copies. Please return the USDA copy to our office immediately with the lender and borrower each retaining their respective copies. Be sure all copies are signed and dated appropriately. The bank cannot proceed to closing until the commitment is accepted and returned to Rural Development.

2. Certification of Conditions Precedent to Issuance of Loan Note Guarantee
The lender will execute the original (at the time of loan closing) and return it to our office.

3. Guaranteed Loan Closing Report
The lender will execute an original report for the loan. Please call our office if you need any assistance completing the form. Once complete, return the report our office with a check made payable to USDA Rural Development in (b) (4) [redacted] An approved copy will subsequently be sent to you.

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html , or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov

4. Loan Classification Form
The lender should complete the classification form and return it to Rural Development along with the loan closing report and other documents. At closing, the credit is ordinarily classified as "Current Non-Problem".

Lender Post-Closing Process

Once the loan closing has taken place, please return the following items to our office:

1. Copy of the loan disbursement (settlement) sheet documenting fully the use of loan proceeds.

2. Copy of the borrower's balance sheet as of the closing date being sure that the effect of the new loan is shown. Please refer to the specific balance sheet requirements for this transaction which are located in the Conditional Commitment.

3. Executed Certification of Conditions

4. Copies of all appropriate closing documents and security instruments.

5. Completed Loan Closing Report (Form 1980-19 described above).

6. Loan Classification Form.

Our office will review the closing documents and determine if all the requirements of the Conditional Commitment have been met. When all conditions have been met, the Loan Note Guarantee will be issued.

Please contact me at (775) 887-1222 ext. 116 or at mark.williams@nv.usda.gov if you have any questions.

Sincerely,

MARK R. WILLIAMS
Business and Cooperative Programs Specialist

Enclosures

Page(s) 000799 thru 000805
withheld:

5 U.S.C. § 552(b)(5)

Permits withholding of information under the deliberative process privilege or information that could be withheld under civil discovery, attorney-client or attorney work product privilege.

Page(s) 000806 thru 000891
withheld:

5 U.S.C. § 552, Exemption (b)(4) of the FOIA protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.

Form RD 1980-88
(07-2015)

Form Approved
OMB No. 0570-0068

U.S. DEPARTMENT OF AGRICULTURE

Rural Development

STRATEGIC ECONOMIC AND COMMUNITY DEVELOPMENT (SECTION 6025) PRIORITY

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Act of 1995, as amended. The authority for requesting the following information is Section 9001 of the Agricultural Act of 2014 (Public Law 113-79). This information may be provided to other agencies, Internal Revenue Service, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 1001; 1014, 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

Attached to this form are detailed instructions, the Forms Manual Insert (FMI), for each section. Please refer to the FMI when completing this form for guidance. ***Use attachments as necessary.***

I. Applicant Information

A. Applicant Legal Name:

B. Applicant telephone number (b) (4)

C. Applicant email address: (b) (4)

D. If applicable, type of Government entity (check all that apply):

State ☐ County ☐ Municipal ☐ Tribal ☐ Not applicable ☑

II. Strategic Economic or Community Development Plan (the Plan) Information

A. Name of the Plan: Western Nevada Development District's Comprehensive Economic Development Strategy (CEDS) Plan

B. Plan Date:

1. Effective date of the Plan: November 2014

2. Dates Plan is in effect: November 2014 to October 2019

C. Plan Contact Information (if more rows are needed, please provide an attachment with the requested information):

Name: (b) (4) Organizatio Title:	Telephone Number: (b) (4)	Email Address:
Name: (b) (4) Organization Title:	Telephone Number: (b) (4)	Email Address:
Name: Organization: Title:	Telephone Number:	Email Address:

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-XXXX. The time required to complete this information collection is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

D. Describe the service area of the Plan. **In lieu of providing your own description, you may submit an excerpt from the Plan that describes the Plan's service area. If you are submitting an excerpt, please check this box:** ☑

This described the service area of the Plan.

E. Web site link for the Plan (if one is available): http://www.wndd.org/ceds/

III. Project Information:

A. Project Name: Aqua Metals Reno, Inc.

B. In order to be eligible for Section 6025 priority, the project must be "carried out solely in a rural area." Please answer both of the following questions. Note that the definition of "rural area" depends on the specific program you are applying for.

Is your project physically located in a rural area? Yes ☑ No ☐

Do all of the beneficiaries of the services provided by the Project either reside in a rural area if they are individuals) or are located in a rural area if they are businesses? Yes ☑ No ☐

C. If you are one or more of the Government entity types identified in Block I.D above, attach a letter from the appropriate entity(ies) indicating that the Project is consistent with the Plan and that the Plan has been Adopted.

IV. Scoring Information for Section 6025 Priority:

A. Scoring of the Proposed Project

For each of the Plan's objectives that the proposed project directly supports, complete Attachment A. Information provided in Attachment A will be used to determine how many Section 6025 priority points will be awarded in accordance with § 1980.1020(b)(1).

B. Scoring of the Plan.

Attach documentation that addresses each of the five areas described below. Information provided will be used to determine how many Section 6025 priority points will be awarded in accordance with § 1980.1020(b)(2).

1. The Plan was developed through the collaboration of multiple stakeholders in the service area of the plan, including the participation of combinations of stakeholders
2. The Plan demonstrates an understanding of the applicable region's assets that could support the Plan
3. Whether or not the Plan includes monetary or non-monetary contributions from Federal agencies other than the U.S. Department of Agriculture
4. Whether or not the Plan includes monetary or non-monetary contributions from one or more philanthropic organizations
5. The Plan contains clear objectives, the ability to establish measurable performance measures and to track progress towards meeting the Plan's objectives

V. Agency Coordination

A. Program area(s) for which Section 6025 priority is being requested (check all that apply):

Business and Cooperative Development - Business and Industry Guaranteed Loan Program: ☑
Business and Cooperative Development - Rural Business Development Grant Program: ☐
Rural Community Facilities - Community Facilities Grant Program: ☐
Rural Community Facilities - Community Facility Loans: ☐
Rural Community Facilities - Community Programs Guaranteed Loans: ☐
Rural Community Facilities - Fire and Rescue and Other Small Community Facilities Projects: ☐
Rural Utilities - Water and Waste Disposal Programs Guaranteed Loans: ☐
Rural Utilities - Water and Waste Disposal Loans and Grants: ☐

B. Multiple Program Applications (if applicable). If you are submitting two or more program application for Section 6025 priority in the same Federal fiscal year, provide the following information on each program application(s).

1a. Project Name:	**2a. Program Area(s) for which Section 6025 priority is requested (check all that apply):** Business and Cooperative Development ☐ Rural Community Facilities: ☐ Rural Utilities: ☐	**3a. Date application submitted:**
1b. Project Name:	**2b. Program Area(s) for which Section 6025 priority is requested (check all that apply):** Business and Cooperative Development ☐ Rural Community Facilities: ☐ Rural Utilities: ☐	**3b. Date application submitted:**
1c. Project Name:	**2c. Program Area(s) for which Section 6025 priority is requested (check all that apply):** Business and Cooperative Development ☐ Rural Community Facilities: ☐ Rural Utilities: ☐	**3c. Date application submitted:**

C. Previous Program Application Information: If you previously submitted one or more program applications for Section 6025 priority, provide Attachment B for each previous program application.

VI. Certification of Documentation and Acceptance:

CERTIFICATION AND ACCEPTANCE

I certify that, to the best of my knowledge and belief, the information included with this Form RD 1980-88, including all attachments, are true and correct.

_____
Signature

By: (b) (4) _____ **(Officer, Member, Partner, Proprietor)**

Title:

Date:

ATTACHMENT A – PLAN OBJECTIVES

Fill out Attachment A for each Plan objective that the proposed project directly supports. Make copies as needed.

I. Name of Plan Objective that the proposed project directly supports.

Manufacturing - Increase manufacturing capacity and output across the Region

II. Description of Plan Objective. You may either describe the objective or attach excerpts from the Plan that describe the objective. If you are submitting excerpts, please check this box: ☑

III. Description of how the proposed project directly supports the objective.

This start-up manufacturer is proposing to construct its first facility in the Tahoe Reno Industrial Center, located in Storey County, one of WNDD's local government members. The California based company choose the area due to its logistical advantage on the western US and business environment in the State of Nevada.

ATTACHMENT B – PREVIOUS PROGRAM APPLICATIONS

Fill out Attachment B for each program application previously submitted for Section 6025 priority. Make copies as needed.

I. Date Application Submitted:	**II. Project Name:**	**III. Program Area(s) for which Section 6025 priority was sought (check all that apply):** Business and Cooperative Development ☐ Rural Community Facilities: ☐ Rural Utilities: ☐
IV. Was the project selected for funding? (check applicable box) ☐ Yes. If you check this box, complete Block V ☐ No. If you check this box, do not complete Block V		
V. Funded Project Information		

i. Name of program(s) that provided the funding.	**ii. Date of Award**	**iii. Amount of Award**	**iv. Did any portion of the funding come from Section 6025 reserved funds?**
			☐ Yes ☐ No ☐ Unsure
			☐ Yes ☐ No ☐ Unsure
			☐ Yes ☐ No ☐ Unsure

I. Date Application Submitted:	**II. Project Name:**	**III. Program Area(s) for which Section 6025 priority was sought (check all that apply):** Business and Cooperative Development ☐ Rural Community Facilities: ☐ Rural Utilities: ☐
IV. Was the project seleted for funding? (check applicable box) ☐ Yes. If you check this box, complete Block V ☐ No. If you check this box, do not complete Block V		
V. Funded Project Information		

i. Name of program(s) that provided the funding.	**ii. Date of Award**	**iii. Amount of Award**	**iv. Did any portion of the funding come from Section 6025 reserved funds?**
			☐ Yes ☐ No ☐ Unsure
			☐ Yes ☐ No ☐ Unsure
			☐ Yes ☐ No ☐ Unsure

INSTRUCTIONS FOR FORM RD 1980-88

The following information is based on the programmatic requirements for the Strategic Economic and Community Development found in 7 CFR 1980, subpart K.

Form RD 1980-88 - Strategic Economic and Community Development (Section 6025) Priority

Block I.A, B, and C — Self-explanatory. If you are submitting this form at the same time as the program's application, to the extent this information is contained in the application for the program for which Section 6025 priority is requested, please be sure to be consistent with that information.

Block I.D — The purpose of this question is to identify whether the applicant or any of the co-applicants are classified as one of these four government types. This information is needed because the authorizing statute requires such entities applying for Section 6025 priority to include an indication of consistency with an adopted regional economic or community development plan. If you check one or more the government type blocks, then Block III.D applies to you. If you and all co-applicants (if any) are not one of the four government types, check the Not Applicable box.

Block II.A — Provide the name of the strategic economic or community development plan (the Plan) that the project supports.

Block II.B.1 — Provide the date the Plan was put into effect.

Block II.B.2 — If the Plan is effective over a specified period of time, identify the time period. If the Plan is "open ended," leave this block empty.

Block II.C — Provide the name, telephone number, and email address of the primary contact of the Plan identified in Block II.A. If there are multiple contacts, please provide this information for each. Use additional sheets if necessary.

Block II.D — Describe the service area covered by the Plan. Alternatively, you may submit an excerpt from the Plan that describes the Plan's service area. If you elect to submit excerpts from the Plan, please be sure to check the box in this block. This information is necessary because the criterion for collaboration is based, in part, on the collaboration of stakeholders within the service area of the plan.

Block II.E — Self-explanatory.

Block III.A — Self-explanatory.

Block III.B — Please answer both questions. At least one of the questions must be a "Yes" in order to be considered for Section 6025 priority. See table below for cross-references to the definition of "rural area" in each underlying program.

The first question focuses on the physical location of the project and without regard as to who will benefit from the project. For example, a hospital built entirely in a rural area would meet this criterion regardless if it provides health care services to non-rural residents. In this scenario, you would check the "Yes" box. However, if any portion of this hypothetical hospital lies outside a rural area, then you would check the "No" box.

The second question focuses on who benefits (individuals or businesses) from the project and not the project's physical location. For example, consider a project designed to provide water to only residents of a rural area, where part of the project is located in a non-rural area and part of the project is located in a rural area. For this water project, you would check the "No" box to the first question because part of the project is located in a non-rural area. However, for this water project, you would check the "Yes" box to the second question because the beneficiaries of the services (in this case, the individuals) all reside in a rural area. If, however, some of the beneficiaries reside in a non-rural area, then this project would not be an eligible project under either metric.

Your program application should provide sufficient information for the Agency to determine the accuracy of your responses to these questions. If your program application does not provide sufficient information, the Agency may request you to provide such information in order to be considered for Section 6025 priority.

Program	Rural Area Definition Cross-Reference
Community Facility Loans (7 CFR 1942, subpart A)	7 CFR 1942.17(b)(2)
Fire and Rescue and Other Small Community Facilities Projects (7 CFR 1942, subpart C)	7 CFR 1942.17(b)(2)
Community Facilities Grant Program (7 CFR 3570, subpart B)	7 U.S.C. 1991(a)(13)
Community Programs Guaranteed Loans (7 CFR 3575, subpart A)	7 U.S.C. 1991(a)(13)
Water and Waste Disposal Programs Guaranteed Loans (7 CFR 1779)	7 CFR 1779.2
Water and Waste Loans and Grants (7 CFR 1780, subparts A, B, C, and D)	7 CFR 1780.3
Business and Industry Guaranteed Loanmaking and Servicing (7 CFR 4279, subparts A and B; 7 CFR 4287, subpart B)	7 CFR 4279.108(c)
Rural Business Development Grants (7 CFR 4280, subpart E)	7 CFR 4280.403 (see 7 U.S.C. 1991(a)(13)(A) and (D) *et seq*.)

Block III.C Provide a letter from the appropriate entity/entities who approved the Plan. Such entity may include an elected or appointed official. This block is only applicable to applicants who checked one of the government entity types in Block 1.D.

"Adopted" means that the Plan has been officially approved for implementation by the appropriate entity or entities in the jurisdiction(s) affected by the Plan (for example, a State, Indian Tribe, county, city, township, town, borough, etc.).

Block IV.A Self-explanatory

Block IV.B Attach descriptions on each of these areas. You may provide this information by submitting copies of the relevant pages from the Plan or providing your own descriptions. This information is particularly important because these areas are the five criteria, as set by the authorizing statute, by which the Agency will evaluate and score the Plan for purposes of assigning Section 6025 priority points. Failure to provide this information or failure to provide sufficient detail may result in a lower Section 6025 priority score.

"Philanthropic organization" means an entity whose mission is to provide monetary, technical assistance, or other items of value for religious, charitable, scientific, literary, or educational purposes.

Block V.A Self-explanatory.

Block V.B If you submit more than one program application for Section 6025 priority in a single Federal fiscal year, you must fill out this block. In addition, you must submit a separate Form RD 1980-88 for each program that you are or will be applying for. If you are only submitting one program application for which you are requesting 6025 priority in a fiscal year, do not fill out this block.

Guidance for 1a, 2a, and 3a

A. If this form is submitted prior to submitting the program application:

B.1a Enter the name of the project.
B.2a Check the applicable Program Area. Refer to Block V.A to identify the appropriate program area.
B.3a Indicate the anticipated date the program application will be submitted. If you do not know when the program application will be submitted, enter "TBD".

B. If this form is submitted with the program application:

B.1a Enter the name of the project. Be sure that this name matches that in the program application.
B.2a Check the applicable Program Area. Refer to Block V.A to identify the appropriate program area.
B.3a Insert date the program application is being submitted.

Guidance for 1b, 2b, and 3b and subsequent rows

Complete these additional rows for each additional program application(s) that you submit or plan to submit during the same fiscal year. For example, suppose you submit on January 8, 2016, an application for a Business and Industry (B&I) guaranteed loan for a convenience store and you are planning on submitting an application for a Community Facility grant for a library in March 2016. In this instance, you will fill out 1a, 2a, and 3a with the information on the convenience store project and you will fill out the second row (1b, 2b, 3b) for the library project. This would look something like what is shown below.

1a. Project Name: Convenience store	**2a. Program Area(s) for which Section 6025 priority is requested (check all that apply):** Business and Cooperative Development ☒ Rural Community Facilities: ☐ Rural Utilities: ☐	**3a. Date application submitted:** **January 8, 2016**
1b. Project Name: Library	**2b. Program Area(s) for which Section 6025 priority is requested (check all that apply):** Business and Cooperative Development ☐ Rural Community Facilities: ☒ Rural Utilities: ☐	**3b. Date application submitted:** **March 2016**

If you do not know if you will be submitting two or more program applications during the same fiscal year for Section 6025 priority, you do not need to fill out Block V.B when submitting this form the first time in a fiscal year. However, if you do submit at a later date another program application for Section 6025 priority, you must fill out Block V.B to show each prior program application submittal. To illustrate, suppose you submit a Water and Waste Disposal grant application for a water treatment facility on December 14, 2015 for Section 6025 priority and at that time you do not plan on submitting another program application for Section 6025 priority. However, in early 2016, you decide to

submit a Rural Business Development Grant (RBDG) application for a drug store project and submit that application on February 22, 2016. Block V.B in this form would look something like this:

1a. Project Name: Drug store	**2a. Program Area(s) for which Section 6025 priority is requested (check all that apply):** Business and Cooperative Development ☒ Rural Community Facilities: ☐ Rural Utilities: ☐	**3a. Date application submitted:** **February 22, 2016**
1b. Project Name: Water treatment facility	**2b. Program Area(s) for which Section 6025 priority is requested (check all that apply):** Business and Cooperative Development ☐ Rural Community Facilities: ☐ Rural Utilities: ☒	**3b. Date application submitted:** **December 14, 2015**

Block VI. Original signature in blue ink required. Agency reserves the right to ask for additional information to determine project and applicant eligibility.

Attachment A – Plan Objectives

Block I From the most current version of the Plan identified in Block II.A, provide the name of the Plan's objective that the proposed project directly supports.

Block II From the most current version of the Plan identified in Block II.A, provide a description of the Plan's objective (as identified in Block I of Attachment A) that the proposed project directly supports. In lieu of filling out this block, you may submit copies of the relevant page(s) from the Plan that describe the objective. If you elect to submit excerpts from the Plan, please be sure to check the box in this block.

Block III For the objective identified in Block II, provide a description of how the project directly supports the objective. Failure to provide sufficient information to demonstrate direct support of the objective may result in a lower Section 6025 priority score.

Attachment B – Previous Program Applications

If you have submitted one or more program applications in a prior Federal fiscal year for Section 6025 priority, provide the information in this attachment for each such previously submitted program application. Attach additional sheets as necessary.

Blocks I and II Self-explanatory.

Block III Check the applicable Program Area. Refer to Block V.A to identify the appropriate program area.

Block IV Self-explanatory.

Block V.i Enter the specific name(s) of the program(s) from which funds were provided. See Block V.A for the specific program names.

Block V.ii and iii Self-explanatory.

Block V.iv Projects seeking Section 6025 priority may have been funded using Section 6025 reserved funding or using non-reserved funds from the program for which Section 6025 priority is requested, or a combination of both. If the project received any funds from Section 6025 reserved funds, check the "Yes" box. If the project was funded wholly from non-reserved funds of the program for which Section 6025 priority is requested, check the "No" box.

Form RD 4279-7
(Rev. 05-05)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

CERTIFICATE OF INCUMBENCY AND SIGNATURE
(Business and Industry and Section 9006 Program)

I, Mark R. Williams (Name), Business & Coop Programs Specialist (Title)
of the United States Department of Agriculture (USDA), DO HEREBY CERTIFY that the following person holds the office

of Business & Coop Program Director (State Director, or Program Manager

of Nevada,
for USDA and that the signature appearing below and that the signatures appearing above that person's name on the following described document is the genuine signature of such person:

1. Form 4279-5, "Loan Note Guarantee," dated 11-04-2015 relating to loan made by

Green Bank N.A to Aqua Metals Reno, Inc. (Borrower's Name),

(b) (4)
(RDA Loan Identification Number)

2. Form 4279-4, "Lender's Agreement," dated 11-04-2015 relating to loan made by

Green Bank N.A to Aqua Metals Reno, Inc. (Borrower's Name),

(b) (4)

3. Form 4279-6, "Assignment Guarantee Agreement," dated 11-05-2015 relating to loan made by

Green Bank N.A (Lender's Name) to Aqua Metals Reno, Inc. (Borrower's Name),

(b) (4)
(RBS Loan Identification Number)

Signature (b) (4)

Typed Name

In witness whereof, I have hereunto signed my name this 6th day of November, 2015.

United States Department of Agriculture.

By Mark R. Williams

Business and Coop Programs Specialist
(Title)

Form RD 4279-7
(Rev. 05-05)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

CERTIFICATE OF INCUMBENCY AND SIGNATURE
(Business and Industry and Section 9006 Program)

I, Mark R. Williams (Name), Business & Coop Programs Specialist (Title)
of the United States Department of Agriculture (USDA), DO HEREBY CERTIFY that the following person holds the office

of Business & Coop Program Director (State Director, or Program Manager

of Nevada,
for USDA and that the signature appearing below and that the signatures appearing above that person's name on the following described document is the genuine signature of such person:

1. Form 4279-5, "Loan Note Guarantee," dated 11-04-2015 relating to loan made by
Green Bank N.A (Lender's Name) to Aqua Metals Reno, Inc. (Borrower's Name),
(b) (4)

2. Form 4279-4, "Lender's Agreement," dated 11-04-2015 relating to loan made by
Green Bank N.A (Lender's Name) to Aqua Metals Reno, Inc. (Borrower's Name),
(b) (4)

3. Form 4279-6, "Assignment Guarantee Agreement," dated 11-05-2015 relating to loan made by
Green Bank N.A (Lender's Name) to Aqua Metals Reno, Inc. (Borrower's Name),
(b) (4) (SBA Loan Identification Number)

Signature (b) (4)

Typed Name

In witness whereof, I have hereunto signed my name this 6th day of November, 2015.

United States Department of Agriculture.
By Mark R. Williams

Business and Coop Programs Specialist
(Title)

USDA United States Department of Agriculture

Field Contact: Mark Williams
Phone: 775-887-1222, ext. 116
Obligation Date: 07/28/2015

PROJECT INFORMATION

Rural Development has approved a conditional commitment for a guaranteed loan of $10,000,000

Program:	Business and Industry Guaranteed Loan
State:	Nevada
County:	Storey
Congressman, District:	Mark Amodei, 02
Senators:	Harry Reid and Dean Heller
Borrower:	Aqua Metals Reno, Inc.
Borrower Contact:	(b) (4)
Mailing Address:	501 23rd Avenue, Oakland, CA 94606
Email Address:	(b) (4)
Telephone:	
Project Description:	Funds will be to purchase land and construct a building for the business. The business will use a disruptive technology to recycle lead from used lead acid batteries. (b) (4) (b) (4) (b) (4)
Lender:	Green Bank
Other Funding:	(b) (4) Borrower Contribution/Equity
Total Project Cost:	

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Revised: 04/22/2013

USDA

United States Department of Agriculture

Rural Development

Nevada State Office

1390 S. Curry St.
Carson City, NV
89703

Voice 775.887.1222
Fax 855.816.1209

August 5, 2015

Kevin Coffman
Senior Vice President
Green Bank
400 Greenbriar
Houston, TX 77098

RE: Aqua Metals Reno, Inc.
Conditional Commitment

Dear Mr. Coffman:

Please find your copy of Form 1940-3 "Obligation of Funds" enclosed. The obligation confirms that funding has been set-aside for the project. The Loan Note Guarantee will be issued when all conditions listed in the Conditional Commitment have been met.

Please read this letter carefully as it contains all of the instructions necessary to close the loan and obtain the loan note guarantee.

The following documents are enclosed:

1. Conditional Commitment (original and two)
The lender and borrower are to execute all three copies. Please return the USDA copy to our office immediately with the lender and borrower each retaining their respective copies. Be sure all copies are signed and dated appropriately. The bank cannot proceed to closing until the commitment is accepted and returned to Rural Development.

2. Certification of Conditions Precedent to Issuance of Loan Note Guarantee
The lender will execute the original (at the time of loan closing) and return it to our office.

3. Guaranteed Loan Closing Report
The lender will execute an original report for the loan. Please call our office if you need any assistance completing the form. Once complete, return the report our office with a check made payable to USDA Rural Development in (b) (4) [redacted] An approved copy will subsequently be sent to you.

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4. Loan Classification Form
The lender should complete the classification form and return it to Rural Development along with the loan closing report and other documents. At closing, the credit is ordinarily classified as "Current Non-Problem".

Lender Post-Closing Process

Once the loan closing has taken place, please return the following items to our office:

1. Copy of the loan disbursement (settlement) sheet documenting fully the use of loan proceeds.

2. Copy of the borrower's balance sheet as of the closing date being sure that the effect of the new loan is shown. Please refer to the specific balance sheet requirements for this transaction which are located in the Conditional Commitment.

3. Executed Certification of Conditions

4. Copies of all appropriate closing documents and security instruments.

5. Completed Loan Closing Report (Form 1980-19 described above).

6. Loan Classification Form.

Our office will review the closing documents and determine if all the requirements of the Conditional Commitment have been met. When all conditions have been met, the Loan Note Guarantee will be issued.

Please contact me at (775) 887-1222 ext. 116 or at mark.williams@nv.usda.gov if you have any questions.

Sincerely,

HERB SHEDD
Business and Cooperative Programs Director

Enclosures

(b) (4) [redacted]

Form RD 1940-3
(Rev. 07-08)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

REQUEST FOR OBLIGATION OF FUNDS
GUARANTEED LOANS

INSTRUCTIONS:
Complete Items 1 through 25 and applicable Items 26 through 35. See FMI.

1. CASE NUMBER ST CO BORROWER ID (b) (4)	2. LOAN NUMBER 01	3. FISCAL YEAR 2015	4. SOURCE OF FUNDS 1 *(See FMI)*
5. BORROWER NAME Aqua Metals Reno, Inc.			
		6. NUMBER NAME FIELDS 1 *(1, 2, or 3 from Item 5)*	
7. STATE NAME Nevada		8. COUNTY NAME Storey	

9. RACE CODE 1 - WHITE 2 - BLACK 3 - AI/IN 4 - HISPANIC 5 - A/PI	10. EMPLOYEE RELATIONSHIP CODE *(See FMI)*	11. SEX CODE 1 - MALE 2 - FEMALE 4 3 - FAMILY UNIT 4 - ORGANIZATION MALE OWNED 5 - ORGANIZATION FEMALE OWNED 6 - PUBLIC BODY 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED	12. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED OR DIVORCED)

13. VETERAN CODE 1 - YES 2 - NO	14. TYPE OF PAYMENT 1 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	15. COMMUNITY SIZE 1 - 10,000 OR LESS (FOR SFH ONLY) 2 - OVER 10,000
16. TYPE OF ASSISTANCE *(See FMI)*	17. PURPOSE CODE	18. GUARANTEE PERCENT OF LOAN 90 %
19. TERM OF INTEREST ASSISTANCE	20. SUBMISSION CODE 1 1 - INITIAL 2 - SUBSEQUENT	21. AMOUNT OF LOAN $10,000,000.00
22. APPROVAL DATE MO DA YR 07-24-2015	23. NOTE INTEREST RATE (b) (4)	24. BORROWER EFFECTIVE INTEREST RATE %
25. REPAYMENT PERIOD 21	26. INCOME CATEGORY 1 - VERY LOW 2 - LOW 3 - MODERATE	27. ADJUSTED FAMILY INCOME
28. TYPE OF UNIT 1 - FARM TRACT 2 - NON-FARM TRACT	29. DWELLING TYPE USE OF FUNDS CODE *(See FMI)*	30. INTEREST ASSISTANCE CODE 1 - ELIGIBLE FOR INTEREST ASSIST PROGRAM 2 - INELIGIBLE FOR INTEREST ASSIST PROGRAM
31. PERCENT OF INTEREST ASSISTANCE %	32. HIGH COST AREA Y = YES N = NO	33. BORROWER HISTORY CODE *(See FMI)*
34. AMOUNT AGENCY DIRECT DEBT REFINANCE		35. OBLIGATION DATE *(Finance Office use only)* MO DA YR
36. BEGINNING FARMER/RANCHER *(See FMI)*		

ORIGINAL - Borrower's Case Folder | COPY 1 - Applicant | COPY 2 - Lender | COPY 3 - State Office

Position 2

CERTIFICATION APPROVAL

APPROVAL CONDITIONS:

(1) (Farm Loan Programs Only) This loan guarantee is approved subject to the availability of funds. If this loan guarantee is not issued for any reason within 90 calendar days from the date of approval on this document, the approval official may request updated information concerning the lender and the loan applicant. The approval official will have 14 working days to review any updated information and decide whether to submit this document for obligation of funds.

(2) This loan guarantee is approved subject to the conditions on the Conditional Commitment.

37. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

See Form RD 4279-3 Conditional Commitment and attachments.

38. I HEREBY CERTIFY that all determinations and certifications required by the respective United States Department of Agriculture (USDA) Agency regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, subject to the availability of funds, and subject to conditions prescribed by Agency regulations applicable to this type of assistance.

I further certify that USDA has complied with the applicable provisions of Title XI, Public Law 95-630, seeking financial information regarding the applicant.

Sarah Adler

(Signature of Approval Official)

Typed or Printed Name: Sarah Adler

Date Approved 07-24-2015 Title: State Director

39. TO THE APPLICANT/LENDER: As of this date 8-5-2015, this is notice that your application for the above loan guarantee/Interest Assistance from USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the respective USDA Agency. If you have any questions contact the Approval Official.

Form 4279-3
(Rev. 12-14)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

CONDITIONAL COMMITMENT

FORM APPROVED
OMB NO. 0570-0017
OMB NO. 0570-0050
OMB NO. 0570-0055

Capitalized terms will have the meaning defined in the applicable program regulations.

TO: Lender	Case No.
Green Bank	(b) (4)
Lender's Address	**State**
4000 Greenbriar Houston, TX 77098	Nevada
Borrower	**Principal Amount of Loan**
Aqua Metals Reno, Inc.	$10,000,000.00

From an examination of information supplied by the Lender and other relevant information, it appears that the transaction can properly properly be completed.

Therefore, the United States of America acting through the United States Department of Agriculture (USDA) hereby agrees that, in accordance with applicable provisions of the regulations, it will execute Form RD 4279-5, "Loan Note Guarantee," subject to the conditions and requirements specified in the regulations and herein.

The Loan Note Guarantee fee payable by the Lender to USDA will be the amount as specified in the regulations on the date of this Conditional Commitment. The interest rate for the loan is (b) percent 1/. If a variable rate is used, it must be tied to a published base rate agreed to by the Lender and USDA which cannot change more often than quarterly (for Business and Industry (B&I) Guaranteed Loans).

A Loan Note Guarantee will not be issued until the Lender certifies that there has been no adverse change in the Borrower's financial condition, nor any other adverse change in the Borrower's condition, for any reason, during the period of time from USDA's issuance of this Conditional Commitment to issuance of the Loan Note Guarantee regardless of the cause or causes of the change and whether the cause or causes of the change were within the Lender's or Borrower's control. The Lender's certification must address all adverse changes and be supported by financial statements of the Borrower and its guarantors executed not more than 60 days before the time of certification. As used in this paragraph only, the term "Borrower" includes any parent, affiliate, or subsidiary of the Borrower.

In the event of the Government's failure to issue a guarantee in a situation where it is found to be in breach, the other party's remedy is limited to a suit for the guaranteed portion of principal and interest which ultimately remains unpaid. The purposes for which the loan funds will be used and the amounts to be used for such purposes are set forth in the Attachment to this Conditional Commitment. Once this instrument is executed and returned to USDA, no major change of conditions or approved loan purpose will be considered. Additional Conditions and Requirements including Source and Use of Funds are attached. 2/

This agreement becomes null and void unless the conditions are accepted by the Lender and Borrower within 60 days from the date of issuance by USDA. If the conditions set forth in this commitment are not met within 270 days from the date of this commitment, USDA reserves the right to discontinue the processing of the application and terminate its commitment.3/ If USDA decides to terminate this commitment, USDA will provide the Lender a written notice at least 14 days prior to termination.

UNITED STATES OF AMERICA

By: Sarah Adler

Typed or Printed Name: Sarah Adler

State Director
(Title)

Date: Aug. 5, 2015

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control numbers for this information collection are 0570-0017, 0570-0050, and 0570-0055. The time required to complete this information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

ACCEPTANCE OF CONDITIONS

To: USDA 4/

The conditions of this Conditional Commitment including attachments are acceptable and the undersigned intends to proceed with the loan transaction and request issuance of a Loan Note Guarantee within _____ days.

_____
(Name of Lender)

Date: _____ By: _____
(Signature for Lender)

Date: _____ _____
(Signature for Borrower)

1/ Insert fixed interest rate or, if authorized by regulations, the variable interest rate (including the published base rate) and the appropriate loan subsidy rate, if applicable.

2/ Insert any additional conditions or requirements in the attachment to the Conditional Commitment and attach.

3/ USDA will determine and insert the date by which conditions should be met.

4/ Return completed and signed copy of this form to USDA issuing office.

Attachment to Form RD 4279-3, "Conditional Commitment"
Aqua Metals Reno, Inc. 33-015-136629165
$10,000,000 Business & Industry (B&I) Guaranteed Loan
Approval Date: 07/24/2015

LOAN PURPOSE:

1. The purpose of the loan is to provide long-term financing for the construction of an approximately 125,000 sq. ft. building and loan fees and costs at a commercial property located at 2500 Peru Drive, McCarran, Nevada 89434 to be used as a lead recycling facility. Funds will be used for construction (b) (4) e (b) (4) .

PERCENTAGE OF GUARANTEE:

2. A 90 % guarantee will be issued after any development work is completed and the terms of this Conditional Commitment have been met.

INTEREST RATE AND TERM:

(b) (4)

RENEWAL FEE:

(b) (4)

COLLATERAL:

(b) (4)

(b) (4)

(b) (4)

GUARANTOR(S):

(b) (4)

INSURANCE:

7. Hazard insurance naming the lender as mortgagee or loss payee, as applicable, will be maintained in an amount at least equal to the outstanding loan balance or the replacement value (whichever is greater) of the collateral. Hazard insurance includes fire, windstorm, lightning, hail, explosion, riot, civil commotion, aircraft, vehicle, marine, smoke, builder's risk during construction, and property damage. Worker's Compensation must be carried in accordance with State law.

   Key person life insurance is not required.

EQUITY:

(b) (4)

LOAN AGREEMENT:

9. A loan agreement between the lender and borrower will be executed which conforms to RD Instruction 4279-B, § 4279.161(b)(11).

   a. The borrower must obtain audited financial statements annually, prepared in accordance with Generally Accepted Accounting Principles, and submit them to the lender within 90 days of the business' fiscal yearend. Financial statements will contain, at a minimum, a balance sheet and a profit and loss statement reflecting the financial condition of the borrower as of its yearend. The lender is responsible for obtaining all required financial statements from the borrower, analyzing them, and providing copies of statements with a detailed written analysis to Rural Development within 120 days.

   b. All personal and commercial guarantors of this loan must provide annual financial statements to the lender within 90 days of guarantor's fiscal or calendar yearend.

   c. The borrower will refrain from co-signing or otherwise becoming liable for obligations or liabilities of others.

   d. Dividend payments will be limited to an amount that, when taken, will not adversely affect the repayment ability of the borrower. No dividend payments will be made unless (1) an after-tax profit was made in the preceding fiscal year, (2) the borrower is and will remain in compliance with covenants of the Loan Agreement and Conditional Commitment, (3) all borrower debts are paid to a current status, and (4) prior written concurrence of the lender is obtained. This is not intended to apply to dividend payments to cover personal tax liability resulting from profitability of the business.

   e. Borrower will not invest in additional fixed asset purchases in an annual aggregate of more than (b) (4) without concurrence of the lender. Borrower will not lease, sell, transfer, or otherwise encumber fixed assets without the concurrence of the lender. Disposition of fixed assets serving as collateral for this loan must also have the concurrence of Rural Development.

   f. Compensation of officers and owners will be limited to an amount that, when taken, will not adversely affect the repayment ability of the borrower. This amount may not be increased year to year unless (1) an after-tax profit was made in the preceding fiscal year, (2) the borrower is and will remain in compliance with covenants of the Loan Agreement and Conditional Commitment, (3) all borrower debts are paid to a current status, and (4) prior written concurrence of the lender is obtained.

   g. Borrower's debt-to-net worth, based upon yearend financial statements and as defined by Generally Accepted Accounting Principles, shall not (b) (4) and the Borrower's current ratio, similarly defined, shall not fall (b) (4)

   h. Borrower shall not enter into any merger or consolidation or sell the business without prior written concurrence of the lender.

i. Outside investment and loans/advances to stockholders, owners, officers, or affiliates require the prior written consent of the lender. Loans from stockholders, owners, officers or affiliates must be subordinated to the guaranteed loan or converted to stock. No payments are to be made on these debts unless the B&I loan is current and in good standing.

ENVIRONMENTAL:

10. The lender will take action to ensure that all construction associated with this credit facility and the continuing operations of the business are completed in accordance with applicable Federal, State, and local laws, regulations, and ordinances, as related to any adverse impact the project/operations may potentially have on the environment.

The borrower will be required to comply with the following measures, identified in Rural Development's environmental review process, to avoid or reduce adverse environmental impacts from this project's construction or operation as follows:

A pedestrian archeological survey of the project site is requested by the Nevada State Historic Preservation Office prior to construction. A copy of the report is to be provided to the Agency.

The borrower is to mitigate potential storm run off during the construction of the project using best management practices.

Documentation that is required to be submitted to the State Department of Environmental Protection for hazardous material permit compliance is to be provided to the Agency.

Indicate restrictions on storage of hazardous materials on the security property.

APPRAISAL:

(b) (4)

CONSTRUCTION:

12. This project involves construction. The lender must ensure that all project facilities are designed and completed in accordance with accepted architectural and engineering practices and conform to applicable Federal, State, and local codes and to approved plans, specifications, and contract documents. The lender will also ensure that the project will be completed with available funds and, once completed, will be used for its intended purpose and produce products in the quality and quantity proposed in the

completed application approved by the Agency. (b) (4)

(b) (4)

The lender is to ensure that all work is properly planned and carried out. The lender will monitor the progress of design and construction and undertake the reviews and inspections necessary to ensure that construction is done in accordance with RD Instruction 4279-B, section 4279.156, and conforms to applicable Federal, State, and local code requirements. Copies of any written inspections will be furnished to the lender and the Agency. Proceeds are to be used in accordance with approved plans, specifications, and contract documents, and funds are to be used for eligible project costs. Prior to disbursement of construction funds, the lender ordinarily will have:

a. Have a complete set of plans and specifications for the project on file, as well as the required building permits with sign-offs and provide a complete set of plans and specifications to the Agency for its review.

b. Require the use of American Institute of Architects (AIA) contracts and documents.

c. Have a detailed timetable for the project with a corresponding budget of costs, setting forth the parties responsible for payment. The timetable and budget must be agreed to by the borrower.

d. Have a qualified individual confirm that the budget is adequate for the planned development.

e. Have firm construction contract costs and provisions for change order approvals, a retainage percentage, and a disbursement schedule.

(b) (4)

g. Have contingencies in place to handle foreseeable cost overruns without seeking additional guaranteed B&I assistance. These are to be agreed to by the borrower.

Furthermore, once construction begins, the lender is to:

h. Use any borrower funds in the project first.

i. Have inspections made by a qualified individual prior to any progress payment.

j. Obtain lien waivers from all contractors prior to any disbursement.

l. Provide at least monthly, written reports to Rural Development on fund disbursement and project status.

Once construction is completed, the lender is to provide Rural Development with:

m. A copy of the Certificate of Occupancy or Notice of Completion.

LOAN GUARANTEE CLOSING:

13. GREEN BANK and AQUA METALS RENO, INC. must each execute Form AD-3031, "Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants," at loan closing and provide the forms to the Agency prior to issuance of the Loan Note Guarantee.

14. Coincident with, or immediately after loan closing, and prior to issuance of the guarantee, the lender will provide Rural Development with the following:

(b) (4)

b. An executed RD Form 4279-4, "Lender's Agreement."

c. A copy of the executed Loan Agreement that contains any continuing loan conditions set forth by the Agency in this Conditional Commitment.

d. A copy of the executed Promissory Note(s).

e. A copy of the executed Settlement Statement.

f. Original, executed Forms RD 4279-14, "Unconditional Guarantee," as required;

g. Original, executed Forms AD-3031, "Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants," for both the lender and borrower.

h. Written lender certification in accordance with RD Instruction 4279-B, § 4279.181.

i. Borrower's loan closing balance sheet, prepared in accordance with Generally Accepted Accounting Principles, demonstrating required tangible balance sheet equity. The balance sheet must reflect the business' post loan closing status.

15. The lender is required to hold in its own portfolio or retain a (b) (4) percent of the total loan amount. The amount required to be retained must be of the unguaranteed portion of the loan and cannot be participated to another. The lender may sell the remaining amount of the unguaranteed portion of the loan only through participation.

16. Agency personnel and any person(s) accompanying Agency personnel shall be authorized to enter upon the premises and into any building thereon, whether permanent or temporary, jointly or separately, with

personnel of the lender to carry out the functions involving their interests. Scheduled and unscheduled inspections may be conducted by these personnel to determine the effectiveness of the loan program.

17. The lender will always retain responsibility for servicing the entire loan and for notifying the Agency of any violations of the terms of the Loan Agreement or Conditional Commitment. The lender will advise the Agency of the loan classification within 90 days of issuance of the guarantee and whenever the lender revises its classification of the loan.

18. Lender will become an approved participant in Rural Development's Lender Interactive Network Connection (LINC). The USDA eAuthentication is the system used by USDA agencies to enable customers to obtain accounts that will allow them to access USDA Web applications and services via the Internet. To conduct official business transactions, such as submitting annual renewal fees and borrower account status reporting using the LINC, the customer must have Level 2 eAuthentication credentials. You may work directly with the Rural Development Nevada State Office to accomplish this. The contact person is Laura Chavez who can be reached at (775) 887-1222, ext. 117. Please see attachment for additional information.

19. Any public body or nonprofit corporation that receives a guaranteed loan that meets the thresholds established by OMB Circulars A-128 or A-133 or successor regulations or circulars must provide an audit in accordance with the applicable circular or regulation for the fiscal year (of the borrower) in which the Loan Note Guarantee is issued. If the loan is for development or purchases made in a previous fiscal year through interim financing, an audit will also be provided for the fiscal year in which the development or purchases occurred.

20. GREEN BANK (lender) certifies by accepting this Conditional Commitment for a $10,000,000 guarantee the lender understands that no adverse change may occur during the period of time from Agency issuance of the Conditional Commitment to issuance of the Loan Note Guarantee relating to AQUA METALS RENO, INC. (borrower) regardless of the cause or causes of the change and whether the change or cause(s) of the change were within the lender's or borrower's control. Prior to each disbursement, lender shall be in receipt of satisfactory evidence that there has been no unremedied adverse change in the financial or any other condition of the Borrower since the date of the application or since any preceding disbursements which would warrant withholding or not making further disbursements.

21. AQUA METALS RENO, INC., by accepting Form 4279-3, "Conditional Commitment," certifies that it is not delinquent on any Federal debt, including tax debt.

22. By signing this Conditional Commitment, the lender and borrower certify that they understand and accept the conditions outlined herein. No provision stated herein shall be amended or waived without the prior written consent of the lender and Rural Development. Any loans or advances made to the Borrower by the Lender after issuance of the Loan Note Guarantee will not be covered by the guarantee, except authorized protective advances. Regulations contained in RD Instructions 4279-A and 4279-B, and Form RD 4279-4, "Lender's Agreement," will apply.

23. Any request for an extension of the expiration date of this Conditional Commitment must be made in writing and received by Rural Development prior to the expiration date. This request must be accompanied by a full explanation as to why the extension is needed.

(b) (4)

25 The borrower is to prepare quarterly financial statements and provide them to the lender for the first 24 months of the borrower's operations.

(b) (4)

§ 4279.181 Conditions precedent to issuance of Loan Note Guarantee.

The Loan Note Guarantee will not be issued until the lender, including a CLP lender, certifies to the following:

(a) No major changes have been made in the lender's loan conditions and requirements since the issuance of the Conditional Commitment, unless such changes have been approved by the Agency.

(b) All planned property acquisition has been or will be completed, all development has been or will be substantially completed in accordance with plans and specifications, conforms with applicable Federal, state, and local codes, and costs have not exceeded the amount approved by the lender and the Agency.

(c) Required hazard, flood, liability, worker compensation, and personal life insurance, when required, are in effect.

(d) Truth-in-lending requirements have been met.

(e) All equal credit opportunity requirements have been met.

(f) The loan has been properly closed, and the required security instruments have been obtained or will be obtained on any acquired property that cannot be covered initially under State law.

(g) The borrower has marketable title to the collateral then owned by the borrower, subject to the instrument securing the loan to be guaranteed and to any other exceptions approved in writing by the Agency.

(h) When required, the entire amount of the loan for working capital has been disbursed except in cases where the Agency has approved disbursement over an extended period of time.

(i) When required, personal, partnership, or corporate guarantees have been obtained.

(j) All other requirements of the Conditional Commitment have been met.

(k) Lien priorities are consistent with the requirements of the Conditional Commitment. No claims or liens of laborers, subcontractors, suppliers of machinery and equipment, or other parties have been or will be filed against the collateral and no suits are pending or threatened that would adversely affect the collateral when the security instruments are filed.

(1) The loan proceeds have been or will be disbursed for purposes and in amounts consistent with the Conditional Commitment and Form 4279-1. A copy of the detailed loan settlement of the lender must be attached to support this certification.

(m) There has been neither any material adverse change in the borrower's financial condition nor any other material adverse change in the borrower, for any reason, during the period of time from the Agency's issuance of the Conditional Commitment to issuance of the Loan Note Guarantee regardless of the cause or causes of the change and whether or not the change or causes of the change were within the lender's or borrower's control. The lender must address any assumptions or reservations in the requirement and must address all adverse changes of the borrower, any parent, affiliate, or subsidiary of the borrower, and guarantors.

(n) None of the lender's officers, directors, stockholders, or other owners (except stockholders in an institution that has normal stockshare requirements for participation) has a substantial financial interest in the borrower and neither the borrower nor its officers, directors, stockholders, or other owners has a substantial financial interest in the lender. If the borrower is a member of the board of directors or an officer of a Farm Credit System (FCS) institution that is the lender, the lender will certify that an FCS institution on the next highest level will independently process the loan request and act as the lender's agent in servicing the account.

(o) The Loan Agreement includes all measures identified in the Agency's environmental impact analysis for this proposal (measures with which the borrower must comply) for the purpose of avoiding or reducing adverse environmental impacts of the proposal's construction or operation.

Green Bank hereby certifies that the above conditions precedent to issuance of the Loan Note Guarantee have been met for Aqua Metals Reno, Incorporated.

CERTIFIED BY;

GREEN BANK

BY: _____ DATE: _____

FORM APPROVED
OMB NO. 0575-0137

Form RD 1980-19
(Rev 02-02)

GUARANTEED LOAN CLOSING REPORT

TRANSACTION CODE 4030

1. CASE NUMBER	4. LENDER ID NO.	5. LENDER STATUS CODE	6. LENDER TYPE CODE
ST CO BORROWER'S ID	(b) (4)	1	1
(b) (4)	7. CERTIFICATION EFFECTIVE MO DA YR DATE	8. CERTIFICATION EXPIRATION MO DA YR DATE	

2. BORROWER NAME AND ADDRESS *(INCLUDING ZIP CODE)*	9. LENDER NAME AND ADDRESS *(INCLUDING ZIP CODE)*
Aqua Metals Reno, Inc. 250 Peru Drive McCarran, NV 89434	Green Bank 4000 Greenbriar Houston, TX 77098
3. BORROWER TYPE CODE 2	10. SERVICING OFFICE 001

11. SOURCE OF FUNDS	12. INTEREST ASSISTANCE CODE	13. GUARANTEE FEE PURPOSE CODE	14. FEE RATE
1		(b) (4)	(b) (4)
15. AMOUNT OF GUARANTEE FEE PAID (b) (4)	16. AMOUNT OF LOAN-LINE OF CREDIT $10,000,000.00	17. ADVANCE AMOUNT TO DATE	18. CLOSING DATE MO DA YR
19. MATURITY DATE OF LOAN MO DA YR	20. TERM OF BUYDOWN/ INTEREST ASSISTANCE YEARS	21. PERCENT OF LOAN GUARANTEED 90 .0000 %	22. LENDER'S NOTE INTEREST RATE ON GUARANTEED PORTION %
23. LENDER'S NOTE INTEREST RATE ON NONGUARANTEED PORTION %	24. BUYDOWN/INTEREST ASSISTANCE RATE %	25. PERIOD OF OPERATING LINE OF CREDIT YEARS	26. RESERVED
27. TYPE OF GUARANTEE 1-LINE OF CREDIT 2-LOAN NOTE GUARANTEE	28. INTEREST BASIS (360 OR 365 DAYS)	29. INTEREST RATE CODE 1 - SINGLE VARIABLE 2 - SINGLE FIXED 3 - MULTI VARIABLE 4 - MULTI FIXED	30. BALANCE OWED ON LOAN
(b) (4)			
31. DATE GUARANTEE PERIOD BEGINS MO DA YR	32. DATE GUARANTEE PERIOD ENDS MO DA YR	33. ANNUAL REVIEW DATE MO DA YR	34. CERTIFIED LOAN N-NO Y-YES N
35. AUTHORIZED LENDER'S SIGNATURE - I certify that all conditions of the conditional commitment have been met and that this report accurately describes the subject loan.		36. TITLE	37. DATE

COMPLETED BY AGENCY SERVICING OFFICE			COMPLETED BY FINANCE OFFICE
38. GUARANTEED LOAN NUMBER	39. OBLIGATED LOAN NUMBER	40. BRANCH NUMBER	41. DATE OF DEPOSIT MO DA YR
42. SIGNATURE OF AGENCY REPRESENTATIVE - I have reviewed this report and the information is consistent with the conditional commitment and the supporting documentation provided by the lender.		43. TITLE	44. DATE

☐ AGENCY SERVICING OFFICE (ORIGINAL) - FILE POSITION 2 ☐ LENDER

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0137. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

TO: USDA, Rural Development
ATTN: Business and Industry Loan Division

Borrower: Aqua Metals Reno, Inc.

Lender: Green Bank

SUBJECT: Loan Classification

Please be advised that I have reviewed the financial condition and compliance with loan conditions for the above loan which Rural Development has guaranteed. Based on my review, I recommend the loan be classified as follows:

_____ Current Non-Problem Classification. A loan that has been current for 23 months or less, and is in compliance with the loan conditions and B&I regulations.

_____ Seasoned Loan Classification. A loan with an unpaid principal balance of two-thirds or less of the original loan amount; is in compliance with all loan conditions and B&I regulations; has been current for 24 consecutive months, and is adequately secured.

_____ Special Mention Classification. A loan that does not presently expose the lender and Rural Development to a sufficient degree of risk to warrant a Substandard Classification, but does possess credit deficiencies deserving the Lender's close attention.

_____ Substandard Classification. A loan which is inadequately protected by the current sound worth and paying capacity of the obligor, or of the collateral pledged.

_____ Doubtful Classification. A loan with all the weaknesses of a Substandard Classification, plus other weaknesses that make collection or liquidation in full questionable.

_____ Loss Classification. A loan considered uncollectible, and of such little value that its continuance as a bankable loan is not warranted.

Comments:

_____ _____
Date Name

_____
Title

USDA
United States Department of Agriculture

Rural Development

Nevada State Office

1390 S. Curry St.
Carson City, NV
89703

Voice 775.887.1222
Fax 855-816-1209

November 4, 2015

Jennifer Surrency
Green Bank
400 Greenbriar Ste. 200
Houston, TX 77098

Dear Jennifer:

RE: Guaranteed Loan Closing Documents
Aqua Metals Reno, Inc.

Attached are the following forms:

1. Form 4279-5, "Loan Note Guarantee (Business and Industry)."

2. Form 4279-6, "Assignment Guarantee Agreement (Business and Industry)." This form is for your use if you sell the guaranteed loan to a third party.

3. Form 4279-7, "Certificate of Incumbency and Signature (Business and Industry)." This form is to be used with Form 4279-6 if you sell the guaranteed loan to a third party.

Should you have any questions, please feel free to contact me at extension 119. I look forward to working with you on future B&I deals in rural Nevada.

Sincerely,

HERB SHEDD
Business & Coop Programs Director
Attachments

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Page(s) 000922 thru 000978
withheld:

5 U.S.C. § 552, Exemption (b)(4) of the FOIA protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.

Form RD 1940-3
(Rev. 07-08)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

REQUEST FOR OBLIGATION OF FUNDS
GUARANTEED LOANS

INSTRUCTIONS:
Complete Items 1 through 25 and applicable Items 26 through 35. See FMI.

1. CASE NUMBER ST CO BORROWER ID	2. LOAN NUMBER	3. FISCAL YEAR	4. SOURCE OF FUNDS *(See FMI)*
5. BORROWER NAME			
		6. NUMBER NAME FIELDS *(1, 2, or 3 from Item 5)*	
7. STATE NAME		8. COUNTY NAME	

9. RACE CODE 1 - WHITE 2 - BLACK 3 - AI/IN 4 - HISPANIC 5 - A/PI	10. EMPLOYEE RELATIONSHIP CODE *(See FMI)*	11. SEX CODE 1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGANIZATION MALE OWNED 5 - ORGANIZATION FEMALE OWNED 6 - PUBLIC BODY 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED	12. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED OR DIVORCED)

13. VETERAN CODE 1 - YES 2 - NO	14. TYPE OF PAYMENT 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	15. COMMUNITY SIZE 1 - 10,000 OR LESS (FOR SFH ONLY) 2 - OVER 10,000
16. TYPE OF ASSISTANCE *(See FMI)*	17. PURPOSE CODE	18. GUARANTEE PERCENT OF LOAN %
19. TERM OF INTEREST ASSISTANCE	20. SUBMISSION CODE 1 - INITIAL 2 - SUBSEQUENT	21. AMOUNT OF LOAN
22. APPROVAL DATE MO DA YR	23. NOTE INTEREST RATE %	24. BORROWER EFFECTIVE INTEREST RATE %
25. REPAYMENT PERIOD	26. INCOME CATEGORY 1 - VERY LOW 2 - LOW 3 - MODERATE	27. ADJUSTED FAMILY INCOME
28. TYPE OF UNIT 1 - FARM TRACT 2 - NON-FARM TRACT	29. DWELLING TYPE USE OF FUNDS CODE *(See FMI)*	30. INTEREST ASSISTANCE CODE 1 - ELIGIBLE FOR INTEREST ASSIST PROGRAM 2 - INELIGIBLE FOR INTEREST ASSIST PROGRAM
31. PERCENT OF INTEREST ASSISTANCE %	32. HIGH COST AREA Y = YES N = NO	33. BORROWER HISTORY CODE *(See FMI)*

34. AMOUNT AGENCY DIRECT DEBT REFINANCE	35. OBLIGATION DATE *(Finance Office use only)* MO DA YR
36. BEGINNING FARMER/RANCHER *(See FMI)*	

ORIGINAL - Borrower's Case Folder **COPY 1 - Applicant** **COPY 2 - Lender** **COPY 3 - State Office**

Position 2

000979

CERTIFICATION APPROVAL

APPROVAL CONDITIONS:

(1) (Farm Loan Programs Only) This loan guarantee is approved subject to the availability of funds. If this loan guarantee is not issued for any reason within 90 calendar days from the date of approval on this document, the approval official may request updated information concerning the lender and the loan applicant. The approval official will have 14 working days to review any updated information and decide whether to submit this document for obligation of funds.

(2) This loan guarantee is approved subject to the conditions on the Conditional Commitment.

37. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

38. I HEREBY CERTIFY that all determinations and certifications required by the respective United States Department of Agriculture (USDA) Agency regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, subject to the availability of funds, and subject to conditions prescribed by Agency regulations applicable to this type of assistance.

I further certify that USDA has complied with the applicable provisions of Title XI, Public Law 95-630, seeking financial information regarding the applicant.

_____

(Signature of Approval Official)

Typed or Printed Name: _____

Date Approved _____ Title: _____

39. TO THE APPLICANT/LENDER: As of this date _____ , this is notice that your application for the above loan guarantee/Interest Assistance from USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the respective USDA Agency. If you have any questions contact the Approval Official.

Form RD 1940-3
(Rev. 07-08)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

REQUEST FOR OBLIGATION OF FUNDS
GUARANTEED LOANS

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34. AMOUNT AGENCY DIRECT DEBT REFINANCE	35. OBLIGATION DATE *(Finance Office use only)* MO DA YR
36. BEGINNING FARMER/RANCHER *(See FMI)*	

ORIGINAL - Borrower's Case Folder **COPY 1 - Applicant** **COPY 2 - Lender** **COPY 3 - State Office**

Position 2

000981

CERTIFICATION APPROVAL

APPROVAL CONDITIONS:

(1) (Farm Loan Programs Only) This loan guarantee is approved subject to the availability of funds. If this loan guarantee is not issued for any reason within 90 calendar days from the date of approval on this document, the approval official may request updated information concerning the lender and the loan applicant. The approval official will have 14 working days to review any updated information and decide whether to submit this document for obligation of funds.

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I further certify that USDA has complied with the applicable provisions of Title XI, Public Law 95-630, seeking financial information regarding the applicant.

_____

(Signature of Approval Official)

Typed or Printed Name: _____

Date Approved _____ Title: _____

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Form RD 1940-3
(Rev. 07-08)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

REQUEST FOR OBLIGATION OF FUNDS
GUARANTEED LOANS

INSTRUCTIONS:
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22. APPROVAL DATE MO DA YR	23. NOTE INTEREST RATE %	24. BORROWER EFFECTIVE INTEREST RATE %
25. REPAYMENT PERIOD	26. INCOME CATEGORY 1 - VERY LOW 2 - LOW 3 - MODERATE	27. ADJUSTED FAMILY INCOME
28. TYPE OF UNIT 1 - FARM TRACT 2 - NON-FARM TRACT	29. DWELLING TYPE USE OF FUNDS CODE *(See FMI)*	30. INTEREST ASSISTANCE CODE 1 - ELIGIBLE FOR INTEREST ASSIST PROGRAM 2 - INELIGIBLE FOR INTEREST ASSIST PROGRAM
31. PERCENT OF INTEREST ASSISTANCE %	32. HIGH COST AREA Y = YES N = NO	33. BORROWER HISTORY CODE *(See FMI)*

34. AMOUNT AGENCY DIRECT DEBT REFINANCE	35. OBLIGATION DATE *(Finance Office use only)* MO DA YR
36. BEGINNING FARMER/RANCHER *(See FMI)*	

ORIGINAL - Borrower's Case Folder **COPY 1 - Applicant** **COPY 2 - Lender** **COPY 3 - State Office**

Position 2

000983

CERTIFICATION APPROVAL

APPROVAL CONDITIONS:

(1) (Farm Loan Programs Only) This loan guarantee is approved subject to the availability of funds. If this loan guarantee is not issued for any reason within 90 calendar days from the date of approval on this document, the approval official may request updated information concerning the lender and the loan applicant. The approval official will have 14 working days to review any updated information and decide whether to submit this document for obligation of funds.

(2) This loan guarantee is approved subject to the conditions on the Conditional Commitment.

37. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

38. I HEREBY CERTIFY that all determinations and certifications required by the respective United States Department of Agriculture (USDA) Agency regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, subject to the availability of funds, and subject to conditions prescribed by Agency regulations applicable to this type of assistance.

I further certify that USDA has complied with the applicable provisions of Title XI, Public Law 95-630, seeking financial information regarding the applicant.

_____

(Signature of Approval Official)

Typed or Printed Name: _____

Date Approved _____ Title: _____

39. TO THE APPLICANT/LENDER: As of this date _____ , this is notice that your application for the above loan guarantee/Interest Assistance from USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the respective USDA Agency. If you have any questions contact the Approval Official.

FORM APPROVED
OMB NO. 0575-0137

Form RD 1980-19
(Rev 02-02)

GUARANTEED LOAN CLOSING REPORT

TRANSACTION CODE 4030

1. CASE NUMBER ST CO BORROWER'S ID (b) (4)	4. LENDER ID NO. (b) (4)	5. LENDER STATUS CODE 1	6. LENDER TYPE CODE 1
	7. CERTIFICATION EFFECTIVE MO DA YR DATE	8. CERTIFICATION EXPIRATION MO DA YR DATE	

2. BORROWER NAME AND ADDRESS *(INCLUDING ZIP CODE)*	9. LENDER NAME AND ADDRESS *(INCLUDING ZIP CODE)*
Aqua Metals Reno, Inc. 250 Peru Drive McCarran, NV 89434	Green Bank 4000 Greenbriar Houston, TX 77098
3. BORROWER TYPE CODE 2	10. SERVICING OFFICE 001

11. SOURCE OF FUNDS 1	12. INTEREST ASSISTANCE CODE	13. GUARANTEE FEE PURPOSE CODE (b) (4)	14. FEE RATE
15. AMOUNT OF GUARANTEE FEE PAID (b) (4)	16. AMOUNT OF LOAN-LINE OF CREDIT $10,000,000.00	17. ADVANCE AMOUNT TO DATE	18. CLOSING DATE MO DA YR
19. MATURITY DATE OF LOAN MO DA YR	20. TERM OF BUYDOWN/ INTEREST ASSISTANCE YEARS	21. PERCENT OF LOAN GUARANTEED 90 .0000 %	22. LENDER'S NOTE INTEREST RATE ON GUARANTEED PORTION %
23. LENDER'S NOTE INTEREST RATE ON NONGUARANTEED PORTION %	24. BUYDOWN/INTEREST ASSISTANCE RATE %	25. PERIOD OF OPERATING LINE OF CREDIT YEARS	26. RESERVED
27. TYPE OF GUARANTEE 1-LINE OF CREDIT 2-LOAN NOTE GUARANTEE	28. INTEREST BASIS (360 OR 365 DAYS)	29. INTEREST RATE CODE 1 - SINGLE VARIABLE 2 - SINGLE FIXED 3 - MULTI VARIABLE 4 - MULTI FIXED	30. BALANCE OWED ON LOAN
(b) (4)			
31. DATE GUARANTEE PERIOD BEGINS MO DA YR	32. DATE GUARANTEE PERIOD ENDS MO DA YR	33. ANNUAL REVIEW DATE MO DA YR	34. CERTIFIED LOAN N-NO Y-YES N
35. AUTHORIZED LENDER'S SIGNATURE - I certify that all conditions of the conditional commitment have been met and that this report accurately describes the subject loan.		36. TITLE	37. DATE

COMPLETED BY AGENCY SERVICING OFFICE			COMPLETED BY FINANCE OFFICE
38. GUARANTEED LOAN NUMBER	39. OBLIGATED LOAN NUMBER	40. BRANCH NUMBER	41. DATE OF DEPOSIT MO DA YR
42. SIGNATURE OF AGENCY REPRESENTATIVE - I have reviewed this report and the information is consistent with the conditional commitment and the supporting documentation provided by the lender.		43. TITLE	44. DATE

☐ AGENCY SERVICING OFFICE (ORIGINAL) - FILE POSITION 2 ☐ LENDER

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0137. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Form RD 2006-38
(Rev. 07-07)

Rural Development
Environmental Justice (EJ) and Civil Rights Impact Analysis (CRIA)
Certification

1 . Applicant's name and proposed project description: _____

_____

2. Rural Development's loan/grant program/guarantee or other Agency action: _____

_____

3. ☐ Attach a map of the proposal's area of effect identifying location or EJ populations, location of the proposal, area of impact or

☑ Attach results of EJ analysis from the Environmental Protection Agency's (EPAs) EnviroMapper with proposed project location and impact footprint delineated.

4. Does the applicant's proposal or Agency action directly, indirectly or cumulatively affect the quality and/or level of services provided to the community?

☐ Yes ☑ No ☐ N/A

5. Is the applicant's proposal or Agency action likely to result in a change in the current land use patterns (types of land use, development densities, etc)?

☐ Yes ☑ No ☐ N/A

6. Does a demographic analysis indicate the applicant's proposal or Agency's action may disproportionately affect a significant minority and/or low-income populations?

☐ Yes ☑ No ☐ N/A

If answer is no, skip to item 12. If answer is yes, continue with items 7 through 12.

7. Identify, describe, and provide location of EJ population _____

_____

8. If a disproportionate adverse affect is expected to impact an EJ population, identify type/level of public outreach implemented. _____

_____

9. Identify disproportionately high and adverse impacts on EJ populations. _____

_____

_____

10. Are adverse impacts appreciably more severe or greater in magnitude than the adverse impacts expected on non-minority/low-income populations?

☐ Yes ☐ No ☐ N/A

11. Are alternatives and/or mitigation required to avoid impacts to EJ populations?

☐ Yes ☐ No ☐ N/A

If yes, describe _____

_____

12. I certify that I have reviewed the appropriate documentation and have determined that:

☑ No major EJ or civil rights impact is likely to result if the proposal is implemented.
☐ A major EJ or civil rights impact is likely to result if the proposal is implemented.

_____ _____

Name and Title of Certifying Official Date

Form RD 4279-5
(Rev. 07-05)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

LOAN NOTE GUARANTEE
(Business and Industry and Section 9006 Program)

7 CFR Part 4279
7 CFR Part 4280

State	County	Date of Note
	Storey	11-02-2015
Borrower		USDA Loan Identification Number
		(b) (4)
Lender		Lender's IRS Tax ID Number
		(b) (4)
Lender's Address		Principal Amount of Loan
4000 Greenbriar,Suite 200,Houston, TX 77098		$ 10,000,000.00

The guaranteed portion of the loan is $ (b) (4) which is (b) (4)

percent of loan principal. The principal amount of loan is evidenced by (b) (4) notes (includes bonds as appropriate) described below. The guaranteed portion of each note is indicated below. This instrument is attached to note

One in the face amount of $ 10,000,000.00 and is number One of One

Lender's Identifying Number	*Face Amount*	*Percent of Total Face Amount*	*Amount Guaranteed*
(b) (4)	$ 10,000,000.00	(b) (4)	(b) (4)

TOTAL	$ 10,000,000.00	100%	(b) (4)

In consideration of the making of the subject loan by the above named Lender, the United States of America, acting through the United States Department of Agriculture ("USDA"), pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq), does hereby agree that in accordance with and subject to the conditions and requirements herein, it will pay to:

A. Any Holder 100 percent of any loss sustained by such Holder on the guaranteed portion and on interest due on such portion.

B. The Lender the lesser of paragraph 1 or 2 below:

1. Any loss sustained by such Lender on the guaranteed portion including:
   a. Principal and interest indebtedness as evidenced by said notes or by assumption agreements, and
   b. Principal and interest indebtedness on secured protective advances for protection and preservation of collateral made with USDA's authorization, including but not limited to, advances for taxes, annual assessments, any ground rents, and hazard or flood insurance premiums affecting the collateral, or

2. The guaranteed principal advanced to or assumed by the Borrower under said notes or assumption agreements and any interest due thereon.

If USDA conducts the liquidation of the loan, loss occasioned to a Lender by accruing interest after the date USDA accepts responsibility for liquidation will not be covered by this Loan Note Guarantee. If Lender conducts the liquidation of the loan, accruing interest shall be covered by this Loan Note Guarantee to 30 days after liquidation of collateral when the lender conducts the liquidation expeditiously in accordance with the liquidation plan approved by USDA.

Definition of Holder.

The Holder is the person or organization ("investor") other than the Lender who owns all or part of the guaranteed portion of the loan with no servicing responsibilities. Holders are prohibited from obtaining any parts of the guaranteed portion of the loan with proceeds from any obligation, the interest on which is excludable from income, under section 103 of the Internal Revenue Code of 1954, as amended (IRC). When the single note option is used and the Lender assigns a part of the guaranteed loan to an assignee, the assignee becomes a Holder only when USDA receives notice and the transaction is completed through use of Form 4279-6, "Assignment Guarantee Agreement."

Definition of Lender.

The Lender is the person or organization making and servicing the loan which is guaranteed under the provisions of 7 C.F.R. part 4279 or C.F.R. part 4280, subpart B, as applicable . The Lender is also the party requesting a loan guarantee.

CONDITIONS OF GUARANTEE

1. Loan Servicing.

   Lender will be responsible for servicing the entire loan, and Lender will remain mortgagee and secured party of record not withstanding the fact that another party may hold a portion of the loan. When multiple notes are used to evidence a loan, Lender will structure repayments as provided in the loan agreement.

2. Priorities.

   The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The unguaranteed portion of the loan will not be paid first nor given any preference or priority over the guaranteed portion.

3. Full Faith and Credit.

   The Loan Note Guarantee constitutes an obligation supported by the full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which Lender or any Holder has actual knowledge at the time it became such Lender or Holder or which Lender or any Holder participates in or condones. The guarantee will be unenforceable to the extent that any loss is occasioned by a provision for interest on interest. In addition, the Loan Note Guarantee will be unenforceable by Lender to the extent any loss is occasioned by the violation of usury laws, negligent servicing, or failure to obtain the required security regardless of the time at which USDA acquires knowledge of the foregoing. Any losses occasioned will be unenforceable to the extent that loan funds are used for purposes other than those specifically approved by USDA in its Conditional Commitment for Guarantee. Negligent servicing is defined as the failure to perform those services which a reasonably prudent lender would perform in servicing (including liquidation) its own portfolio of loans that are not guaranteed. The term includes not only the concept of a failure to act but also not acting in a timely manner or acting in a manner contrary to the manner in which a reasonably prudent lender would act up to the time of loan maturity or until a final loss is paid.

4. Rights and Liabilities.

   The guarantee and right to require purchase will be directly enforceable by Holder notwithstanding any fraud or misrepresentation by Lender or any unenforceability of this Loan Note Guarantee by Lender except for fraud or misrepresentation of which the Holder had actual knowledge at the time it became the Holder or in which the Holder participates or condones. Nothing contained herein will constitute any waiver by USDA of any rights it possesses against the Lender. Lender will be liable for and will promptly pay to USDA any payment made by USDA to Holder which, if such Lender had held the guaranteed portion of the loan, USDA would not be required to make.

5. Payments.

   Lender will receive all payments of principal or interest, on account of the entire loan and will promptly remit to Holder its pro rata share thereof determined according to its respective interest in the loan, less only Lender's servicing fee.

6. Protective Advances.

   Protective advances made by Lender pursuant to the regulations will be guaranteed against a percentage of loss to the same extent as provided in this Loan Note Guarantee notwithstanding the guaranteed portion of the loan that is held by another.

7. Repurchase by Lender.

   The Lender has the option to repurchase the unpaid guaranteed portion of the loan from the Holder within 30 days of written demand by the Holder when: (a) the borrower is in default not less than 60 days on principal or interest due on the loan or (b) the Lender has failed to remit to the Holder its pro rata share of any payment made by the Borrower within 30 days of its receipt thereof. The repurchase by the Lender will be for an amount equal to the unpaid guaranteed portion of principal and accrued interest less the Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan accruing after 90 days from the date of the demand letter to the Lender requesting the repurchase. Holder will concurrently send a copy of demand to USDA. The Lender will accept an assignment without recourse from the Holder upon repurchase. The Lender is encouraged to repurchase the loan to facilitate the accounting for funds, resolve the problem, and to permit the borrower to cure the default, where reasonable. The Lender will notify the Holder and USDA of its decision.

8. USDA Purchase.

   If Lender does not repurchase as provided by paragraph 7 USDA will purchase from Holder the unpaid principal balance of the guaranteed portion together with accrued interest to date of repurchase less Lender's servicing fee, within thirty (30) days after written demand to USDA from Holder. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the original demand letter of the Holder to the Lender requesting the repurchase. Such demand will include a copy of the written demand made upon the Lender. The Holder or its duly authorized agent will also include evidence of its right to require payment from USDA. Such evidence will consist of either the original of the Loan Note Guarantee properly endorsed to USDA or the original of the Assignment Guarantee Agreement properly assigned to USDA without recourse including all rights, title, and interest in the loan. USDA will be subrogated to all rights of Holder. The Holder will include in its demand the amount due including unpaid principal, unpaid interest to date of demand and interest subsequently accruing from date of demand to proposed payment date. Unless otherwise agreed to by USDA, such proposed payment will not be later than 30 days from the date of demand.

The USDA will promptly notify the Lender of its receipt of the Holder's demand for payment. The Lender will promptly provide the USDA with the information necessary for USDA determination of the appropriate amount due the Holder. Any discrepancy between the amount claimed by the Holder and the information submitted by the Lender must be resolved before payment will be approved. USDA will notify both parties who must resolve the conflict before payment by USDA will be approved. Such conflict will suspend the running of the 30 day payment requirement. Upon receipt of the appropriate information, USDA will review the demand for verification. After receiving the demand, USDA will review the demand and remit the appropriate payment to the Holder.

9. Lender's Obligations.

Lender consents to the purchase by USDA and agrees to furnish on request by USDA a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by Borrowers on the loan and the amount then owed to any Holder. Lender agrees that any purchase by USDA does not change, alter or modify any of the Lender's obligations to USDA arising from said loan or guarantee nor does it waive any of USDA's rights against Lender, and that USDA will have the right to set-off against Lender all rights inuring to USDA as the Holder of this instrument against USDA's obligation to Lender under the Loan Note Guarantee.

10. Repurchase by Lender for Servicing.

If, in the opinion of the Lender, repurchase of the guaranteed portion of the loan is necessary to adequately service the loan, the Holder will sell the portion of the loan to the Lender for an amount equal to the unpaid principal and interest on such portion less Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan accruing after 90 days from the date of the demand letter of the Lender or USDA to the Holder requesting the Holder to tender its guaranteed portion.

a. The Lender will not repurchase from the Holder for arbitrage purposes or other purposes to further its own financial gain.

b. Any repurchase will only be made after the Lender obtains USDA written approval.

c. If the Lender does not repurchase the portion from the Holder, USDA at its option may purchase such guaranteed portions for servicing purposes.

11. Custody of Unguaranteed Portion.

The Lender may retain, or sell the unguaranteed portion of the loan only through participation. Participation, as used in this instrument, means the sale of an interest in the loan wherein the Lender retains the note, collateral securing the note, and all responsibility for loan servicing and liquidation.

12. When Guarantee Terminates.

This Loan Note Guarantee will terminate automatically (a) upon full payment of the guaranteed loan; or (b) upon full payment of any loss obligation hereunder; or (c) upon written notice from the Lender to USDA that the guarantee will terminate 30 days after the date of notice, provided the Lender holds all of the guaranteed portion and the Loan Note Guarantee is returned to be cancelled by USDA.

13. Settlement.

The amount due under this instrument will be determined and paid as provided in the applicable USDA regulations in effect on the date of settlement unless such regulations are in direct conflict with this agreement.

14. Notices.

All notices will be initiated through the USDA Rural Development

for Nevada (State) with mailing address at the day of this instrument:

UNITED STATES OF AMERICA
Department of Agriculture

By: _____

Title: Business & Cooperative Program Director

_____
(Date)

Assumption Agreement by _____ Dated _____

Assumption Agreement by _____ Dated _____

Form 4279-7
(Rev. 05-05)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

CERTIFICATE OF INCUMBENCY AND SIGNATURE

(Business and Industry and Section 9006 Program)

I, _____, _____
(Name) *(Title)*

of the United States Department of Agriculture (USDA), DO HEREBY CERTIFY that the following person holds the office

of _____ (State Director, or Program Manager

of _____,

for USDA and that the signature appearing below and that the signatures appearing above that person's name on the following described document is the genuine signature of such person:

1. Form 4279-5, "Loan Note Guarantee," dated _____ relating to loan made by

_____ to _____,
(Lender's Name) *(Borrower's Name)*

_____
(RDA Loan Identification Number)

2. Form 4279-4, "Lender's Agreement," dated _____ relating to loan made by

_____ to _____,
(Lender's Name) *(Borrower's Name)*

_____
(RDA Loan Identification Number)

3. Form 4279-6, "Assignment Guarantee Agreement," dated _____ relating to loan made by

_____ to _____,
(Lender's Name) *(Borrower's Name)*

_____
(RBS Loan Identification Number)

Signature _____

Typed Name _____

In witness whereof, I have hereunto signed my name this _____ day of _____, _____.

United States Department of Agriculture.

By _____

_____
(Title)

Form 4279-7
(Rev. 05-05)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

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(Business and Industry and Section 9006 Program)

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(Name) *(Title)*

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3. Form 4279-6, "Assignment Guarantee Agreement," dated _____ relating to loan made by

_____ to _____,
(Lender's Name) *(Borrower's Name)*

_____
(RBS Loan Identification Number)

Signature _____

Typed Name _____

In witness whereof, I have hereunto signed my name this _____ day of _____, _____.

United States Department of Agriculture.

By _____

_____
(Title)

Margaret Teliska, PhD

(b) (4) [redacted]

PROFESSIONAL EXPERIENCE

RYANTEL, LLC *Holland 9/2013 – present*

Owner Principal

Consulting firm specializing in providing technical expertise in the areas of product and new technology assessment, quality, product development and management, process improvement, product safety and technical training. Expertise in electrochemistry, alternative energy sources and all battery technologies.

Clients: Advanced American Power (Chicago, IL), Superior Battery (Russell Springs, KY), Volta Power Systems (Holland, MI)

Partnerships: Battery Experts – battery supply chain management and distribution, Legal Kaizen – engineering/legal process consultants for product safety and liability; Veteran Wire and Cable Inc. – service disabled veteran owned business serving the telecommunications industry

JOHNSON CONTROLS, INC *Milwaukee/Holland 2005 to 2013*

Resident Engineering/Launch Manager

Led and managed resident engineering staff with responsibility for the transition of Li-Ion battery new product launches from design to production

- Led engineering projects and cross functional teams for key operational initiatives – process improvements, scrap reduction, product improvements, design for manufacturing
- Liaison between operations and corporate engineering group to collaborate and manage product design development, product launch and program management
- Initiated and led projects that resulted in >$10M cost avoidance per year
- Onsite support for product safety/liability, battery technology, problem solving, training, DFMEA
- Engineering representative for new and current customer business opportunities

Sales Manager - AutoZone

Managed day to day operations of largest retail account with the responsibility of driving performance for all sales activities of automotive and specialty batteries for maximum growth and profitability

- Responsible for achieving internal financial planned targets through volume, commercial margin, gross margin return on investment, warranty management, forecast accuracy and core returns
- Annual transactions of >$500M and annual EBIT contribution of >$100M
- Developed and managed strategic product lifecycle for new product introduction
- Led ideation sessions with cross functional customer team to develop new innovative products and solutions. Launched two key initiatives from sessions – recycling messaging, training for AutoZone employees for warranty management
- Provided in store technical features, messaging and training for customer marketing initiatives
- Six Sigma Champion for sales field managers (10) to drive customer improvements, cost reductions
- Technical training for field managers and customer managers

Specialty Product and Markets Manager - Americas

Responsible for developing new products, services and market strategies for the non automotive battery market

- Successfully launched new marine product line at major mass merchant customer responsible for engineering development, market strategy and advertising, launch resulting in additional profit > $500K per year

- Launched new battery charger and market introduction responsible for market strategy, pricing and customer channel strategy
- Responsible for specialty product line and product lifecycle, technical specifications
- Developed market research reports including market size and product lifecycle expectations for RV, Marine, Golf Cart and Heavy Duty markets
- Engineering/marketing representative to customers

Director Aftermarket Engineering - Americas
Led and managed staff of engineers across Americas organization to provide comprehensive technical support for lead acid battery product for all Aftermarket customers

- Supported the launch and integration of new product launches incorporating customer cares and technical requirements. Developed new customer programs for aftermarket support and service
- Engineering representative for customer compliance reviews, competitive benchmarking, new business and other areas as requested by the customer or customer account teams
- Lead engineer for Powerframe™ global branding project responsible for technical claims, technical patent reviews and competitive benchmarking
- Led projects with cost savings of > $15M per year across Americas organization
- Additional staff responsibilities: Six Sigma champion, SKU/portfolio strategic vision, cataloging, fitment studies, program management, technical calls, safety and liability, warranty and sales modeling, staff development.

Manager Product Design Engineering - Americas
Led staff of design engineers across Americas organization to drive internal product initiatives to ensure that organization and customer satisfaction targets and revenue are met

- Design and development of new product launches, design maintenance on existing product
- Launched new product safety process for global lead acid battery product
- Incorporation of 3 acquisitions into JCI product and operation systems
- Led and managed Americas Engineering Change Approval Board, Global Intellectual Property Committee and Global Design Review Board
- Additional staff responsibilities: Product Safety and Liability, DFEMA, PFMEA, ISO/TS engineering compliance

Senior Engineer
Subject matter expert for alloys, materials, electrochemistry and corrosion, lead acid batteries

- Warranty support for technical issues and customer communications
- Program Manager - led cross functional team for 2 new product launches

NAVAL RESEARCH LABORATORY
ASEE Postdoctoral Fellow – Surface Chemistry Branch *Washington, DC 6/04-12/05*

- Responded to governmental direction (DOE, DARPA, DOD) pertaining to energy policy. Explored alternative energy sources for military and commercial applications.
- Developed novel electrocatalysts for the Proton Exchange Membrane (PEM) fuel cell including synthesis and evaluation in electrochemical half-cell and operating fuel cell.

THE GEORGE WASHINGTON UNIVERSITY
Graduate Student – Department of Chemistry *Washington, DC 7/99-5/04*
Interpreted X-Ray Absorption Spectroscopy (XAS) data on Pt and Pt based alloys *in situ* in operating Proton Exchange Membrane (PEM) and Phosporic Acid (PAFC) fuel cells in collaboration with the Naval Research Laboratory, The National Synchrotron Light Source and the Department of Energy

000993

- Developed novel analysis techniques allowing for the *in situ* determination of adsorption sites of H, O, OH and various anions on platinum based electrodes utilizing Pt $L_{2,3}$ X-ray Absorption Near Edge Structure (XANES) and Extended X-Ray Absorption Fine Structure (EXAFS) combined with theoretical results from the FEFF 8.0 and Amsterdam Density Functional (ADF) codes.
- Published 4 first author papers in peer reviewed publications and 3 conference proceedings

HUMAN GENOME SCIENCES, INC.
Research Associate – Department of Pharmacology *Rockville, MD 4/96-5/00*
Performed efficacy studies of recombinant proteins in the various animal models including wound healing, inflammatory bowel disease, hair growth, oral mucositis and lymphedema and other surgical models

CEIMIC CORPORATION
Analytical Chemist *Narragansett, RI 5/95-4/96*
Performed organic and inorganic analyte quantity determinations according to EPA protocols in water and soil and other types of samples. Analytical methods utilized: ICP, GFAA, FIA

EDUCATION

PhD, Physical Chemistry The George Washington University
Research Director: Columbian Professor David Ramaker *Washington, DC, May 2004*
Ph.D. Thesis *"Determination of H, O, and OH Chemisorption Sites on Platinum and Platinum Based Alloy Electrodes in an Electrochemical Cell using in situ X-Ray Absorption Spectroscopy"*

BS, Chemistry Boston College
Chestnut Hill, Massachusetts, May 1995

CONTINUING EDUCATION

- JCI Leadership Development *Johnson Controls 1/07*
- Executive Strategic Leadership Series *Univ. of Wisconsin Milwaukee Executive Programs 10/07-4/08*
- Six Sigma Green Belt/Champion/DFSS Training *Johnson Controls 5/06-8/09*
- Target Account Selling *Johnson Controls 1/10*
- Customer Relationship Management (CRM) *Johnson Controls 5/11*
- GD&T Training *Johnson Controls 6/13*

AWARDS

- 5 Johnson Controls Merit Awards – Customer Satisfaction *Sept 2008-July 2012*
- US Patent (PCT/US2011/021872) Electrode for Lead Acid Battery *Jan 2011*
- Johnson Controls Chairman's Award – 100% Wal-Mart Business Acquisition Team *Jan 2009*
- Sigma Xi Research in Training *May 2003*
- The George Washington University Distinguished Teaching Award *April 2003*
- Benjamin Van Evera Award - most effective graduate teaching assistant *May 2001*

PROFESSIONAL MEMBERSHIPS

- International Society of Electrochemistry (ISE)
- Society of Automotive Engineers International (SAE)
- Society of Women Engineers (SWE) – Region H Midwest
- Battery Council International (BCI) – Past Committees: Planning, Product Information, Technical

000994

PUBLIC SERVICE

- Boston College Alumni Association of Wisconsin Community Service Chair, former Wash. DC chair
- Member – Career Development Committee – Society of Women Engineers WI chapter
- Co-Leader of the SWE-Badger State Science and Engineering Mentoring Program for local female students interested in participating in the state fair (Funding granted from SWE and Exxon Mobil)
- Board Member (2006-08) Badger State Science and Engineering Fair

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PEER REVIEWED ARTICLES

1. **Teliska, M.**; Murthi, V.S.; Mukerjee S.; Ramaker, D.E. "Specific vs. Non-Specific Anion Adsorption on Pt and Pt Based Alloys. *J. Phys. Chem. C.*; 2007; 111(26); 9267-9274.

2. **Teliska, M.**; Murthi, V.S.; Mukerjee, S.; Ramaker, D.E. "Correlation of Water Activation, Surface Properties, and Oxygen Reduction Reactivity of Supported Pt-M/C Alloy Electrocatalysts using X-Ray Absorption Spectroscopy", *J. Electrochem. Soc.* 2005 152(11) A2159-A2169

3. **Teliska, M.**; O'Grady, W.E.; Ramaker, D.E. "Determination of O and OH Adsorption Sites in situ from Pt L_{23} X-ray Absorption Spectroscopy", *J. Phys. Chem. B.* 2005, 109 (16): 8076-8084

4. **Teliska, M.**; O'Grady,W.E.; Ramaker,D.E. "Determination of H Adsorption Sites on Pt/C Electrodes in $HClO_4$ from Pt L_{23} X-ray Absorption Spectroscopy", *J. Phys. Chem. B.*; 2004; 108(7); 2333-2344.

5. Ravenscroft-Chang, M.; Stohlman, J.M.; Molnar P.; Natarajan A.; Canavan H.E.; **Teliska, M.;** Stancescu M.; Krauthamer V.; Hickman, J. "Altered calcium dynamics in cardiac cells grown on silane-modified surfaces" *Biomaterials* 2010 4(31); 602-607.

6. Baker, W.; Pietron, J.J.; **Teliska, M.E.**; Bouwman, P.J.; Ramaker, D.E.; Swider-Lyons, K.E.; "Enhanced Oxygen Reduction Activity in Acid by Tin-Oxide Supported Au Nanoparticle Catalysts" *J. Electrochem. Soc.*, 2006, 153(9) A1702-A1707

7. Ramaker, D.E.; **Teliska, M.E.**; Zhang, Y.; Stakheev, A. Yu.; Koningsberger, D.C. "Understanding the influence of support alkalinity on the hydrogen and oxygen chemisorption properties of Pt particles. Comparison of X-ray absorption near edge data from gas phase and electrochemical systems", *Phys. Chem. Chem. Phys.*, 2003, 5(20), 4492-4501.

8. Petullo, D.; Masonic, K.; **Teliska, M.**; Yao, D. "Model development and assessment of focal cerebral ischemia in rats." Life Sciences, 1999, 64(13), 1099-1108.

9. Jimenez, P.A.; **Teliska, M.**; Liu B.; Antonaccio, M.J. "Urokinase-type plasminogen activator stimulates wound healing in the diabetic mouse." Inflammation Research, 1997, 46(2), S169-170.

PEER REVIEWED CONFERENCE PROCEEDINGS

1. **Teliska, M.;** Baker, W.S.; Schull, T.; Swider-Lyons, K.E.; "Preparation vs. Performance of Tantalum-Phosphate-Supported Platinum Catalysts for PEMFC Cathodes", 207th Meeting The Electrochemical Society, Quebec, Ontario, May 2005

2. **Teliska, M.**; Bouwman, P.J.; Swider-Lyons, K.E.; Ramaker, D.E.; "New Methods of Analysis in X-Ray Absorption Spectroscopy for Electrocatalysis", 207th Meeting The Electrochemical Society, Quebec, Ontario, May 2005

000995

3. **Teliska, M.**; Murthi, V.S.; Mukerjee, S.; Ramaker, D.E. "In situ determination of O(H) adsorption sites on Pt based alloy electrodes using X-ray Absorption Spectroscopy" *Fundamental Understanding of Electrode Processes in Memory of Professor Ernest B. Yeager*, The Electochemical Society Proceedings, 2005, 212-215.

4. Baker, W.S.; Bouwman, P.J.; **Teliska, M.**; Dmowski, W.; Swider-Lyons, K.E. "Platinum and Non-Platinum-Metal Tin Oxide Supported Catalysts for PEMFC Cathodes" The Electrochemical Society, 206th Meeting, Oahu, HI, October 2004

5. Baker, W.S.; Bouwman, P.J.; **Teliska, M.**; Dmowski, W.; Swider-Lyons, K.E. "Platinum and Non-Platinum-Metal Tin Oxide Supported Catalysts for PEMFC Cathodes" The Electrochemical Society, 206th Meeting, Oahu, HI, October 2004

6. Bouwman, P.J.; **Teliska, M.E.**; Swider Lyons, K.E.; "Increased Poisoning Tolerance of Pt-FEPO Oxygen Reduction Catalysts, The Electrochemical Society, 206th Meeting

OTHER PUBLICATIONS

1. 2010 Battery Council International Technical Manual – contributing editor

2. Swider Lyons, K.E.; Bouwman, P.J.; **Teliska, M.E.**; Baker, W.S. "Low Platinum catalysts for oxygen reduction at PEMFC cathodes", 2004 DOE report to Congress

INVITED TALKS

1. **Teliska, M.**; Bouwman, P.J.; Swider-Lyons, K.E.; Ramaker, D.E.; "New Methods of Analysis in X-Ray Absorption Spectroscopy for Electrocatalysis", 207th Meeting The Electrochemical Society, Quebec, Ontario, May 2005

2. **Teliska, M.**; Swider-Lyons, K.E.; "Fuel Cell Technology", Erie Expo, Erie, PA February 2005

ORAL PRESENTATIONS AT CONFERENCES

Presenter

1. **Teliska, M.;** Baker, W.S.; Schull, T.;.; "Preparation vs. Performance of Tantalum-Phosphate-Supported Platinum Catalysts for PEMFC Cathodes", 207th Meeting The Electrochemical Society, Quebec, Ontario, May 2005

2. **Teliska, M.**; Murthi, V.S.; Mukerjee, S.; Ramaker, D.E. "Influence of Anion Adsorption on Pt and Pt Based Alloy Electrodes in situ using X-ray Absorption Spectroscopy" The Electrochemical Society, 206th Meeting, Hawaii, HI, October 2004

3. **Teliska, M.**; Murthi, V.S.; Mukerjee, S.; Ramaker, D.E. "In situ determination of O(H) adsorption sites on Pt based alloy electrodes using X-ray Absorption Spectroscopy" The Electrochemical Society, 204th Meeting, Orlando, FL, October 2003.

4. **Teliska, M.**; O'Grady, W.E.; Ramaker, D.E. "Elucidation of H Adsorption Sites on Pt/C Electrodes in HClO4 from Pt L2,3 XAS Data." The Electrochemical Society, Centennial Meeting, Philadelphia, PA, May 2002.

5. **Teliska, M.**; Ramaker, D.E.; Srinivasamurthi, V.; Mukerjee, S. "In situ spectroscopic evidence for Pt-OH inhibition on Pt based alloy electrodes using X-ray Absorption Spectroscopy", International Conference on Catalysis, July 19-23, Paris, France.

6. **Teliska, M.**; Jimenez, P.A.; Liu, B.; Antonaccio, M.J. "Urokinase-type plasminogen activator stimulates wound healing in the diabetic mouse." Inflammation Research Association, Hershey PA October 1996.

Contributing Presenter

1. Swider-Lyons, K.E. (invited), **Teliska, M.**; Baker, W.S.; Garsany, Y.; Peitron, J.J.; "Leveraging metal-support interactions to improve the activity of PEMFC cathode catalysts" 207th Meeting The Electrochemical Society, Los Angeles, Oct 2005

2. Garsany, Y.; **Teliska, M.**; Swider-Lyons, K.E.; "Impact of contaminants on the performance of PEMFC cathodes" 207th Meeting The Electrochemical Society, Los Angeles, Oct 2005

3. Swider-Lyons, K.E.; **Teliska, M.**; Baker, W.S.; Bouwman, P.J.; Schull, T.; Peitron, J.J.; "Low Platinum Catalysts for Oxygen Reduction at PEMFC Cathodes" Project ID# FC16, DOE Hydrogen Program Review, Washington DC, May 2005

4. Pietron, J.J.; Baker, W.S.; **Teliska, M.**; Dmowski, W.; Swider-Lyons, K.E.; "Metal-Oxide-Supported Platinum and Non-Platinum-Metal Catalysts for PEMFC Cathodes, Asilomar, Los Angeles, CA February 2005

5. Swider-Lyons, K.E.; Baker, W.S.; Peitron, J.J.; **Teliska, M.**; Dmowski, W.;"Oxide and Phosphate Based Catalysts for Oxygen Reduction at Cathodes for PEMFCs" Symposium M: Materials Aspects of Fuel Cells, Boston, MA, Fall 2004

6. Bouwman, P.J.; **Teliska, M.**; Dmowski, W.; Swider-Lyons, K.; "Increased Poisoning Tolerance of Pt-MOx Oxygen-Reduction Catalysts" The Electrochemical Society, 206th Meeting, Hawaii, HI, October 2004

7. Baker, W.S.; Bouwman, P.J.; Dmowski, W.; Swider-Lyons, K.E.; "Platinum and Non-Platinum-Metal Tin Oxide Supported Catalysts for PEMFC Cathodes" The Electrochemical Society, 206th Meeting, Hawaii, HI, October 2004

8. Ramaker, D.E.; **Teliska, M.**; O'Grady, W.E. "Pt L_{23} XANES Data Utilized as an in situ Tool for Determining H and O Adsorption Sites, and their Change with Coverage, on Pt/C Electrodes in an Electrochemical Cell and Oxygen Fuel Cell", 18th North American Catalysis Society Meeting (18th NAM), Cancun, Mexico, June 2003.

9. Ramaker, D.E.; (invited) **Teliska, M.**; O'Grady, W.E.; Oudenhuijzen, M.K.; Zhang, Y.; Stakeev, A.; Koningsberger, D.C.; "Adsorbed H and O Binding Site Information on Pt Surfaces from in situ Pt L23 XANES Measurements on a Pt/C Electrode, an Operating PEM Fuel Cell, and Supported Pt Catalysts", International Congress on Operando Spectroscopy, Lunteren, The Netherlands, March 2003.

10. Ramaker, D.E.; Canavan, H.; Hickman, J.J.; O'Grady, W.E.; Natishan, P.; **Teliska, M.** "In situ Detection of Protein Oxidation and Denaturing by XANES", Symposium on Emerging Technologies in Protein Analysis, GWU, Jan 2003.

11. Ramaker, D.E.; **Teliska, M.** ; O'Grady, W.E. "Determination of H adsorption sites, H delocalization, and effect of directly adsorbed ions on Pt/C electrodes from Pt L23 XAS data", Fifty-Third Annual Meeting of the International Soc. Electrochemistry, Germany, Sept 2002, Dusseldorf, Germany.

12. Ramaker, D.E.; **Teliska, M.** "Determination of O Adsorption Sites, and Effect of Directly Adsorbed Ions, on Pt/C Electrodes from Pt L23 XAS Data in an Electrochemical Cell and Oxygen Fuel Cell", Fourth International Conference on Electrocatalysis, Como, Italy, Sept 2002.

13. Canavan, H.E.; **Teliska, M.E.**; Hickman, J.J.; O'Grady, W.E.; Ramaker, D.E. "Novel Application of Sulfur K-Edge X-ray Absorption Spectroscopy to Investigate the Structure and Reactivity of Extracellular Proteins ", National Meeting of the American Chemical Society , San Francisco, CA, March 2002.

14. Jimenez, P.A.; Rampy, M.A.; **Teliska, M.**; Judis, K.M.; Antonaccio, M.J. "Comparison of a novel keratinocyte growth factor and a monocyte chemotactic protein in wound healing." Gordon Wound Healing Conference. Lincoln, NH, June 1997.

15. Duan, D.R.; Jimenez, P.A., Gruber, J.R.; Liu, B.; Florence, C.; Blunt, A.; KA Huddleston, K.A.; **Teliska, M.**; Alfonso, P.; Feng, P.; Coleman, T.A; Omitz, D.M.; Dillon, P.J. "Identification of a novel keratinocyte growth factor that promotes wound healing." The Wound Healing Society, Nashville, TN, June 1997.

16. Jimenez, P.A., **Teliska, M.**; Liu, B.; Judis, K.; Rampy, M.A.; Antonnacio, M.J. "Keratinocyte growth factor-2: A wound healing agent with epidermal and dermal activity." The Wound Healing Society, Nashville, TN, June 12-14. 1997.

17. Jimenez, P.A., Liu, B.; Rampy, M.A.; Judis, K.; **Teliska, M.**; Antonaccio, M.J. "Effects of monocyte chemotactic protein 4 (MCP-4) on wound healing in diabetic and non-diabetic mice." The Wound Healing Society, Nashville, TN, June 1997.

18. Jimenez, P.A., Rampy, M.A.; **Teliska, M.**; Liu, B.; Lincoln, C.; Judis, K.; Antonaccio, M.J. (Spon. K. Connolly). "Effect of keratinocyte growth factor 2 on cell proliferation in vivo." Experimental Biology '97. New Orleans LA. April 6-9, 1997.

USDA

United States Department of Agriculture

Rural Development

Nevada State Office

1390 S. Curry St.
Carson City, NV
89703

Voice 775.887.1222
Fax 855-816-1209

November 6, 2015

(b) (4)
USAF 6, LP
One Buckhead Plaza
3060 Peachtree Rd. NW, Ste. 1855
Atlanta, GA 30305

RE: Certificates of Incumbency and Signature
Green Bank
Aqua Metals Reno, Inc.

Dear (b) (4):

Enclosed are two original Forms 4279-7, "Certificate of Incumbency and Signature (Business and Industry)" for the subject lender and borrower.

Please contact me if you have any questions.

Sincerely,

HERB SHEDD
Business & Coop Programs Director

Enclosures

(b) (4), Green Bank, Houston, TX

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Borrower: Aqua Metals Reno, Inc.

A minimum of (b) (4) percent tangible Balance Sheet equity will be required at issuance of the Loan Note Guarantee.

Tangible Balance Sheet equity will be determined in accordance with Generally Accepted Accounting Principles and will not include subordinated debt or appraisal surplus. Prior to issuance of the Loan Note Guarantee, the lender will provide USDA Rural Development with a pro forma Balance Sheet, prepared by an Independent Certified Public Accountant, reflecting new debt and a certification that the borrower meets the minimum tangible Balance Sheet equity requirement. The lender will provide current (90 days) financial statements prior to issuance of the LNG to support the minimum equity certification. The financial statements must be prepared in accordance with Rural Development Instruction 4279-B, Section 4279.131(d) which states tangible Balance Sheet equity will be determined in accordance with Generally Accepted Accounting Principles (GAAP). Appraisal surplus and/or subordinated debt will not be included in the calculation as provided in Item #17, Part B, of RD Form 4279-1, Application for Loan Guarantee. The lender will be responsible for analyzing the financial statements which includes reviewing the balance statement assets to determine if the asset valuation for the calculation of tangible Balance Sheet equity is based on the market or cost valuation, whichever is less, and then providing the certification based on actual financial statements updated to include the loan closing transaction. The Lender may utilize an accountant if the lender determines the need for an independent review of the borrower's tangible Balance Sheet equity. The lender will provide the equity certification, which will disclose the amount of total assets, tangible assets, liabilities and percent of equity.

The Lender will be responsible for the accuracy of the equity certification.

Derived from Balance Sheet (attached) as of: 11/02/15

(b) (4)

(1) List Intangibles

We hereby certify that the borrower meets the minimum tangible Balance Sheet equity

(b) (4)

(b) (4)

Date 11/3/15

Date

Page(s) 001001 thru 001213
withheld:

5 U.S.C. § 552, Exemption (b)(4) of the FOIA protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential.

Form 4279-6
(Rev.12-14)

Position 5

FORM APPROVED
OMB NO. 0570-0017

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

ASSIGNMENT GUARANTEE AGREEMENT

(Business and Industry and Section 9006 Program)

Type of Loan Business and Industry

USDA Loan Identification Number

33-015-136629165

7 C.F.R. part 4279, subparts A ,B and C
7 C.F.R. part 4287, subpart B and D
7 C.F.R. part 4280, subpart B

Capitalized terms will have the meaning defined in the applicable program regulations.

(Lender) has made a loan to Aqua Metals Reno, Inc.

in the principal amount of $ 10,000,000.00 as evidenced by a note dated 11/05/2015. The United States of America, acting through the U.S. Department of Agriculture (USDA) entered into a Loan Note Guarantee (Form 4279-5) with the Lender applicable to such loan to guarantee the loan not to exceed 90% percent of the amount of the principal advanced and any interest due thereon as provided therein.

(b) (4) of (b) (4)

(Holder) desires to purchase from Lender (b) (4) percent of the guaranteed portion of such loan. Copies of Borrower's note and the Loan Note Guarantee are attached hereto as a part hereof.

NOW, THEREFORE, THE PARTIES AGREE:

1. The principal amount of the loan now outstanding is $ (b) (4). Lender hereby assigns to Holder (b) (4) percent of the guaranteed portion of the loan representing $ (b) (4) of such loan now outstanding in accordance with all of the terms and conditions hereinafter set forth. The Lender and USDA certify to the Holder that the Lender has paid and USDA has received the guarantee fee in exchange for the issuance of the Loan Note Guarantee and any applicable annual renewal fees.

2. **Loan Servicing.** The Lender is responsible for servicing the entire loan and will remain mortgagee and secured party of record. The entire loan is secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The Lender will receive all payments on account of principal of, or interest on, the entire loan and shall promptly remit to the Holder its pro rata share thereof determined according to their respective interests in the loan, less only the Lender's servicing fee

3. **Servicing Fee.** Holder agrees that Lender will retain a servicing fee of (b) (4) percent per annum of the unpaid balance of the guarantee portion of the loan assigned hereunder.

4. **Purchase by Holder.** The Holder will hereby succeed to all rights of the Lender under the Loan Note Guarantee to the extent of the assigned portion of the loan. The Lender, however, will remain bound by all obligations under the Loan Note Guarantee and the program regulations found in 7 C.F.R. parts 4279 subparts A and B, and 4287 subpart B for Business and Industry Guaranteed Loans, 7 C.F.R. part 4280 subpart B for Rural Energy for America Program, and 7 C.F.R parts 4279 subpart C, and 4287 subpart D for Biorefinery Assistance Program

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0017. The time required to complete this information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

5. **Full Faith and Credit.** The Loan Note Guarantee constitutes an obligation supported by the full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which the Holder has actual knowledge at the time of this assignment, or which it participates in or condones. The guarantee will be unenforceable to the extent that any loss is occasioned by a provision for interest on interest.

6. **Rights and Liabilities.** The guarantee and right to require purchase will be directly enforceable by Holder notwithstanding any fraud or misrepresentations by Lender or any unenforceability of the Loan Note Guarantee by Lender. Nothing contained herein shall constitute any waiver by USDA of any rights it possesses against the Lender, and the Lender agrees that Lender will be liable and will promptly reimburse USDA for any payment made by USDA to Holder which, if such Lender had held the guaranteed portion of the loan, USDA would not be required to make. The Holder upon written notice to the Lender and USDA may resell the unpaid balance of the guaranteed portion of the loan assigned hereunder.

7. **Repurchase by the Lender (Defaults).** The Lender has the option to repurchase the unpaid guaranteed portion of the loan from the Holder within 30 days of written demand by the Holder when: (a) the Borrower is in default not less than 60 days on principal or interest due on the loan or (b) the Lender has failed to remit to the Holder its pro rata share of any payment made by the Borrower or any loan subsidy within 30 days of its receipt thereof. The repurchase by the Lender will be for an amount equal to the unpaid guaranteed portion of principal and accrued interest, less the Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan accruing after 90 days from the date of the demand letter to the Lender requesting the repurchase. Holder will concurrently send a copy of demand to USDA. The Lender will accept an assignment without recourse from the Holder upon repurchase. The Lender is encouraged to repurchase the loan to facilitate the accounting for funds, resolve any problems, and to permit the Borrower to cure any default, where reasonable. The Lender will notify the Holder and USDA of its decision.

8. **Purchase by USDA.** If Lender does not repurchase as provided by paragraph 7, USDA will purchase from Holder the unpaid principal balance of the guaranteed portion together with accrued interest to date of repurchase, less Lender's servicing fee, within 30 days after written demand to USDA from the Holder. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the original demand letter of the Holder to the Lender requesting the repurchase. Such demand will include a copy of the written demand made upon the Lender. The Holder or its duly authorized agent will also include evidence of its right to require payment from USDA. Such evidence will consist of either the original of the Loan Note Guarantee properly endorsed to USDA or the original of the Assignment Guarantee Agreement properly assigned to USDA without recourse including all rights, title, and interest in the loan. USDA will be subrogated to all rights of Holder. The Holder will include in its demand the amount due including unpaid principal, unpaid interest to date of demand and interest subsequently accruing from date of demand to proposed payment date. Unless otherwise agreed to by USDA, such proposed payment will not be later than 30 days from the date of demand.

   USDA will promptly notify the Lender of its receipt of the Holder's demand for payment. The Lender will promptly provide USDA with the information necessary for USDA's determination of the appropriate amount due the Holder. Any discrepancy between the, amount claimed by Holder and the information submitted by the Lender must be resolved before payment will be approved. USDA will notify both parties who must resolve the conflict before payment will be approved. Such a conflict will suspend the running of the 30 day payment requirement. Upon receipt of the appropriate information, USDA will review the demand and remit the appropriate check to Holder.

9. **Lender's Obligations.** Lender consents to the purchase by USDA and agrees to furnish on request by USDA a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by Borrower on the loan and the amount then owed to any Holder. Lender agrees that any purchase by USDA does not change, alter or modify any of the Lender's obligations to USDA arising from said loan or guarantee nor does it waive any of USDA's right against Lender, and that USDA shall have the right to set-off against Lender all rights inuring to USDA as the Holder of this instrument against USDA's obligation to Lender under the Loan Note Guarantee.

10. **Repurchase by Lender for Servicing.** If, in the opinion of the Lender, repurchase of the assigned portion of the loan is necessary to adequately service the loan, the Holder will sell the assigned portion of the loan to the Lender for an amount equal to the unpaid principal and interest on such portion less Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the demand letter of the Lender or USDA to the Holder requesting the Holder to tender their guaranteed portion.

a. The Lender will not repurchase from the Holder for arbitrage purpose or other purposes to further its own financial gain.

b. Any repurchase will only be made after the Lender obtains USDA written approval.

c. If the Lender does not repurchase the portion from the Holder, USDA at its option may purchase such guaranteed portions for servicing purposes.

11. **Termination of Lender's Servicing Fee.** The lender's servicing fee will stop when the Agency purchases the guaranteed portion of the loan from the secondary market. No such servicing fee may be charged to the Agency and all loan payments and collateral proceeds received will be applied first to the guaranteed loan and when applied to the guaranteed loan will be applied on a pro rata basis.

12. **Foreclosure.** The Lender is responsible for determining who the necessary parties are to any foreclosure action or who should be named on a deed of conveyance taken in lieu of foreclosure. When the conveyance is received and the property is liquidated, the net proceeds will be applied to the guaranteed loan debt. If USDA has repurchased the guaranteed portion of the loan from the Holder, the Lender must obtain USDA's concurrence to any foreclosure action to be taken by the Lender; however, USDA will not be considered to be a necessary party to the action or otherwise required to join in.

13. **Reassignment.** Holder upon written notice to Lender and USDA may reassign the unpaid guaranteed portion of the loan sold hereunder. Upon such notification, the assignee will succeed to all rights and obligations of the Holder hereunder.

14. **Notices.** All notices and actions will be initiated through the USDA Rural Development for Nevada (state) with mailing address at the date of this assignment.

Dated this _____ day November ,2015 .

LENDER: Green Bank

ADDRESS: 4000 Greenbriar, Suite 200
Houston, TX 77098

ATTEST:

_____ *(SEAL)*

By _____

Title _____

HOLDER: 1st Farm Credit Services, FLCA

ADDRESS: 2000 Jacobssen Drive
Normal, IL 61761

By _____

ATTEST:

_____ *(SEAL)*

Title _____

UNITED STATES OF AMERICA
Department of Agriculture

ADDRESS: 1390 S. Curry Street

By Herb Shedd

Carson City, NV 89703

Title BUSINESS & COOPERATIVE PROGRAMS DIRECTOR

Form 4279-6
(Rev.12-14)

Position 5

FORM APPROVED
OMB NO. 0570-0017

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

ASSIGNMENT GUARANTEE AGREEMENT

(Business and Industry and Section 9006 Program)

Type of Loan Business and Industry

USDA Loan Identification Number 33-015-136629165

7 C.F.R. part 4279, subparts A ,B and C
7 C.F.R. part 4287, subpart B and D
7 C.F.R. part 4280, subpart B

Capitalized terms will have the meaning defined in the applicable program regulations.

(Lender) has made a loan to Aqua Metals Reno, Inc.

in the principal amount of $ 10,000,000.00 as evidenced by a note dated 11/03/2015. The United States of America, acting through the U.S. Department of Agriculture (USDA) entered into a Loan Note Guarantee (Form 4279-5) with the Lender applicable to such loan to guarantee the loan not to exceed 90% percent of the amount of the principal advanced and any interest due thereon as provided therein.

(b) (4) of (b) (4)

(Holder) desires to purchase from Lender (b) (4) percent of the guaranteed portion of such loan. Copies of Borrower's note and the Loan Note Guarantee are attached hereto as a part hereof.

NOW, THEREFORE, THE PARTIES AGREE:

1. The principal amount of the loan now outstanding is $ 10,000,000.00. Lender hereby assigns to Holder (b) (4) percent of the guaranteed portion of the loan representing $ (b) (4) of such loan now outstanding in accordance with all of the terms and conditions hereinafter set forth. The Lender and USDA certify to the Holder that the Lender has paid and USDA has received the guarantee fee in exchange for the issuance of the Loan Note Guarantee and any applicable annual renewal fees.

2. **Loan Servicing.** The Lender is responsible for servicing the entire loan and will remain mortgagee and secured party of record. The entire loan is secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The Lender will receive all payments on account of principal of, or interest on, the entire loan and shall promptly remit to the Holder its pro rata share thereof determined according to their respective interests in the loan, less only the Lender's servicing fee

3. **Servicing Fee.** Holder agrees that Lender will retain a servicing fee of (b) (4) percent per annum of the unpaid balance of the guarantee portion of the loan assigned hereunder.

4. **Purchase by Holder.** The Holder will hereby succeed to all rights of the Lender under the Loan Note Guarantee to the extent of the assigned portion of the loan. The Lender, however, will remain bound by all obligations under the Loan Note Guarantee and the program regulations found in 7 C.F.R. parts 4279 subparts A and B, and 4287 subpart B for Business and Industry Guaranteed Loans, 7 C.F.R. part 4280 subpart B for Rural Energy for America Program, and 7 C.F.R parts 4279 subpart C, and 4287 subpart D for Biorefinery Assistance Program

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0017. The time required to complete this information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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14. **Notices.** All notices and actions will be initiated through the USDA Rural Development for Nevada (state) with mailing address at the date of this assignment.

Dated this _____ day November ,2015 .

LENDER: Green Bank

ADDRESS: 4000 Greenbriar, Suite 200
Houston, TX 77098

ATTEST:

_____ *(SEAL)*

By _____

Title _____

HOLDER: Farm Credit Mid-America, FLCA

ADDRESS: 1601 UPS Drive
Louisville, KY 40223

By _____

ATTEST:

_____ *(SEAL)*

Title _____

UNITED STATES OF AMERICA
Department of Agriculture

ADDRESS: 1390 S. Curry Street

By Hurt Shedd

Carson City, NV 89703

Title BUSINESS & COOPERATIVE PROGRAM DIRECTOR

Form 4279-6
(Rev.12-14)

Position 5

FORM APPROVED
OMB NO. 0570-0017

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

ASSIGNMENT GUARANTEE AGREEMENT

(Business and Industry and Section 9006 Program)

Type of Loan Business and Industry

USDA Loan Identification Number

33-015-136629165

7 C.F.R. part 4279, subparts A ,B and C
7 C.F.R. part 4287, subpart B and D
7 C.F.R. part 4280, subpart B

Capitalized terms will have the meaning defined in the applicable program regulations.

(Lender) has made a loan to Aqua Metals Reno, Inc.

in the principal amount of $ 10,000,000.00 as evidenced by a note dated 11/03/2015. The United States of America, acting through the U.S. Department of Agriculture (USDA) entered into a Loan Note Guarantee (Form 4279-5) with the Lender applicable to such loan to guarantee the loan not to exceed 90% percent of the amount of the principal advanced and any interest due thereon as provided therein.

(b) (4) of (b) (4)

(Holder) desires to purchase from Lender (b) (4) percent of the guaranteed portion of such loan. Copies of Borrower's note and the Loan Note Guarantee are attached hereto as a part hereof.

NOW, THEREFORE, THE PARTIES AGREE:

1. The principal amount of the loan now outstanding is $ 10,000,000.00. Lender hereby assigns to Holder (b) (4) percent of the guaranteed portion of the loan representing $ (b) (4) of such loan now outstanding in accordance with all of the terms and conditions hereinafter set forth. The Lender and USDA certify to the Holder that the Lender has paid and USDA has received the guarantee fee in exchange for the issuance of the Loan Note Guarantee and any applicable annual renewal fees.

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Dated this _____ day November ,2015 .

LENDER: Green Bank

ADDRESS: 4000 Greenbriar, Suite 200
Houston, TX 77098

ATTEST:

_____ *(SEAL)*

By _____

Title _____

HOLDER: 1st Farm Credit Services, FLCA

ADDRESS: 2000 Jacobssen Drive
Normal, IL 61761

By _____

ATTEST:

_____ *(SEAL)*

Title _____

UNITED STATES OF AMERICA
Department of Agriculture

ADDRESS: 1390 S. Curry Street

By Herb Sledd

Carson City, NV 89703

Title BUSINESS & COOPERATIVE PROGRAMS DIRECTOR

Form 4279-6
(Rev.12-14)

Position 5

FORM APPROVED
OMB NO. 0570-0017

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

ASSIGNMENT GUARANTEE AGREEMENT

(Business and Industry and Section 9006 Program)

Type of Loan Business and Industry

USDA Loan Identification Number

33-015-136629165

7 C.F.R. part 4279, subparts A ,B and C
7 C.F.R. part 4287, subpart B and D
7 C.F.R. part 4280, subpart B

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6. **Rights and Liabilities.** The guarantee and right to require purchase will be directly enforceable by Holder notwithstanding any fraud or misrepresentations by Lender or any unenforceability of the Loan Note Guarantee by Lender. Nothing contained herein shall constitute any waiver by USDA of any rights it possesses against the Lender, and the Lender agrees that Lender will be liable and will promptly reimburse USDA for any payment made by USDA to Holder which, if such Lender had held the guaranteed portion of the loan, USDA would not be required to make. The Holder upon written notice to the Lender and USDA may resell the unpaid balance of the guaranteed portion of the loan assigned hereunder.

7. **Repurchase by the Lender (Defaults).** The Lender has the option to repurchase the unpaid guaranteed portion of the loan from the Holder within 30 days of written demand by the Holder when: (a) the Borrower is in default not less than 60 days on principal or interest due on the loan or (b) the Lender has failed to remit to the Holder its pro rata share of any payment made by the Borrower or any loan subsidy within 30 days of its receipt thereof. The repurchase by the Lender will be for an amount equal to the unpaid guaranteed portion of principal and accrued interest, less the Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan accruing after 90 days from the date of the demand letter to the Lender requesting the repurchase. Holder will concurrently send a copy of demand to USDA. The Lender will accept an assignment without recourse from the Holder upon repurchase. The Lender is encouraged to repurchase the loan to facilitate the accounting for funds, resolve any problems, and to permit the Borrower to cure any default, where reasonable. The Lender will notify the Holder and USDA of its decision.

8. **Purchase by USDA.** If Lender does not repurchase as provided by paragraph 7, USDA will purchase from Holder the unpaid principal balance of the guaranteed portion together with accrued interest to date of repurchase, less Lender's servicing fee, within 30 days after written demand to USDA from the Holder. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the original demand letter of the Holder to the Lender requesting the repurchase. Such demand will include a copy of the written demand made upon the Lender. The Holder or its duly authorized agent will also include evidence of its right to require payment from USDA. Such evidence will consist of either the original of the Loan Note Guarantee properly endorsed to USDA or the original of the Assignment Guarantee Agreement properly assigned to USDA without recourse including all rights, title, and interest in the loan. USDA will be subrogated to all rights of Holder. The Holder will include in its demand the amount due including unpaid principal, unpaid interest to date of demand and interest subsequently accruing from date of demand to proposed payment date. Unless otherwise agreed to by USDA, such proposed payment will not be later than 30 days from the date of demand.

   USDA will promptly notify the Lender of its receipt of the Holder's demand for payment. The Lender will promptly provide USDA with the information necessary for USDA's determination of the appropriate amount due the Holder. Any discrepancy between the, amount claimed by Holder and the information submitted by the Lender must be resolved before payment will be approved. USDA will notify both parties who must resolve the conflict before payment will be approved. Such a conflict will suspend the running of the 30 day payment requirement. Upon receipt of the appropriate information, USDA will review the demand and remit the appropriate check to Holder.

9. **Lender's Obligations.** Lender consents to the purchase by USDA and agrees to furnish on request by USDA a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by Borrower on the loan and the amount then owed to any Holder. Lender agrees that any purchase by USDA does not change, alter or modify any of the Lender's obligations to USDA arising from said loan or guarantee nor does it waive any of USDA's right against Lender, and that USDA shall have the right to set-off against Lender all rights inuring to USDA as the Holder of this instrument against USDA's obligation to Lender under the Loan Note Guarantee.

10. **Repurchase by Lender for Servicing.** If, in the opinion of the Lender, repurchase of the assigned portion of the loan is necessary to adequately service the loan, the Holder will sell the assigned portion of the loan to the Lender for an amount equal to the unpaid principal and interest on such portion less Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the demand letter of the Lender or USDA to the Holder requesting the Holder to tender their guaranteed portion.

a. The Lender will not repurchase from the Holder for arbitrage purpose or other purposes to further its own financial gain.

b. Any repurchase will only be made after the Lender obtains USDA written approval.

c. If the Lender does not repurchase the portion from the Holder, USDA at its option may purchase such guaranteed portions for servicing purposes.

11. **Termination of Lender's Servicing Fee.** The lender's servicing fee will stop when the Agency purchases the guaranteed portion of the loan from the secondary market. No such servicing fee may be charged to the Agency and all loan payments and collateral proceeds received will be applied first to the guaranteed loan and when applied to the guaranteed loan will be applied on a pro rata basis.

12. **Foreclosure.** The Lender is responsible for determining who the necessary parties are to any foreclosure action or who should be named on a deed of conveyance taken in lieu of foreclosure. When the conveyance is received and the property is liquidated, the net proceeds will be applied to the guaranteed loan debt. If USDA has repurchased the guaranteed portion of the loan from the Holder, the Lender must obtain USDA's concurrence to any foreclosure action to be taken by the Lender; however, USDA will not be considered to be a necessary party to the action or otherwise required to join in.

13. **Reassignment.** Holder upon written notice to Lender and USDA may reassign the unpaid guaranteed portion of the loan sold hereunder. Upon such notification, the assignee will succeed to all rights and obligations of the Holder hereunder.

14. **Notices.** All notices and actions will be initiated through the USDA Rural Development for Nevada (state) with mailing address at the date of this assignment.

Dated this _____ day November ,2015 .

LENDER: Green Bank

ADDRESS: 4000 Greenbriar, Suite 200
Houston, TX 77098

ATTEST:

_____ *(SEAL)*

By _____

Title _____

HOLDER: Farm Credit Mid-America, FLCA

ADDRESS: 1601 UPS Drive
Louisville, KY 40223

By _____

ATTEST:

_____ *(SEAL)*

Title _____

UNITED STATES OF AMERICA
Department of Agriculture

ADDRESS: 1390 S. Curry Street

By Hank Shedd

Carson City, NV 89703

Title Business & Cooperative Program Director

Form 4279-7
(Rev. 05-05)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

CERTIFICATE OF INCUMBENCY AND SIGNATURE

(Business and Industry and Section 9006 Program)

I, Laura Chavez (Name), Business & Coop Programs Specialist (Title)

of the United States Department of Agriculture (USDA), DO HEREBY CERTIFY that the following person holds the office

of Business & Coop Program Director (State Director, or Program Manager

of Nevada,

for USDA and that the signature appearing below and that the signatures appearing above that person's name on the following described document is the genuine signature of such person:

1. Form 4279-5, "Loan Note Guarantee," dated 11-04-2015 relating to loan made by

Green Bank (Lender's Name) to Aqua Metals Reno, Inc. (Borrower's Name),

(b) (4) (RDA Loan Identification Number)

2. Form 4279-4, "Lender's Agreement," dated 11-04-2015 relating to loan made by

Green Bank (Lender's Name) to Aqua Metals Reno, Inc. (Borrower's Name),

(b) (4) 5 (RDA Loan Identification Number)

3. Form 4279-6, "Assignment Guarantee Agreement," dated 11-04-2015 relating to loan made by

Green Bank (Lender's Name) to Aqua Metals Reno, Inc. (Borrower's Name),

(b) (4) (RBS Loan Identification Number)

Signature (b) (4)

Typed Name

In witness whereof, I have hereunto signed my name this 4th day of November, 2015.

United States Department of Agriculture.

By

Business & Coop Programs Specialist
(Title)

USDA
United States Department of Agriculture

Rural Development

Nevada State Office

1390 S. Curry St.
Carson City, NV
89703

Voice 775.887.1222
Fax 855.816.1209

August 5, 2015

(b) (4)
Senior Vice President
Green Bank
400 Greenbriar
Houston, TX 77098

RE: Aqua Metals Reno, Inc.
Conditional Commitment

Dear Mr. Coffman:

Please find your copy of Form 1940-3 "Obligation of Funds" enclosed. The obligation confirms that funding has been set-aside for the project. The Loan Note Guarantee will be issued when all conditions listed in the Conditional Commitment have been met.

Please read this letter carefully as it contains all of the instructions necessary to close the loan and obtain the loan note guarantee.

The following documents are enclosed:

1. Conditional Commitment (original and two)
The lender and borrower are to execute all three copies. Please return the USDA copy to our office immediately with the lender and borrower each retaining their respective copies. Be sure all copies are signed and dated appropriately. The bank cannot proceed to closing until the commitment is accepted and returned to Rural Development.

2. Certification of Conditions Precedent to Issuance of Loan Note Guarantee
The lender will execute the original (at the time of loan closing) and return it to our office.

3. Guaranteed Loan Closing Report
The lender will execute an original report for the loan. Please call our office if you need any assistance completing the form. Once complete, return the report our office with a check made payable to USDA Rural Development in the amount (b) (4) for the guarantee fee. An approved copy will subsequently be sent to you.

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html , or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov

4. Loan Classification Form
The lender should complete the classification form and return it to Rural Development along with the loan closing report and other documents. At closing, the credit is ordinarily classified as "Current Non-Problem".

Lender Post-Closing Process

Once the loan closing has taken place, please return the following items to our office:

1. Copy of the loan disbursement (settlement) sheet documenting fully the use of loan proceeds.

2. Copy of the borrower's balance sheet as of the closing date being sure that the effect of the new loan is shown. Please refer to the specific balance sheet requirements for this transaction which are located in the Conditional Commitment.

3. Executed Certification of Conditions

4. Copies of all appropriate closing documents and security instruments.

5. Completed Loan Closing Report (Form 1980-19 described above).

6. Loan Classification Form.

Our office will review the closing documents and determine if all the requirements of the Conditional Commitment have been met. When all conditions have been met, the Loan Note Guarantee will be issued.

Please contact me at (775) 887-1222 ext. 116 or at mark.williams@nv.usda.gov if you have any questions.

Sincerely,

Herb Shedd

HERB SHEDD
Business and Cooperative Programs Director

Enclosures

(b) (4) [redacted]

Form RD 1940-3
(Rev. 07-08)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

REQUEST FOR OBLIGATION OF FUNDS
GUARANTEED LOANS

INSTRUCTIONS:
Complete Items 1 through 25 and applicable Items 26 through 35. See FMI.

1. CASE NUMBER ST CO BORROWER ID	2. LOAN NUMBER	3. FISCAL YEAR	4. SOURCE OF FUNDS
(b) (4)	01	2015	1 *(See FMI)*

5. BORROWER NAME	6. NUMBER NAME FIELDS
Aqua Metals Reno, Inc.	1 *(1, 2, or 3 from Item 5)*

7. STATE NAME	8. COUNTY NAME
Nevada	Storey

9. RACE CODE	10. EMPLOYEE RELATIONSHIP CODE	11. SEX CODE	12. MARITAL STATUS
1 - WHITE, 2 - BLACK, 3 - AI/IN, 4 - HISPANIC, 5 - A/PI	*(See FMI)*	1 - MALE, 2 - FEMALE, 3 - FAMILY UNIT, 4 - ORGANIZATION MALE OWNED, 5 - ORGANIZATION FEMALE OWNED, 6 - PUBLIC BODY, 7 - NONPROFIT-SECULAR, 8 - NONPROFIT-FAITH BASED 4	1 - MARRIED, 2 - SEPARATED, 3 - UNMARRIED (INCLUDES WIDOWED OR DIVORCED)

13. VETERAN CODE	14. TYPE OF PAYMENT	15. COMMUNITY SIZE
1 - YES, 2 - NO	1 - MONTHLY, 2 - ANNUALLY, 3 - SEMI-ANNUALLY, 4 - QUARTERLY 1	1 - 10,000 OR LESS (FOR SFH ONLY), 2 - OVER 10,000
16. TYPE OF ASSISTANCE *(See FMI)*	**17. PURPOSE CODE**	**18. GUARANTEE PERCENT OF LOAN** 90 %
19. TERM OF INTEREST ASSISTANCE	**20. SUBMISSION CODE** 1 - INITIAL, 2 - SUBSEQUENT 1	**21. AMOUNT OF LOAN** $10,000,000.00
22. APPROVAL DATE MO DA YR 07-24-2015	**23. NOTE INTEREST RATE** (b) (4)	**24. BORROWER EFFECTIVE INTEREST RATE** %
25. REPAYMENT PERIOD (b) (4)	**26. INCOME CATEGORY** 1 - VERY LOW, 2 - LOW, 3 - MODERATE	**27. ADJUSTED FAMILY INCOME**
28. TYPE OF UNIT 1 - FARM TRACT, 2 - NON-FARM TRACT	**29. DWELLING TYPE USE OF FUNDS CODE** *(See FMI)*	**30. INTEREST ASSISTANCE CODE** 1 - ELIGIBLE FOR INTEREST ASSIST PROGRAM, 2 - INELIGIBLE FOR INTEREST ASSIST PROGRAM
31. PERCENT OF INTEREST ASSISTANCE %	**32. HIGH COST AREA** Y = YES, N = NO	**33. BORROWER HISTORY CODE** *(See FMI)*

34. AMOUNT AGENCY DIRECT DEBT REFINANCE	35. OBLIGATION DATE *(Finance Office use only)* MO DA YR

36. BEGINNING FARMER/RANCHER
(See FMI)

ORIGINAL - Borrower's Case Folder | COPY 1 - Applicant | COPY 2 - Lender | COPY 3 - State Office

Position 2

001229

CERTIFICATION APPROVAL

APPROVAL CONDITIONS:

(1) (Farm Loan Programs Only) This loan guarantee is approved subject to the availability of funds. If this loan guarantee is not issued for any reason within 90 calendar days from the date of approval on this document, the approval official may request updated information concerning the lender and the loan applicant. The approval official will have 14 working days to review any updated information and decide whether to submit this document for obligation of funds.

(2) This loan guarantee is approved subject to the conditions on the Conditional Commitment.

37. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

See Form RD 4279-3 Conditional Commitment and attachments.

38. I HEREBY CERTIFY that all determinations and certifications required by the respective United States Department of Agriculture (USDA) Agency regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, subject to the availability of funds, and subject to conditions prescribed by Agency regulations applicable to this type of assistance.

I further certify that USDA has complied with the applicable provisions of Title XI, Public Law 95-630, seeking financial information regarding the applicant.

Sarah Adler

(Signature of Approval Official)

Typed or Printed Name: Sarah Adler

Date Approved 07-24-2015 Title: State Director

39. TO THE APPLICANT/LENDER: As of this date 8-5-2015, this is notice that your application for the above loan guarantee/Interest Assistance from USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the respective USDA Agency. If you have any questions contact the Approval Official.

Form 4279-3
(Rev. 12-14)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

CONDITIONAL COMMITMENT

FORM APPROVED
OMB NO. 0570-0017
OMB NO. 0570-0050
OMB NO. 0570-0055

Capitalized terms will have the meaning defined in the applicable program regulations.

TO: Lender	Case No.
Green Bank	33-015-136629165
Lender's Address	**State**
4000 Greenbriar Houston, TX 77098	Nevada
Borrower	**Principal Amount of Loan**
Aqua Metals Reno, Inc.	$10,000,000.00

From an examination of information supplied by the Lender and other relevant information, it appears that the transaction can properly properly be completed.

Therefore, the United States of America acting through the United States Department of Agriculture (USDA) hereby agrees that, in accordance with applicable provisions of the regulations, it will execute Form RD 4279-5, "Loan Note Guarantee," subject to the conditions and requirements specified in the regulations and herein.

The Loan Note Guarantee fee payable by the Lender to USDA will be the amount as specified in the regulations on the date of this Conditional Commitment. The interest rate for the loan is [redacted] percent 1/. If a variable rate is used, it must be tied to a published base rate agreed to by the Lender and USDA which cannot change more often than quarterly (for Business and Industry (B&I) Guaranteed Loans).

A Loan Note Guarantee will not be issued until the Lender certifies that there has been no adverse change in the Borrower's financial condition, nor any other adverse change in the Borrower's condition, for any reason, during the period of time from USDA's issuance of this Conditional Commitment to issuance of the Loan Note Guarantee regardless of the cause or causes of the change and whether the cause or causes of the change were within the Lender's or Borrower's control. The Lender's certification must address all adverse changes and be supported by financial statements of the Borrower and its guarantors executed not more than 60 days before the time of certification. As used in this paragraph only, the term "Borrower" includes any parent, affiliate, or subsidiary of the Borrower.

In the event of the Government's failure to issue a guarantee in a situation where it is found to be in breach, the other party's remedy is limited to a suit for the guaranteed portion of principal and interest which ultimately remains unpaid. The purposes for which the loan funds will be used and the amounts to be used for such purposes are set forth in the Attachment to this Conditional Commitment. Once this instrument is executed and returned to USDA, no major change of conditions or approved loan purpose will be considered. Additional Conditions and Requirements including Source and Use of Funds are attached. 2/

This agreement becomes null and void unless the conditions are accepted by the Lender and Borrower within 60 days from the date of issuance by USDA. If the conditions set forth in this commitment are not met within 270 days from the date of this commitment, USDA reserves the right to discontinue the processing of the application and terminate its commitment.3/ If USDA decides to terminate this commitment, USDA will provide the Lender a written notice at least 14 days prior to termination.

UNITED STATES OF AMERICA

By: Sarah Adler

Typed or Printed Name: Sarah Adler

State Director
(Title)

Date: Aug. 5, 2015

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control numbers for this information collection are 0570-0017, 0570-0050, and 0570-0055. The time required to complete this information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

ACCEPTANCE OF CONDITIONS

To: USDA 4/

The conditions of this Conditional Commitment including attachments are acceptable and the undersigned intends to proceed with the loan transaction and request issuance of a Loan Note Guarantee within _____ days.

_____
(Name of Lender)

Date: _____ By: _____
(Signature for Lender)

Date: _____ _____
(Signature for Borrower)

1/ Insert fixed interest rate or, if authorized by regulations, the variable interest rate (including the published base rate) and the appropriate loan subsidy rate, if applicable.

2/ Insert any additional conditions or requirements in the attachment to the Conditional Commitment and attach.

3/ USDA will determine and insert the date by which conditions should be met.

4/ Return completed and signed copy of this form to USDA issuing office.

Attachment to Form RD 4279-3, "Conditional Commitment"
Aqua Metals Reno, Inc. (b) (4)
$10,000,000 Business & Industry (B&I) Guaranteed Loan
Approval Date: 07/24/2015

LOAN PURPOSE:

1. The purpose of the loan is to provide long-term financing for the construction of an approximately 125,000 sq. ft. building and loan fees and costs at a commercial property located at 2500 Peru Drive, McCarran, Nevada 89434 to be used as a lead recycling facility. Funds will be used for construction

(b) (4)

PERCENTAGE OF GUARANTEE:

2. A 90 % guarantee will be issued after any development work is completed and the terms of this Conditional Commitment have been met.

INTEREST RATE AND TERM:

(b) (4)

RENEWAL FEE:

(b) (4)

COLLATERAL:

(b) (4)

Last Updated: July 9, 2015

(b) (4)

As additional security only, a lien will also be taken on a $1,000,000 certificate of deposit of the borrower to be used to cover debt service payments until the borrower has three consecutive months of positive cash flow.

There are to be no construction or mechanics liens against the security.

The lender will not require compensating balances or other collateral as a means of eliminating the lender's exposure for the unguaranteed portion of the loan. The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The unguaranteed portion of the loan will neither be paid first nor given any preference or priority over the guaranteed portion.

GUARANTOR(S):

6. In addition to the full liability of Aqua Metals Reno, Inc., Aqua Metals, Inc., and Aqua Metals Operations, Inc. are to pledge full commercial guarantees for the loan.

   Each guarantor must execute Form RD 4279-14, "Unconditional Guarantee – Business and Industry Guaranteed Loan Program."

INSURANCE:

7. Hazard insurance naming the lender as mortgagee or loss payee, as applicable, will be maintained in an amount at least equal to the outstanding loan balance or the replacement value (whichever is greater) of the collateral. Hazard insurance includes fire, windstorm, lightning, hail, explosion, riot, civil commotion, aircraft, vehicle, marine, smoke, builder's risk during construction, and property damage. Worker's Compensation must be carried in accordance with State law.

   Key person life insurance is not required.

EQUITY:

(b) (4)

LOAN AGREEMENT:

9. A loan agreement between the lender and borrower will be executed which conforms to RD Instruction 4279-B, § 4279.161(b)(11).

   a. The borrower must obtain audited financial statements annually, prepared in accordance with Generally Accepted Accounting Principles, and submit them to the lender within 90 days of the business' fiscal yearend. Financial statements will contain, at a minimum, a balance sheet and a profit and loss statement reflecting the financial condition of the borrower as of its yearend. The lender is responsible for obtaining all required financial statements from the borrower, analyzing them, and providing copies of statements with a detailed written analysis to Rural Development within 120 days.

   b. All personal and commercial guarantors of this loan must provide annual financial statements to the lender within 90 days of guarantor's fiscal or calendar yearend.

   c. The borrower will refrain from co-signing or otherwise becoming liable for obligations or liabilities of others.

   d. Dividend payments will be limited to an amount that, when taken, will not adversely affect the repayment ability of the borrower. No dividend payments will be made unless (1) an after-tax profit was made in the preceding fiscal year, (2) the borrower is and will remain in compliance with covenants of the Loan Agreement and Conditional Commitment, (3) all borrower debts are paid to a current status, and (4) prior written concurrence of the lender is obtained. This is not intended to apply to dividend payments to cover personal tax liability resulting from profitability of the business.

(b) (4) [redacted]

   f. Compensation of officers and owners will be limited to an amount that, when taken, will not adversely affect the repayment ability of the borrower. This amount may not be increased year to year unless (1) an after-tax profit was made in the preceding fiscal year, (2) the borrower is and will remain in compliance with covenants of the Loan Agreement and Conditional Commitment, (3) all borrower debts are paid to a current status, and (4) prior written concurrence of the lender is obtained.

   g. Borrower's debt-to-net worth, based upon yearend financial statements and as defined by Generally Accepted Accounting Principles, shall not (b) (4) [redacted]
(b) (4) [redacted]

   h. Borrower shall not enter into any merger or consolidation or sell the business without prior written concurrence of the lender.

i. Outside investment and loans/advances to stockholders, owners, officers, or affiliates require the prior written consent of the lender. Loans from stockholders, owners, officers or affiliates must be subordinated to the guaranteed loan or converted to stock. No payments are to be made on these debts unless the B&I loan is current and in good standing.

ENVIRONMENTAL:

10. The lender will take action to ensure that all construction associated with this credit facility and the continuing operations of the business are completed in accordance with applicable Federal, State, and local laws, regulations, and ordinances, as related to any adverse impact the project/operations may potentially have on the environment.

The borrower will be required to comply with the following measures, identified in Rural Development's environmental review process, to avoid or reduce adverse environmental impacts from this project's construction or operation as follows:

A pedestrian archeological survey of the project site is requested by the Nevada State Historic Preservation Office prior to construction. A copy of the report is to be provided to the Agency.

The borrower is to mitigate potential storm run off during the construction of the project using best management practices.

Documentation that is required to be submitted to the State Department of Environmental Protection for hazardous material permit compliance is to be provided to the Agency.

Indicate restrictions on storage of hazardous materials on the security property.

APPRAISAL:

(b) (4)

CONSTRUCTION:

(b) (4)

(b) (4)

The lender is to ensure that all work is properly planned and carried out. The lender will monitor the progress of design and construction and undertake the reviews and inspections necessary to ensure that construction is done in accordance with RD Instruction 4279-B, section 4279.156, and conforms to applicable Federal, State, and local code requirements. Copies of any written inspections will be furnished to the lender and the Agency. Proceeds are to be used in accordance with approved plans, specifications, and contract documents, and funds are to be used for eligible project costs. Prior to disbursement of construction funds, the lender ordinarily will have:

a. Have a complete set of plans and specifications for the project on file, as well as the required building permits with sign-offs and provide a complete set of plans and specifications to the Agency for its review.

b. Require the use of American Institute of Architects (AIA) contracts and documents.

c. Have a detailed timetable for the project with a corresponding budget of costs, setting forth the parties responsible for payment. The timetable and budget must be agreed to by the borrower.

d. Have a qualified individual confirm that the budget is adequate for the planned development.

e. Have firm construction contract costs and provisions for change order approvals, a retainage percentage, and a disbursement schedule.

(b) (4)

g. Have contingencies in place to handle foreseeable cost overruns without seeking additional guaranteed B&I assistance. These are to be agreed to by the borrower.

Furthermore, once construction begins, the lender is to:

h. Use any borrower funds in the project first.

i. Have inspections made by a qualified individual prior to any progress payment.

j. Obtain lien waivers from all contractors prior to any disbursement.

l. Provide at least monthly, written reports to Rural Development on fund disbursement and project status.

Once construction is completed, the lender is to provide Rural Development with:

m. A copy of the Certificate of Occupancy or Notice of Completion.

LOAN GUARANTEE CLOSING:

13. GREEN BANK and AQUA METALS RENO, INC. must each execute Form AD-3031, "Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants," at loan closing and provide the forms to the Agency prior to issuance of the Loan Note Guarantee.

14. Coincident with, or immediately after loan closing, and prior to issuance of the guarantee, the lender will provide Rural Development with the following:

a. (b) (4) [redacted]

b. An executed RD Form 4279-4, "Lender's Agreement."

c. A copy of the executed Loan Agreement that contains any continuing loan conditions set forth by the Agency in this Conditional Commitment.

d. A copy of the executed Promissory Note(s).

e. A copy of the executed Settlement Statement.

f. Original, executed Forms RD 4279-14, "Unconditional Guarantee," as required;

g. Original, executed Forms AD-3031, "Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants," for both the lender and borrower.

h. Written lender certification in accordance with RD Instruction 4279-B, § 4279.181.

i. Borrower's loan closing balance sheet, prepared in accordance with Generally Accepted Accounting Principles, demonstrating required tangible balance sheet equity. The balance sheet must reflect the business' post loan closing status.

15. The lender is required to hold in its own portfolio or retain a minimum (b) (4) [redacted] of the total loan amount. The amount required to be retained must be of the unguaranteed portion of the loan and cannot be participated to another. The lender may sell the remaining amount of the unguaranteed portion of the loan only through participation.

16. Agency personnel and any person(s) accompanying Agency personnel shall be authorized to enter upon the premises and into any building thereon, whether permanent or temporary, jointly or separately, with

personnel of the lender to carry out the functions involving their interests. Scheduled and unscheduled inspections may be conducted by these personnel to determine the effectiveness of the loan program.

17. The lender will always retain responsibility for servicing the entire loan and for notifying the Agency of any violations of the terms of the Loan Agreement or Conditional Commitment. The lender will advise the Agency of the loan classification within 90 days of issuance of the guarantee and whenever the lender revises its classification of the loan.

18. Lender will become an approved participant in Rural Development's Lender Interactive Network Connection (LINC). The USDA eAuthentication is the system used by USDA agencies to enable customers to obtain accounts that will allow them to access USDA Web applications and services via the Internet. To conduct official business transactions, such as submitting annual renewal fees and borrower account status reporting using the LINC, the customer must have Level 2 eAuthentication credentials. You may work directly with the Rural Development Nevada State Office to accomplish this. The contact person is Laura Chavez who can be reached at (775) 887-1222, ext. 117. Please see attachment for additional information.

19. Any public body or nonprofit corporation that receives a guaranteed loan that meets the thresholds established by OMB Circulars A-128 or A-133 or successor regulations or circulars must provide an audit in accordance with the applicable circular or regulation for the fiscal year (of the borrower) in which the Loan Note Guarantee is issued. If the loan is for development or purchases made in a previous fiscal year through interim financing, an audit will also be provided for the fiscal year in which the development or purchases occurred.

(b) (4)

21. AQUA METALS RENO, INC., by accepting Form 4279-3, "Conditional Commitment," certifies that it is not delinquent on any Federal debt, including tax debt.

22. By signing this Conditional Commitment, the lender and borrower certify that they understand and accept the conditions outlined herein. No provision stated herein shall be amended or waived without the prior written consent of the lender and Rural Development. Any loans or advances made to the Borrower by the Lender after issuance of the Loan Note Guarantee will not be covered by the guarantee, except authorized protective advances. Regulations contained in RD Instructions 4279-A and 4279-B, and Form RD 4279-4, "Lender's Agreement," will apply.

23. Any request for an extension of the expiration date of this Conditional Commitment must be made in writing and received by Rural Development prior to the expiration date. This request must be accompanied by a full explanation as to why the extension is needed.

(b) (4)

25 The borrower is to prepare quarterly financial statements and provide them to the lender for the first 24 months of the borrower's operations.

(b) (4)

§ 4279.181 Conditions precedent to issuance of Loan Note Guarantee.

The Loan Note Guarantee will not be issued until the lender, including a CLP lender, certifies to the following:

(a) No major changes have been made in the lender's loan conditions and requirements since the issuance of the Conditional Commitment, unless such changes have been approved by the Agency.

(b) All planned property acquisition has been or will be completed, all development has been or will be substantially completed in accordance with plans and specifications, conforms with applicable Federal, state, and local codes, and costs have not exceeded the amount approved by the lender and the Agency.

(c) Required hazard, flood, liability, worker compensation, and personal life insurance, when required, are in effect.

(d) Truth-in-lending requirements have been met.

(e) All equal credit opportunity requirements have been met.

(f) The loan has been properly closed, and the required security instruments have been obtained or will be obtained on any acquired property that cannot be covered initially under State law.

(g) The borrower has marketable title to the collateral then owned by the borrower, subject to the instrument securing the loan to be guaranteed and to any other exceptions approved in writing by the Agency.

(h) When required, the entire amount of the loan for working capital has been disbursed except in cases where the Agency has approved disbursement over an extended period of time.

(i) When required, personal, partnership, or corporate guarantees have been obtained.

(j) All other requirements of the Conditional Commitment have been met.

(k) Lien priorities are consistent with the requirements of the Conditional Commitment. No claims or liens of laborers, subcontractors, suppliers of machinery and equipment, or other parties have been or will be filed against the collateral and no suits are pending or threatened that would adversely affect the collateral when the security instruments are filed.

(1) The loan proceeds have been or will be disbursed for purposes and in amounts consistent with the Conditional Commitment and Form 4279-1. A copy of the detailed loan settlement of the lender must be attached to support this certification.

(m) There has been neither any material adverse change in the borrower's financial condition nor any other material adverse change in the borrower, for any reason, during the period of time from the Agency's issuance of the Conditional Commitment to issuance of the Loan Note Guarantee regardless of the cause or causes of the change and whether or not the change or causes of the change were within the lender's or borrower's control. The lender must address any assumptions or reservations in the requirement and must address all adverse changes of the borrower, any parent, affiliate, or subsidiary of the borrower, and guarantors.

(n) None of the lender's officers, directors, stockholders, or other owners (except stockholders in an institution that has normal stockshare requirements for participation) has a substantial financial interest in the borrower and neither the borrower nor its officers, directors, stockholders, or other owners has a substantial financial interest in the lender. If the borrower is a member of the board of directors or an officer of a Farm Credit System (FCS) institution that is the lender, the lender will certify that an FCS institution on the next highest level will independently process the loan request and act as the lender's agent in servicing the account.

(o) The Loan Agreement includes all measures identified in the Agency's environmental impact analysis for this proposal (measures with which the borrower must comply) for the purpose of avoiding or reducing adverse environmental impacts of the proposal's construction or operation.

Green Bank hereby certifies that the above conditions precedent to issuance of the Loan Note Guarantee have been met for Aqua Metals Reno, Incorporated.

CERTIFIED BY;

GREEN BANK

BY: _____ DATE: _____

FORM APPROVED
OMB NO. 0575-0137

Form RD 1980-19
(Rev 02-02)

GUARANTEED LOAN CLOSING REPORT

TRANSACTION CODE 4030

1. CASE NUMBER	4. LENDER ID NO.	5. LENDER STATUS CODE	6. LENDER TYPE CODE
ST CO BORROWER'S ID (b) (4)	(b) (4)	1	1
	7. CERTIFICATION EFFECTIVE MO DA YR DATE	8. CERTIFICATION EXPIRATION MO DA YR DATE	

2. BORROWER NAME AND ADDRESS *(INCLUDING ZIP CODE)*	9. LENDER NAME AND ADDRESS *(INCLUDING ZIP CODE)*
Aqua Metals Reno, Inc. 250 Peru Drive McCarran, NV 89434	Green Bank 4000 Greenbriar Houston, TX 77098
3. BORROWER TYPE CODE 2	10. SERVICING OFFICE 001

11. SOURCE OF FUNDS	12. INTEREST ASSISTANCE CODE	13. GUARANTEE FEE PURPOSE CODE	14. FEE RATE
1		3	(b) (4)
15. AMOUNT OF GUARANTEE FEE PAID (b) (4)	16. AMOUNT OF LOAN-LINE OF CREDIT $10,000,000.00	17. ADVANCE AMOUNT TO DATE	18. CLOSING DATE MO DA YR
19. MATURITY DATE OF LOAN MO DA YR	20. TERM OF BUYDOWN/ INTEREST ASSISTANCE YEARS	21. PERCENT OF LOAN GUARANTEED 90 .0000 %	22. LENDER'S NOTE INTEREST RATE ON GUARANTEED PORTION %
23. LENDER'S NOTE INTEREST RATE ON NONGUARANTEED PORTION %	24. BUYDOWN/INTEREST ASSISTANCE RATE %	25. PERIOD OF OPERATING LINE OF CREDIT YEARS	26. RESERVED
27. TYPE OF GUARANTEE 1-LINE OF CREDIT 2-LOAN NOTE GUARANTEE	28. INTEREST BASIS (360 OR 365 DAYS)	29. INTEREST RATE CODE 1 - SINGLE VARIABLE 2 - SINGLE FIXED 3 - MULTI VARIABLE 4 - MULTI FIXED	30. BALANCE OWED ON LOAN
(b) (4)			
31. DATE GUARANTEE PERIOD BEGINS MO DA YR	32. DATE GUARANTEE PERIOD ENDS MO DA YR	33. ANNUAL REVIEW DATE MO DA YR	34. CERTIFIED LOAN N-NO Y-YES N
35. AUTHORIZED LENDER'S SIGNATURE - I certify that all conditions of the conditional commitment have been met and that this report accurately describes the subject loan.		36. TITLE	37. DATE

COMPLETED BY AGENCY SERVICING OFFICE			COMPLETED BY FINANCE OFFICE
38. GUARANTEED LOAN NUMBER	39. OBLIGATED LOAN NUMBER	40. BRANCH NUMBER	41. DATE OF DEPOSIT MO DA YR
42. SIGNATURE OF AGENCY REPRESENTATIVE - I have reviewed this report and the information is consistent with the conditional commitment and the supporting documentation provided by the lender.		43. TITLE	44. DATE

☐ AGENCY SERVICING OFFICE (ORIGINAL) - FILE POSITION 2 ☐ LENDER

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0137. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

TO: USDA, Rural Development
ATTN: Business and Industry Loan Division

Borrower: Aqua Metals Reno, Inc.

Lender: Green Bank

SUBJECT: Loan Classification

Please be advised that I have reviewed the financial condition and compliance with loan conditions for the above loan which Rural Development has guaranteed. Based on my review, I recommend the loan be classified as follows:

_____ Current Non-Problem Classification. A loan that has been current for 23 months or less, and is in compliance with the loan conditions and B&I regulations.

_____ Seasoned Loan Classification. A loan with an unpaid principal balance of two-thirds or less of the original loan amount; is in compliance with all loan conditions and B&I regulations; has been current for 24 consecutive months, and is adequately secured.

_____ Special Mention Classification. A loan that does not presently expose the lender and Rural Development to a sufficient degree of risk to warrant a Substandard Classification, but does possess credit deficiencies deserving the Lender's close attention.

_____ Substandard Classification. A loan which is inadequately protected by the current sound worth and paying capacity of the obligor, or of the collateral pledged.

_____ Doubtful Classification. A loan with all the weaknesses of a Substandard Classification, plus other weaknesses that make collection or liquidation in full questionable.

_____ Loss Classification. A loan considered uncollectible, and of such little value that its continuance as a bankable loan is not warranted.

Comments:

_____ _____
Date Name

_____
Title

Form RD 1980-88
(07-2015)

Form Approved
OMB No. 0570-0068

U.S. DEPARTMENT OF AGRICULTURE

Rural Development

STRATEGIC ECONOMIC AND COMMUNITY DEVELOPMENT (SECTION 6025) PRIORITY

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Act of 1995, as amended. The authority for requesting the following information is Section 9001 of the Agricultural Act of 2014 (Public Law 113-79). This information may be provided to other agencies, Internal Revenue Service, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 1001; 1014, 16 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

Attached to this form are detailed instructions, the Forms Manual Insert (FMI), for each section. Please refer to the FMI when completing this form for guidance. ***Use attachments as necessary.***

I. Applicant Information

A. Applicant Legal Name: Green Bank, NA

B. Applicant telephone number: 713.275.8546	**C. Applicant email address:** kcoffman@greenbank.com

D. If applicable, type of Government entity (check all that apply):

State ☐ County ☐ Municipal ☐ Tribal ☐ Not applicable ☑

II. Strategic Economic or Community Development Plan (the Plan) Information

A. Name of the Plan: Western Nevada Development District's Comprehensive Economic Development Strategy (CEDS) Plan

B. Plan Date:

1. Effective date of the Plan: November 2014	**2. Dates Plan is in effect:** November 2014 to October 2019

C. Plan Contact Information (if more rows are needed, please provide an attachment with the requested information):

Name: Ron Radil, WNDD Executive Director Organization: Title:	Telephone Number: 775.883.7333 x2001	Email Address: rjradil@wndd.org
Name: Sheryl Gonzales, WNDD Project Manager Organization: Title:	Telephone Number: 775.883.7333 x2000	Email Address: sgonzales@wndd.org
Name: Organization: Title:	Telephone Number:	Email Address:

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-XXXX. The time required to complete this information collection is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

D. Describe the service area of the Plan. In lieu of providing your own description, you may submit an excerpt from the Plan that describes the Plan's service area. If you are submitting an excerpt, please check this box: ☑

This described the service area of the Plan.

E. Web site link for the Plan (if one is available): http://www.wndd.org/ceds/

III. Project Information:

A. Project Name: Aqua Metals Reno, Inc.

B. In order to be eligible for Section 6025 priority, the project must be "carried out solely in a rural area." Please answer both of the following questions. Note that the definition of "rural area" depends on the specific program you are applying for.

Is your project physically located in a rural area? Yes ☑ No ☐

Do all of the beneficiaries of the services provided by the Project either reside in a rural area if they are individuals) or are located in a rural area if they are businesses? Yes ☑ No ☐

C. If you are one or more of the Government entity types identified in Block I.D above, attach a letter from the appropriate entity(ies) indicating that the Project is consistent with the Plan and that the Plan has been Adopted.

IV. Scoring Information for Section 6025 Priority:

A. Scoring of the Proposed Project

For each of the Plan's objectives that the proposed project directly supports, complete Attachment A. Information provided in Attachment A will be used to determine how many Section 6025 priority points will be awarded in accordance with § 1980.1020(b)(1).

B. Scoring of the Plan.

Attach documentation that addresses each of the five areas described below. Information provided will be used to determine how many Section 6025 priority points will be awarded in accordance with § 1980.1020(b)(2).

1. The Plan was developed through the collaboration of multiple stakeholders in the service area of the plan, including the participation of combinations of stakeholders
2. The Plan demonstrates an understanding of the applicable region's assets that could support the Plan
3. Whether or not the Plan includes monetary or non-monetary contributions from Federal agencies other than the U.S. Department of Agriculture
4. Whether or not the Plan includes monetary or non-monetary contributions from one or more philanthropic organizations
5. The Plan contains clear objectives, the ability to establish measurable performance measures and to track progress towards meeting the Plan's objectives

(http://www.wndd.org/)

(http://www.w

Home About Us Board of Directors Staff CEDS Microloan Links

CEDS

Comprehensive Economic Development Strategy

For more in depth information please download our 2014 Comprehensive Economic Development Strategy (http://www.wndd.org/2015/wp-content/uploads/2015/01/Comprehensive-Economic-Development-Strategy-2014.pdf) report.

The 2014 Western Nevada Development District Community Economic Development Strategy (CEDS) was approved by the U.S. Economic Development Administration in November 2014. WNDD, serving as the EDD, and working with its regional partners developed the CEDS, which is an economic development tool for each of the regional partners. CEDS enables the regional entities to seek financial assistance from public and private funding sources for development projects within the region, based upon the CEDS strategies and projects.

WNDD, serving as the EDD, and working with its regional partners developed the Comprehensive Economic Development Strategy (CEDS) which is an economic development tool for each of the regional partners. CEDS enables the regional entities to seek financial assistance from public and private funding sources to development projects within the region, based upon the CEDS strategies and projects.

The 2012 Stronger Economies Together (SET) program, a USDA Rural Development initiative, is the basis for the 2014 CEDS. SET brought over 200 people from throughout the region to develop the SET Blueprint and this regional collaboration, final document, and on-going SET work groups provided the basis for the WNDD CEDS.

The table of contents of the 2014 WNDD CEDS includes:

- Background of the region
- Analysis of regional economic development problems and opportunities
- Goals and strategies
- Community and private sector involvement
- Plan of action
- WNDD organizational plan of action
- Project list
- Appendices

Through WNDD, area local elected officials, public agencies, and members of the private sector have the opportunity to work together to insure that WNDD's regional programs are based on the unique needs and opportunities in each locale.

The CEDS is updated annually and is revised every five years.

WESTERN NEVADA DEVELOPMENT DISTRICT - (WNDD) - 704 WEST NYE LANE SUITE 201 CARSON CITY, NV 89703

RONALD RADIL - RJRADIL@WNDD.ORG - 775-883-7333 X2001 / SHERYL GONZALES - SGONZALES@WNDD.ORG - 775-883-7333 X2000

STAFF (HTTP://WWW.WNDD.ORG/STAFF/) | HOME (HTTP://WWW.WNDD.ORG/) |
BOARD OF DIRECTORS (HTTP://WWW.WNDD.ORG/CONTACT/)

Comprehensive Economic Development Strategy

2014

Background of the Region

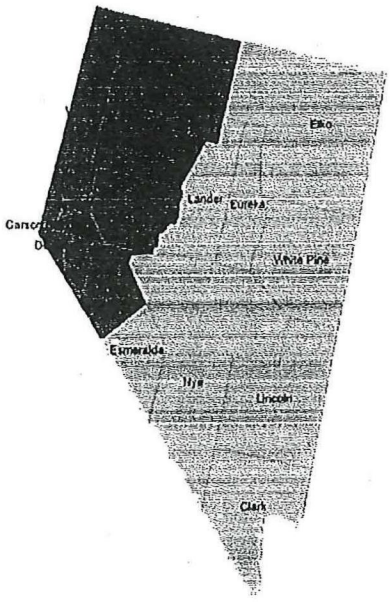
The background includes discussion of the following elements:

- *History*
- *Stronger Economies Together Overview*
- *Economy*
- *Regional Data Analysis*
- *Economic Development Strategies and Implementation*
- *Population & Demographics*
- *Geography*
- *Workforce Development and use*
- *Transportation access*
- *Environment*
- *Resources*

History

The Western Nevada Development District (WNDD) region consists of the following Nevada counties located in the northern and northwestern part of the State:

Carson City	*Humboldt*	*Pershing*
Churchill	*Lyon*	*Storey*
Douglas	*Mineral*	*Washoe*



Delineation of the Western Nevada Development District Region Nine-County Region

V. Agency Coordination

A. Program area(s) for which Section 6025 priority is being requested (check all that apply):

- Business and Cooperative Development - Business and Industry Guaranteed Loan Program: ☑
- Business and Cooperative Development - Rural Business Development Grant Program: ☐
- Rural Community Facilities - Community Facilities Grant Program: ☐
- Rural Community Facilities - Community Facility Loans: ☐
- Rural Community Facilities - Community Programs Guaranteed Loans: ☐
- Rural Community Facilities - Fire and Rescue and Other Small Community Facilities Projects: ☐
- Rural Utilities - Water and Waste Disposal Programs Guaranteed Loans: ☐
- Rural Utilities - Water and Waste Disposal Loans and Grants: ☐

B. Multiple Program Applications (if applicable). If you are submitting two or more program application for Section 6025 priority in the same Federal fiscal year, provide the following information on each program application(s).

1a. Project Name:	2a. Program Area(s) for which Section 6025 priority is requested (check all that apply): Business and Cooperative Development ☐ Rural Community Facilities: ☐ Rural Utilities: ☐	3a. Date application submitted:
1b. Project Name:	2b. Program Area(s) for which Section 6025 priority is requested (check all that apply): Business and Cooperative Development ☐ Rural Community Facilities: ☐ Rural Utilities: ☐	3b. Date application submitted:
1c. Project Name:	2c. Program Area(s) for which Section 6025 priority is requested (check all that apply): Business and Cooperative Development ☐ Rural Community Facilities: ☐ Rural Utilities: ☐	3c. Date application submitted:

C. Previous Program Application Information: If you previously submitted one or more program applications for Section 6025 priority, provide Attachment B for each previous program application.

VI. Certification of Documentation and Acceptance:

CERTIFICATION AND ACCEPTANCE

I certify that, to the best of my knowledge and belief, the information included with this Form RD 1980-88, including all attachments, are true and correct.

(b) (4)

(Officer, Member, Partner, Proprietor)

Title: SVP

Date:

ATTACHMENT A – PLAN OBJECTIVES

Fill out Attachment A for each Plan objective that the proposed project directly supports. Make copies as needed.

I. Name of Plan Objective that the proposed project directly supports.

Workforce Development

II. Description of Plan Objective. You may either describe the objective or attach excerpts from the Plan that describe the objective. If you are submitting excerpts, please check this box: ☑

Increase knowledge and understanding of existing worker skills, knowledge and experience in present and future business workforce needs across the WNDD region. Develop a workforce that is well educated and with the appropriate skills to meet the demands of businesses today and in the future, per the sectors indentified as important t the region.

III. Description of how the proposed project directly supports the objective.

With ~~35~~ new jobs projected at the start up of operations, Aqua Metals will make a commitment to supporting the linkages of their workforce development needs to certification programs offered by the two area colleges, Truckee Meadows Community College and Western Nevada College. Additionally, when practical, Aqua Metals will utilize interns from these two Nevada institutions of higher learning during their operations in the Tahoe Reno Industrial center.

- Increase access for connectivity of rail, road, air and public transit for commerce to maximize safety, efficiency and environment
- Improve road safety
- Integrate broadband planning into infrastructure and development planning
- Increase access to broadband for residents and businesses
- Increase speed in broadband for residents and businesses
- Ensure adequate broadband speeds for current use and for projected economic growth (10 years) around current and potential industrial/commercial centers
- In collaboration with local providers, map middle mile access of current and potential industrial/commercial areas
- Conduct a survey of local businesses to ensure access to broadband speeds, identify gaps in service, and work with providers to develop strategies for increased band-width
- Enable all "downtown" businesses with hot spot capabilities for increased residential and visitor access to high speed broadband
- Host a business town hall to determine reasoning for secure networks Additionally, address security concerns and create incentives for participation
- Increase mobile footprint to cover all major roads and tourism locations, along with increased economic presence through mobile devices
- Identify gaps in service areas, create business plans, collaborate with local providers, and build towers
- Host workshops for local businesses and tourism entities on ways to effectively use mobile platforms for marketing and engagement of clients. Also, connect regional app developers with potential clients
- Create opportunities for a technology "think tank" to attract and retain tech entrepreneurs and professionals
- Create a technology based certification program with local educational entities, which aides in creating a technology niche (i.e. more than just how to use software or create a website)
- Encourage technology businesses to collaborate with each other via sponsored events and other initiatives (see the INEVation Center)

- **Workforce Development**

Goal: **Increase knowledge and understanding of existing worker skills, knowledge and experience, and present and future business workforce needs across the WNDD region. Develop a workforce that is well educated and with the appropriate skills to meet the demands of businesses today and in the future, per the sectors identified as important to the region**

Strategies:

- Assure workforce development agencies and units throughout the region are collaborating on needs identification and services delivery
- Assure workforce development and economic development networks are integrated throughout the region and that they collaborate effectively in creating workforce

development solutions that meet the needs of business within the region and of the targeted economic sectors
- Assemble as needed and maintain current knowledge of occupations and associated skill sets within target economic sectors
- Conduct analysis of gap between available skills within the region and desired skills to support workforce needs of targeted sectors
- Optimize use of technical training centers and technical training capability
- Support linking workforce development and certification programs directly with internship placements in local firms
- Implement the Career and Technical Education (CTE) 21 Job (Readiness) Skills throughout the K-12 curriculum for all students and create expectation that all students will sit for and pass the National Career Readiness Certification Exam
- Reinstate Career Pathways program K-12 in a regionally integrated fashion
- Create a regional Young Professionals Development Network
- Accurately and positively depict K-12 data to aid in business attraction
- Focus on early identification of students at risk of requiring remediation upon entry to higher education; provide tutoring and other services to assure readiness for advanced education as well as employability upon high school graduation

Regional Economic Sector Goals

➢ **Agribusiness**

Goal: Increase the production, processing, local consumption, and export of food products such as produce, fish, and milk and dairy products, from farming and value-added activities within the region as a way of increasing income for agricultural producers and related businesses and as a way of increasing food security for residents of the SET region.

Strategies:

- Celebrate success of agriculture in Nevada; through education and support bring about culture change that values Nevada growers and Nevada grown food, while establishing a "Buy Nevada Grown" initiative to increase demand for locally and regionally grown products.
- Encourage producers to engage in collaborative networks and cooperatives.
- Accomplish more detailed mapping of production and agribusiness assets and gaps to enable partnerships and efficiencies that lead to import substitution and export enhancement.
- Assess where food consumed in Nevada comes from and gauge demand for agricultural produces grown in Nevada (import substitution).
- Map marketing and distribution networks; create collaboration to increase efficiencies and lower costs.
- Support, using legislation (local, state, and federal), technology, and new processes, the streamlining of food sales, processing, and health regulations to lower cost of transactions for producers within the region and increase their potential markets.
- Increase markets for locally grown foods by linking Nevada institutions (e.g. schools, senior centers, hospitals) to local producers.

ATTACHMENT A – PLAN OBJECTIVES

Fill out Attachment A for each Plan objective that the proposed project directly supports. Make copies as needed.

I. Name of Plan Objective that the proposed project directly supports.

Manufacturing - Increase manufacturing capacity and output across the Region

II. Description of Plan Objective. You may either describe the objective or attach excerpts from the Plan that describe the objective. If you are submitting excerpts, please check this box: ☑

III. Description of how the proposed project directly supports the objective.

This start-up manufacturer is proposing to construct its first facility in the Tahoe Reno Industrial Center, located in Storey County, one of WNDD's local government members. The California based company choose the area due to its logistical advantage on the western US and business environment.

- Educate producers on the availability of various support programs, the availability of capital, and provide access to information and resources related to improved/alternative growing methods, short season crops, and low water use crops.
- Increase use of technology and alternative growing techniques to produce a reliable supply of agricultural products year round, and assist with diversification of higher value crops and value-added processing.
- In order to recruit businesses from California, given proper environmental protection, be open to providing locations for agribusiness being regulated out of California.

➢ **Energy**

Goal: Expand the production and use of alternative / clean energy use within the region and increase the export of such energy outside the immediate region and across state lines in the form of products and services that create jobs.

Strategies:

- Create broad-based communication among NIREC, UNR, DRI, and SET to determine value-chain opportunities in the energy sector and within other business sectors for clean energy resource development, clean energy production, and clean energy specialized services
- Improve regulatory processes that affect both producers and users
- Educate and demonstrate the viability of clean energy through programs for residents and businesses
- Investigate production component manufacturers (e.g. solar thermal water heater manufacturers) and their potential for Nevada (linkage to manufacturing); in addition, identify associated occupations and workforce skill needs, communicate them to workforce training providers
- Promote / educate use of clean energy resources developed in the region to be used in the region, thus reducing the need for additional transmission lines
- Infrastructure enhancement for transmission of our clean energy resources to the marketplace (linkage to infrastructure investment)
- Research innovative practices for development of region's clean energy resources through incentives
- Leverage UNR and the region as geothermal hot bed

➢ **Manufacturing**

Goal: Increase manufacturing capacity and output across the Region

Strategies:

- Support creation of an agile and collaborative linkage between K-12, higher education, workforce development professionals and services and manufacturers that produces a readily accessible, skilled, certificated workforce

- Provide information on capital availability to manufacturers throughout the region, emphasizing the Catalyst Fund
- Support manufacturing networks, replacing fear of competition with culture of collaboration
  - Manufacturing peer group
  - Training and educational opportunities for professionals
  - Workforce skill development and training collaborative such as Western Nevada College work with manufacturers
  - Information sharing on new markets – local to global
- Accomplish an infrastructure capacity analysis to determine locations within the region having adequate water, wastewater, transit, and broadband capacity for manufacturing growth
- Continue to identify the manufacturing capabilities of the region and match them with demand for those products within the supply chains of manufacturers and other economic sectors within the region; create supplier databases and distribute to manufacturers' networks
- Increase production of current manufacturers through developing new customers for firms' products
- Diversify product lines of current manufacturers through connecting their manufacturing capacity with new customers and markets
- Attract new manufacturers to this high-functioning region
- Grow new manufacturing entrepreneurs through providing access to incubation, technology, and capital
- Create access to advancements in technology
- Continue Nevada manufacturing support resources

➢ **Tourism**

Goal: **Create a world-class destination for state, national, and international visitors that highlights the cultural, recreational, and entertainment amenities of the region**

Strategies:

- Integrate SET Implementation work group with rural and urban tourism and visitor authority leaders throughout the region
- Create and maintain an effective regional brand for tourism that integrates rural and urban tourism strategies
- Enhance existing and create new regional special events
- Promote cultural, recreational, and entertainment options within the region to lessen leakage of region's residents leisure dollars
- Develop additional recreation amenities including wildlife related activities, and trails of multiple forms (hiking, mountain bike, equestrian)
- Develop regional itineraries and packages
- Create a mobile device app that is comprehensive of the cultural, recreation, and entertainment amenities of the region

Position 5

Form 4279-4
(Rev. 11-06)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB No. 0570-0017
OMB No. 0570-0050

LENDER'S AGREEMENT
BUSINESS AND INDUSTRY GUARANTEED LOAN PROGRAM AND SECTION 9006 PROGRAM

Participating Lender:	Green Bank, N.A.	Tax Identification Number: (b) (4) [redacted]
Business Address:	4000 Greenbriar Houston, Texas 77098	Telephone Number: (713) 275-8546

Complete the appropriate box indicating lender status in business and industry program. For the Section 9006 program, check regular lender program.

☑ Regular Lender Program
☑ Certified Lender Program

I. General Provisions

A. Purpose.
The participating lender ("Lender") is designated as a Lender for the purpose of processing and requesting Loan Note Guarantees authorized under 7 C.F.R. part 4279, and servicing those loans as authorized herein and under 7 C.F.R. part 4287. The Lender enters into this agreement as a condition for obtaining the guarantees. For the Section 9006 program, the citation is 7 C.F.R., part 4280, subpart B.

The United States of America, acting through the United States Department of Agriculture ("USDA"), agrees to enter into Loan Note Guarantees with the Lender issued pursuant to the regulations for B&I/Section 9006 Program Loans, and to participate in a percentage of any loss on any such loans not to exceed the amount established in the Loan Note Guarantee. The terms of any Loan Note Guarantee are controlling.

B. Full Faith and Credit.

The guarantee is supported by the full faith and credit of the United States and is incontestable except under the circumstances of fraud or misrepresentation of which the Lender has actual knowledge at the execution of the guarantee or of which the Lender participates in or condones.

The Loan Note Guarantee will be unenforceable by the Lender to the extent any loss is occasioned by violation of usury laws, negligent servicing, or failure to obtain the required security regardless of the time at which USDA acquires knowledge of the foregoing. Any losses will be unenforceable by the Lender to the extent that loan funds are used for purposes other than those specifically approved by USDA in its Conditional Commitment for Guarantee. Negligent servicing is defined as the failure to perform those services which a reasonably prudent Lender would perform in servicing its own portfolio of loans that are not guaranteed. The term includes not only the concept of a failure to act but also not acting in a timely manner or acting in a manner contrary to the manner in which a reasonably prudent Lender would act up to the time of loan maturity or until a final loss is paid.

II. Loan Origination

A. The Lender agrees loan funds will be used for the purposes authorized in 7 C.F.R. part 4279 in accordance with the terms of Form RD 4279-3, "Conditional Commitment for Guarantee." For the Section 9006 program, the citation is 7 C.F.R., part 4280, subpart B.

B. The Lender certifies that none of its officers or directors, stockholders, or other owners (except stockholders in a Farm Credit Bank or other Farm Credit System ("FCS") Institution with direct lending authority that have normal stock or share requirements for participation) has a substantial financial interest in the Borrower. The Lender certifies that neither the Borrower nor its officers or directors, stockholders or other owners has a substantial financial interest in the Lender. If the Borrower is a member of the board of directors or an officer of a Farm Credit Bank or other FCS Institution with direct lending authority, the Lender certifies that an FCS institution on the next highest level will independently process the loan request and will act as the Lender's agent in servicing the account.

C. The Lender will certify to USDA, prior to issuance of the Loan Note Guarantee for each loan, that there has been neither any material adverse change in the borrower's financial condition, nor any other material adverse change in the borrower, for any reason, during the period of time from the Agency's issuance of the Conditional Commitment for Guarantee to issuance of the Loan Note Guarantee regardless of the case or causes of the change and whether the change or causes of the change were within the Lender's or Borrower's control. The Lender's certification must address all adverse changes of the Borrower, any parent, affiliate, or subsidiary of the Borrower, and guarantors.

D. Lender certifies that a loan agreement or loan instruments concurred in by USDA has been or will be signed with the Borrower.

E. Lender will submit the required guarantee fee with Form RD 1980-19, "Guaranteed Loan Closing Report" at the time Form 4279-5, "Loan Note Guarantee" is issued.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0017 and 0570-0050. The time required to complete this information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

III. **Lender's Sale or Assignment of Guaranteed Loan**

A. The Lender may retain all of the guaranteed loan. The Lender is not permitted to sell or participate in any amount of the guaranteed or unguaranteed portions of the loans to the applicant or Borrower or members of their immediate families, their officers, directors, stockholders, other owners, or any parent, subsidiary or affiliate. If the Lender desires to market all or part of the guaranteed portion of the loan at or subsequent to loan closing, such loan must not be in default as set forth in the terms of the notes. The Lender may proceed under the following options:

1. Assignment. Assign all or part of the guaranteed portion of the loan to one or more holders by using Form 4279-6, "Assignment Guarantee Agreement". Holders, upon written notice to Lender and USDA, may reassign the unpaid guaranteed portion of the sold thereunder. Upon notification and completion of the assignment through the use of Form 4279-6, "Assignment Guarantee Agreement," the assignee shall succeed to all rights and obligations of the Holders thereunder. If this option is selected, the Lender may not a later date cause to be issued any additional notes.

2. Multi-Note System. When this option is selected by the Lender, upon disposition the Holder will receive one of the Borrower's executed notes and Form RD 4279-5, attached to the Borrower's note. However, all rights under the security instruments (including personal and corporate guarantees) will remain with the Lender and in all cases insure to its and the Government's benefit notwithstanding any contrary provisions of law.

   a. At Loan Closing: Provide for no more than 10 notes, unless the Borrower and USDA agree otherwise, for the guaranteed portion and one note for the unguaranteed portion. When this option is selected, USDA will provide the Lender with a Form RD 4279-5, for each of the notes.

   b. After Loan Closing:

      (1) Upon written approval by USDA, the Lender may cause to be issued a series of new notes, not to exceed the total provided in 2. a. above, as replacement for previously issued guaranteed notes provided:
      (a) The Borrower agrees and executes the new notes.
      (b) The interest rate does not exceed the interest rate in effect when the loan was closed.
      (c) The maturity of the loan is not changed.
      (d) USDA will not bear or guarantee any expenses that may be incurred in reference to such reissue of notes.
      (e) There is adequate collateral securing the notes.
      (f) No intervening liens have arisen or have been perfected and the secured lien priority remains the same.
      (g) All holders agree USDA will issue the appropriate Loan Note Guarantees to be attached to each of the notes then extant in exchange for the original Loan Note Guarantee which will be cancelled by USDA.

3. Participations.

   a. The Lender may obtain participation in its loan under its normal operating procedures. Participation means a sale of an interest by the Lender in the loan wherein the Lender retains the note, collateral securing the note, and all responsibility for loan servicing and liquidation.

   b. The Lender is required to hold in its own portfolio or retain a minimum of 5% of the total guaranteed loan amount. The amount required to be retained must be of the unguaranteed portion of the loan and cannot be participated to another. The Lender may sell the remaining amount of the unguaranteed portion of the loan, only through participation. However, the Lender will always retain the responsibility for loan servicing and liquidation.

B. When a guaranteed portion of a loan is sold by the Lender to a Holder, the Holder shall thereupon succeed to all rights of Lender under the Loan Note Guarantee to the extent of the portion of the loan purchased. Lender will remain bound to all the obligations under the Loan Note Guarantee, and this agreement, and the USDA program regulations found in 7 C.F.R. part 4279 and to future USDA program regulations not inconsistent with the express provisions hereof. For the Section 9006 program, the citation is 7 C.F.R., part 4280, subpart B.

C. The Holder upon written notice to the Lender may resell the unpaid guaranteed portion of the loan sold under section III A.

IV. **Servicing**

A. The Lender will service the entire loan and will remain mortgagee and secured party of record, notwithstanding the fact that another may hold a portion of the loan. The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. Lender may charge Holder a servicing fee. The unguaranteed portion of a loan will not be paid first nor given any preference or priority over the guaranteed portion of the loan.

B. It is the Lender's responsibility to see that all construction is properly planned before any work proceeds; that any required permits, licenses or authorizations are obtained from the appropriate regulatory agencies; that the Borrower has obtained contracts through acceptable procurement procedures; and that periodic inspections during construction are made.

C. Lender's servicing responsibilities include, but are not limited to:

1. Obtaining compliance with the covenants and provisions in the note, loan agreement, security instruments, and any supplemental agreements and notifying in writing USDA and the Borrower of any violations. None of the aforesaid instruments will be altered without USDA's prior written concurrence. The Lender must service the loan in a reasonable and prudent manner.
2. Receiving all payments on principal and interest on the loan as they fall due and promptly remitting and accounting to any Holder of its *pro rata* share thereof determined according to their respective interests in the loan, less only Lender's servicing fee. The loan may be reamortized, renewed or rescheduled only with agreement of the Lender and Holder of the guaranteed portion of the loan and only with USDA's written concurrence.
3. Inspecting the collateral as often as necessary to properly service the loan.

4. Assuring that adequate insurance is maintained. This includes hazard insurance obtained and maintained with a loss payable clause in favor of the Lender as the mortgagee or secured party.

5. Assuring that: taxes, assessment or ground rents against or affecting collateral are paid; the loan and collateral are protected in foreclosure, bankruptcy, receivership, insolvency, condemnation, or other litigation, insurance loss payments, condemnation awards, or similar proceeds are applied on debts in accordance with lien priorities on which the guarantee was based; proceeds from the sale or other disposition of collateral are applied in accordance with the lien priorities on which the guarantee is based, except that proceeds from the disposition of collateral, such as machinery, equipment, furniture or fixtures, may be used to acquire property of similar nature and at least equal value for which the lender will obtain a lien position equal or superior to the position previously held and obtain the written approval of USDA when the cumulative value is in excess of 20 percent of the original loan; the Borrower complies with all laws and ordinances applicable to the loan, the collateral and operation of the business.

6. Assuring that if personal or corporate guarantees are part of the collateral, current financial statements from such loan guarantors will be obtained and copies provided to USDA at such time and frequency as required by the loan agreement or Conditional Commitment for Guarantee. In the case of guarantees secured by collateral, assuring the security is properly maintained.

7. Obtaining the lien coverage and lien priorities specified by the Lender and agreed to by USDA, properly recording or filing lien or notice instruments to obtain or maintain such lien priorities during the existence of the guarantee by USDA.

8. Assuring that the Borrower obtains marketable title to the collateral.

9. Assuring that any party liable is not released from liability for all or any part of the loan, except in accordance with USDA regulations.

10. Providing Finance Office with loan status reports semiannually as of June 30 and December 31 on Form RD 1980-41, "Guaranteed Loan Status Report."

11. Obtaining from the Borrower periodic financial statements as required in the loan agreement with the borrower. At a minimum, annual financial statements must be forwarded by the lender, with a credit analysis, to the USDA servicing office within 120 days of Borrowers fiscal year end.

12. Ensuring that the borrower complies with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation. The Lender will monitor the use of loan funds to assure they will not be used for any purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, see 7 C.F.R. part 1940.

V. Default

A. The Lender will notify USDA when a Borrower is thirty (30) days past due on a payment or if the Borrower is otherwise in default. The Lender will notify USDA of the status of a Borrower's default on Form RD 1980-44 "Guaranteed Loan Borrower Default Status." Actions taken by the Lender with written concurrence of USDA will include but are not limited to the following or any combination thereof:

1. Deferment of principal payments (subject to rights of any Holder).
2. An additional temporary loan by the Lender to bring the account current.
3. Reamortization of or rescheduling the payments on the loan (subject to rights of any Holder).
4. Transfer and assumption of the loan in accordance with the applicable subpart of 7 C.F.R. part 4287.
5. Reorganization.
6. Liquidation.
7. Subsequent loan guarantees.

B. The Lender has the option to repurchase the unpaid guaranteed portion of the loan from the Holder within 30 days of written demand by the Holder when: (a) the Borrower is in default not less than 60 days in payment of principal or interest due on the loan or (b) the Lender has failed to remit to the Holder its pro rata share of any payment made by the Borrower within 30 days of its receipt thereof. The repurchase by the Lender will be for an amount equal to the unpaid guaranteed portion of the principal and accrued interest less the Lender's servicing fee.

The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the demand letter to the Lender requesting the repurchase. Holder will concurrently send a copy of demand to USDA. The Lender will accept an assignment without recourse from the Holder upon repurchase. The Lender is encouraged to repurchase the loan to facilitate the accounting for funds, resolve the problem, and to permit the borrower to cure the default, where reasonable. The Lender will notify the Holder and USDA of its decision.

C. If Lender does not repurchase as provided by paragraph B, USDA will purchase from Holder the unpaid principal balance of the guaranteed portion herein together with accrued interest to date of repurchase, less Lender's servicing fee, within 30 days after written demand upon USDA from the Holder. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan accruing after 90 days from the date of original demand letter of the Holder to the Lender requesting the repurchase. Such demand will include a copy of the written demand made upon the Lender.

The Holder or its duly authorized agent will also include evidence of its right to require payment from USDA. Such evidence will consist of either the originals of the Loan Note Guarantee and note properly endorsed to USDA or the original of the Assignment Guarantee Agreement properly assigned to USDA without recourse including all rights, title, and interest in the loan. USDA will be subrogated to all rights of Holder. The Holder will include in its demand the amount due including unpaid principal, unpaid interest to date of demand and interest subsequently accruing from date of demand to proposed payment date. Unless otherwise agreed to by USDA, such proposed payment will not be later than 30 days from the date of the demand.

The USDA office serving the Borrower will promptly notify the Lender of the Holder's demand for payment. The Lender will promptly provide the USDA office servicing the Borrower with the information necessary for USDA's determination of the appropriate amount due the Holder. Any discrepancy between the amount claimed by the Holder and the information submitted by the Lender must be resolved before payment will be approved. USDA will notify both parties who must resolve the conflict before payment by USDA will be approved. Such a conflict will suspend running of the 30-day payment requirement. Upon receipt of the appropriate information, the USDA office servicing the Borrower will review the demand for verification.

D. Lender consents to the purchase by USDA and agrees to furnish on request by USDA a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by the Borrower on the loan and the amount due the Holder. Lender agrees that any purchase by USDA does not change, alter or modify any of the Lender's obligations to USDA arising from said loan or guarantee, nor does such purchase waive any of the USDA's rights against Lender, and USDA will have the right to set-off against Lender all rights inuring to USDA from the Holder against USDA's obligation to Lender under the Loan Note Guarantee, to the extent USDA holds a portion of the loan.

E. Servicing fees assessed by the Lender to a Holder are collectible only from payment installments received by the Lender from the Borrower. When USDA repurchases from a Holder, USDA will pay the Holder only the amounts due the Holder, USDA will not reimburse the Lender for servicing fees assessed to a Holder and not collected from payments received from the Borrower. No servicing fee shall be charged USDA and no such fee is collectible from USDA.

F. Lender may also repurchase the guaranteed portion of the loan for servicing consistent with the Loan Note Guarantee.

VI. Liquidation

If the Lender concludes pursuant to USDA regulations that liquidation of a guaranteed loan account is necessary because of one or more defaults or third party actions that the Borrower cannot or will not cure or eliminate within a reasonable period of time liquidation may be considered. If the Lender concludes that liquidation is necessary, it must request USDA's concurrence. When USDA concurs with the Lender's conclusion or at any time concludes independently that liquidation is necessary, it will notify the Lender and the matter will be handled as follows:

1. The Lender will liquidate the loan unless USDA, at its option, decides to carry out liquidation.
2. When the decision to liquidate is made, the Lender may proceed to purchase from the Holder the guaranteed portion of the loan. The Holder will be paid according to the provisions in the Loan Note Guarantee or the Assignment Guarantee Agreement.
3. If the Lender does not purchase the guaranteed portion of the loan, USDA will be notified immediately in writing. USDA will then purchase the guaranteed portion of the loan from the Holder. If USDA holds any of the guaranteed portion, USDA will be paid first its pro rata share of the proceeds from liquidation of the collateral.

A. Lender's proposed method of liquidation. Within 30 days after the decision to liquidate, the Lender will advise USDA in writing of its proposed detailed method of liquidation ("liquidation plan") and will provide USDA with:

1. Such proof as USDA requires to establish the Lender's ownership of the guaranteed loan promissory notes and related security instruments.
2. Information lists concerning the Borrower's assets including real and personal property, fixtures, claims, contracts, inventory (including perishables), accounts receivable, personal and corporate guarantees, and other existing and contingent assets, and advice as to whether or not each item is serving as collateral for the guaranteed loan.
3. A proposed method of making the maximum collection possible on the indebtedness.
4. If the outstanding principal loan balance including accrued interest is less than $200,000, the Lender will obtain an estimate of the market and potential liquidated value of the collateral. On loan balances in excess of $200,000, the Lender will obtain an independent appraisal report on all collateral securing the loan, which will reflect the current market value and potential liquidation value. All real property appraisals with Agency guaranteed loanmaking and servicing transactions will meet the requirements set forth by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and appropriate guidelines set forth in Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practices ("USPAP"). Chattels will be evaluated in accordance with normal banking practices and generally accepted methods of determining value. The appraisal report is for the purpose of permitting the Lender and USDA to determine the appropriate liquidation actions. Any independent appraiser's fee will be shared equally by USDA and the Lender.

B. USDA will inform the Lender in writing whether it concurs in the Lender's liquidation plan within 30 days after receipt of such notification from the Lender. If USDA needs additional time to respond to the liquidation plan, it will advise the Lender of a definite time for such response. Should USDA and the Lender not agree on the Lender's liquidation plan, negotiations will take place between USDA and the Lender to resolve the disagreement. The Lender will ordinarily conduct the liquidation; however, should USDA determine that USDA will conduct the liquidation, the parties will proceed as follows:

1. The Lender will transfer to USDA all rights and interest necessary to allow USDA to liquidate the loan. In this event, the Lender will not be paid for any loss until after the collateral is liquidated and the final loss is determined by USDA.
2. USDA will attempt to obtain the maximum amount of proceeds from liquidation.
3. Options available to USDA include any one or combination of the usual commercial methods of liquidation.

C. Acceleration. The Lender or USDA, if it liquidates, will proceed as expeditiously as possible when acceleration of the indebtedness is necessary including giving any notices and taking any other legal actions required by the security instruments. A copy of the acceleration notice or other acceleration document will be sent to USDA or the Lender, as the case may be.

D. Liquidation: Accounting and Reports. When the Lender conducts the liquidation, it will account for funds during the period of liquidation and will provide USDA with periodic reports on the progress of liquidation, disposition of collateral, resulting costs and additional procedures necessary for successful completion of liquidation. The Lender will transmit to the Agency the pro rata share, of any payments received from the Borrower, and of liquidation or other proceeds, etc. when USDA is the holder of a portion of the guaranteed loan using Form RD 1980-43, "Lender's Guaranteed Loan Payment to USDA." When USDA liquidates, the Lender will be provided with similar reports on request.

E. Determination of Loss and Payment. In all liquidation cases, final settlement will be made with the Lender after the collateral is liquidated. USDA will have the right to recover losses paid under the guarantee from any party liable.

1. Form RD 449-30, "Loan Note Guarantee Report of Loss," will be used for calculations of all estimated and final loss determinations. Estimated loss payments may be approved by USDA after the Lender has submitted a liquidation plan approved by USDA. Payments will be made in accordance with applicable USDA regulations.
2. When the Lender is conducting the liquidation, and owns any of the guaranteed portion of the loan, it may request a tentative loss estimate by submitting to USDA an estimate of loss that will occur in connection with liquidation of the loan. USDA will agree to pay an estimated loss settlement to the Lender provided the Lender applies such amount due to the outstanding principal balance owed on the guaranteed debt. Such estimate will be prepared and submitted by the Lender on Form RD 449-30, using the basic formula as provided on the report except that the appraisal value will be used in lieu of the amount received from the sale of collateral. The Lender will discontinue interest accrual on the defaulted loan and the loss claim will be promptly processed in accordance with the applicable USDA regulations.

   After the Report of Loss estimate has been approved by USDA, and within 30 days thereafter, USDA will institute procedures to cause the issuance of payment of the estimated amount due the Lender.

   After liquidation has been completed, a final loss report will be submitted on Form RD 449-30 by the Lender to USDA.
3. Within 30 days after liquidation of the collateral is completed, a final report of loss on Form FmHA 449-30 must be prepared and submitted by the Lender to USDA. USDA will not guarantee interest beyond this 30-day period other than for the period of time it takes USDA to process the loss claim. Before approval by USDA of any final loss report, the Lender must account for all funds during the period of liquidation, disposition of collateral, all costs incurred and any other information necessary for the successful completion of liquidation. Upon receipt of the final accounting and report of loss, USDA may audit the account and will determine the final loss. The Lender will make its records available to and otherwise assist USDA in making any audit. The documentation accompanying the report of loss must support the figures shown on Form RD 449-30.
4. When the Lender has conducted liquidation and after the final report of loss has been tentatively approved:
   a. If the loss is greater than the estimated loss payment, USDA will cause a Treasury check to be issued in payment of the additional amount owed by USDA to be issued to the Lender.
   b. If the loss is less than the estimated loss, the Lender will reimburse USDA for the overpayment plus interest at the note rate from date of payment.
5. If USDA has conducted liquidation, it will provide an accounting and report of loss to the Lender and will pay the Lender in accordance with the Loan Note Guarantee.
6. In those instances where the Lender has made authorized protective advances, it may claim recovery for the guaranteed portion of any loss of monies advanced as protective advances and interest resulting from such protective advances as provided above, and such payment will be made by USDA when the final report of loss is approved.

F. Maximum amount of interest loss payment. Notwithstanding any other provisions of this agreement, the amount payable by USDA to the Lender cannot exceed the limits set forth in the Loan Note Guarantee. If USDA conducts the liquidation, any loss occasioned by accruing interest will be covered to the extent of the guarantee to the date USDA accepts this responsibility. Loss occasioned by accruing interest will be covered to the extent of the guarantee to the date of final settlement when the liquidation is conducted by the Lender provided it proceeds expeditiously with the liquidation plan approved by USDA.

G. Application of USDA loss payment. The estimated loss payment shall be applied as of the date of such payment. The total amount of the loss payment remitted by USDA will be applied by the Lender on the guaranteed portion of the loan debt. However, such application does not release the Borrower from liability. At time of final loss settlement the Lender will notify the Borrower that the loss payment has been so applied. In all cases a final Form FmHA 449-30 prepared and submitted by the Lender must be processed by USDA.

H. Income from collateral. Any net rental or other income that has been received by the Lender from the collateral will be applied on the guaranteed loan debt.

I. Liquidation costs. Certain reasonable liquidation costs will be allowed during the liquidation process. A schedule of the liquidation costs will be submitted as a part of the liquidation plan. Such costs will be deducted from gross proceeds from the disposition of collateral unless the costs have been previously determined by the Lender (with USDA written concurrence) to be protective advances. If changed circumstances after submission of the liquidation plan require a revision of liquidation costs, the Lender will obtain USDA's written concurrence prior to proceeding with the proposed changes.

J. Foreclosure. The Lender is responsible for determining who the necessary parties are to any foreclosure action or who should be named on a deed of conveyance taken in lieu of foreclosure. When the conveyance is received and the property is liquidated, the net proceeds will be applied to the guaranteed loan debt. If USDA has repurchased the guaranteed portion of the loan from the Holder, the Lender must obtain USDA's concurrence to any foreclosure action to be taken by the Lender; however, USDA will not be considered to be a necessary party to the action or otherwise required to join in.

K. Payment. Such loss will be paid by USDA within 60 days after the review of the accounting of the collateral.

L. Protective Advances. Protective advances must constitute an indebtedness of the Borrower to the Lender and be secured by the security instruments. USDA's written authorization is required for all protective advances in excess of $5,000. Protective advances include but are not limited to advances made for property taxes, annual assessments, ground rent, hazard or flood insurance premiums affecting the collateral, and other expenses necessary to preserve or protect the security. Attorney fees are not a protective advance.

M. Future Recovery. After a loan has been liquidated and a final loss has been paid by USDA, any future funds which may be recovered by the Lender, will be prorated between USDA and the Lender. USDA will be paid such amount recovered in proportion to the percentage of it guaranteed for the loan and the Lender will retain such amounts in proportion to the percentage of the unguaranteed portion of the loan.

E. Determination of Loss and Payment. In all liquidation cases, final settlement will be made with the Lender after the collateral is liquidated. USDA will have the right to recover losses paid under the guarantee from any party liable.

1. Form RD 449-30, "Loan Note Guarantee Report of Loss," will be used for calculations of all estimated and final loss determinations. Estimated loss payments may be approved by USDA after the Lender has submitted a liquidation plan approved by USDA. Payments will be made in accordance with applicable USDA regulations.
2. When the Lender is conducting the liquidation, and owns any of the guaranteed portion of the loan, it may request a tentative loss estimate by submitting to USDA an estimate of loss that will occur in connection with liquidation of the loan. USDA will agree to pay an estimated loss settlement to the Lender provided the Lender applies such amount due to the outstanding principal balance owed on the guaranteed debt. Such estimate will be prepared and submitted by the Lender on Form RD 449-30, using the basic formula as provided on the report except that the appraisal value will be used in lieu of the amount received from the sale of collateral. The Lender will discontinue interest accrual on the defaulted loan and the loss claim will be promptly processed in accordance with the applicable USDA regulations.

   After the Report of Loss estimate has been approved by USDA, and within 30 days thereafter, USDA will institute procedures to cause the issuance of payment of the estimated amount due the Lender.

   After liquidation has been completed, a final loss report will be submitted on Form RD 449-30 by the Lender to USDA.
3. Within 30 days after liquidation of the collateral is completed, a final report of loss on Form FmHA 449-30 must be prepared and submitted by the Lender to USDA. USDA will not guarantee interest beyond this 30-day period other than for the period of time it takes USDA to process the loss claim. Before approval by USDA of any final loss report, the Lender must account for all funds during the period of liquidation, disposition of collateral, all costs incurred and any other information necessary for the successful completion of liquidation. Upon receipt of the final accounting and report of loss, USDA may audit the account and will determine the final loss. The Lender will make its records available to and otherwise assist USDA in making any audit. The documentation accompanying the report of loss must support the figures shown on Form RD 449-30.
4. When the Lender has conducted liquidation and after the final report of loss has been tentatively approved:
   a. If the loss is greater than the estimated loss payment, USDA will cause a Treasury check to be issued in payment of the additional amount owed by USDA to be issued to the Lender.
   b. If the loss is less than the estimated loss, the Lender will reimburse USDA for the overpayment plus interest at the note rate from date of payment.
5. If USDA has conducted liquidation, it will provide an accounting and report of loss to the Lender and will pay the Lender in accordance with the Loan Note Guarantee.
6. In those instances where the Lender has made authorized protective advances, it may claim recovery for the guaranteed portion of any loss of monies advanced as protective advances and interest resulting from such protective advances as provided above, and such payment will be made by USDA when the final report of loss is approved.

F. Maximum amount of interest loss payment. Notwithstanding any other provisions of this agreement, the amount payable by USDA to the Lender cannot exceed the limits set forth in the Loan Note Guarantee. If USDA conducts the liquidation, any loss occasioned by accruing interest will be covered to the extent of the guarantee to the date USDA accepts this responsibility. Loss occasioned by accruing interest will be covered to the extent of the guarantee to the date of final settlement when the liquidation is conducted by the Lender provided it proceeds expeditiously with the liquidation plan approved by USDA.

G. Application of USDA loss payment. The estimated loss payment shall be applied as of the date of such payment. The total amount of the loss payment remitted by USDA will be applied by the Lender on the guaranteed portion of the loan debt. However, such application does not release the Borrower from liability. At time of final loss settlement the Lender will notify the Borrower that the loss payment has been so applied. In all cases a final Form FmHA 449-30 prepared and submitted by the Lender must be processed by USDA.

H. Income from collateral. Any net rental or other income that has been received by the Lender from the collateral will be applied on the guaranteed loan debt.

I. Liquidation costs. Certain reasonable liquidation costs will be allowed during the liquidation process. A schedule of the liquidation costs will be submitted as a part of the liquidation plan. Such costs will be deducted from gross proceeds from the disposition of collateral unless the costs have been previously determined by the Lender (with USDA written concurrence) to be protective advances. If changed circumstances after submission of the liquidation plan require a revision of liquidation costs, the Lender will obtain USDA's written concurrence prior to proceeding with the proposed changes.

J. Foreclosure. The Lender is responsible for determining who the necessary parties are to any foreclosure action or who should be named on a deed of conveyance taken in lieu of foreclosure. When the conveyance is received and the property is liquidated, the net proceeds will be applied to the guaranteed loan debt. If USDA has repurchased the guaranteed portion of the loan from the Holder, the Lender must obtain USDA's concurrence to any foreclosure action to be taken by the Lender; however, USDA will not be considered to be a necessary party to the action or otherwise required to join in.

K. Payment. Such loss will be paid by USDA within 60 days after the review of the accounting of the collateral.

L. Protective Advances. Protective advances must constitute an indebtedness of the Borrower to the Lender and be secured by the security instruments. USDA's written authorization is required for all protective advances in excess of $5,000. Protective advances include but are not limited to advances made for property taxes, annual assessments, ground rent, hazard or flood insurance premiums affecting the collateral, and other expenses necessary to preserve or protect the security. Attorney fees are not a protective advance.

M. Future Recovery. After a loan has been liquidated and a final loss has been paid by USDA, any future funds which may be recovered by the Lender, will be prorated between USDA and the Lender. USDA will be paid such amount recovered in proportion to the percentage it guaranteed for the loan and the Lender will retain such amounts in proportion to the percentage of the unguaranteed portion of the loan.

N. Pursuant to the Debt Collection Improvement Act of 1996 (DCIA), USDA is required to refer debt owed to the Government to the Department of the Treasury for collection. USDA will use all remedies available under DCIA to collect the debt from the borrower, guarantors, and any other liable third party and, any proceeds received from such efforts will not be shared with the lender. USDA will notify the lender when this referral occurs, at which time the lender will cease collection efforts.

O. Transfer and Assumption Cases. Refer to 7 C.F.R. part 4287. If a loss should occur upon consummation of a complete transfer and assumption for less than the full amount of the debt and the transferor-debtor (including personal guarantees) is released from personal liability, the Lender, if it holds the unguaranteed portion, may file an estimated report of loss on Form RD 449-30 to recover its *pro rata* share of the actual loss at that time. In completing Form RD 449-30, the amount of the debt assumed will be entered on line 24 as Net Collateral (Recovery). Approved protective advances and accrued interest thereon made during the arrangement of a transfer and assumption, if not assumed by the Transferee, will be entered on Form RD 449-30, line 13 and 14.

VII. Bankruptcy

A. The Lender is responsible for protecting the guaranteed loan and all collateral securing the loan in bankruptcy proceedings. When a bankruptcy proceeding results in ultimate liquidation of the borrower, legal expenses incurred by the lender during the bankruptcy proceedings will be considered eligible liquidation costs. When a bankruptcy results in a reorganization of the borrower, including a reorganization that results in a write down of the debt, legal expenses during the bankruptcy will be shared equally by USDA and the lender. When the loan is involved in reorganization bankruptcy proceedings, payment of loss claims may be made as provided in this section. For a liquidation proceeding only paragraphs 3 and 5 of this section are applicable.

B. Loss Payments.

1. Estimated Loss Payments.

   a. If a borrower has filed for reorganization and protection under Title 11 of the United States Code and the debt has been reduced, the Lender will request a tentative estimated loss payment of accrued interest and principal written off under the order of the court. This request can only be made after the bankruptcy plan is confirmed. Only one estimated loss payment is allowed during the bankruptcy process. All subsequent claims during reorganization will be considered revisions to the initial estimated loss. A revised estimated loss payment may be processed by USDA, at its option, in accordance with any court approved changes in the reorganization plan. At the time the performance under the confirmed reorganization plan has been completed, the Lender is responsible for providing USDA with the documentation necessary to review and adjust the estimated loss claim to (a) reflect the actual principal and interest reduction on any part of the guaranteed debt determined to be unsecured and (b) to reimburse the Lender for any court ordered interest rate reduction during the term of the reorganization.

   b. The Lender will use Form RD 449-30, to request an estimated loss payment and to review estimated loss payments during the course of the reorganization plan. The estimated loss claim as well as any revisions to this claim will be accompanied by applicable legal documentation to support the claim.

   c. Upon completion of the reorganization plan, the Lender will complete Form RD 1980-44, and forward this form to the Finance Office to indicate that the bankruptcy has been dismissed.

2. Interest Loss Payments.

   a. Interest loss payments sustained during the period of the reorganization plan will be processed in accordance with section VII B1.

   b. Interest loss payments sustained after the reorganization plan is confirmed will be processed annually when the Lender sustains a loss as a result of a permanent interest rate reduction.

   c. Form RD 449-30 will be completed to compensate the Lender for the difference in interest rates specified on the Loan Note Guarantee and the rate of interest ordered by and in accordance with final order of a court of competent jurisdiction.

3. Final Loss Payments. Payments will be processed when the loan is liquidated.

4. Payment Application. The Lender must apply estimated loss payments first to the unsecured principal of the guaranteed portion of the debt and then to the unsecured interest of the guaranteed portion of the debt. In the event the court attempts to direct the payments to be applied in a different manner, the Lender will immediately notify the USDA servicing office.

5. Overpayments. Upon completion of the reorganization plan, the Lender will provide USDA with the documentation necessary to determine whether the estimated loss paid equals the actual loss sustained. If the actual loss sustained, as a result of the reorganization, is greater than the estimated loss payment, the Lender will submit a revised estimated loss in order to obtain payment of the addition amount owed by USDA to the Lender. If the actual loss payment is less than the estimated loss, the Lender will reimburse USDA for the overpayment plus interest at the note rate from the date of the payment of the estimated loss.

6. Protective Advances. If approved protective advances were made prior to the borrower having filed bankruptcy as a result of prior liquidation action, these protective advances and accrued interest will be entered on Form RD 449-30.

VIII. Duration and Modification

1. Duration of Agreement. This Lender's Agreement applies to all Business and Industry ("B&I") guaranteed loans or Section 9006 loans made by the Lender from the date of this agreement until terminated or superceded by another Lender's Agreement..
2. Modification of Agreement. This Agreement may only be modified only in writing.
3. Other Requirements. This agreement is subject to all requirements of the applicable subpart of 7 C.F.R. parts 4279 and 4287 and, for Section 9006 loans, 7 C.F.R., part 4280, in effect on the date of this agreement.
4. All forms required by this agreement may be obtained from any Rural Development State or local office.

IX. Endorsement

Lender: Complete this block of Section IX

LENDER Green Bank, N.A.
(Name)

By: (b) (4)
(Signature)

(b) (4)
(Name Typed or Printed)

Title: Senior Vice President

Date: 11-04-2015

Attest: _____

This block of Section IX will be completed by USDA.

UNITED STATES OF AMERICA
Department of Agriculture

By: Herb Shedd
(Signature)

HERB SHEDD
(Name Typed or Printed)

Title: BUSINESS & COOPERATIVE PROGRAMS DIRECTOR

Date: NOVEMBER 4, 2015

Form RD 4279-5
(Rev.12-14)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

LOAN NOTE GUARANTEE
(Rural Business -Cooperative Service)

7 CFR Part 4279 subparts B and C
7 CFR Part 4280

State	County	Date of Note
Nevada	Storey	11-03-2015
Borrower: Aqua Metals Reno, Inc.		USDA Loan Identification Number: (b) (4)
Lender: Green Bank, N.A.		Lender's IRS Tax ID Number: (b) (4)
Lender's Address: 4000 Greenbriar, Suite 200, Houston, TX 77098		Principal Amount of Loan: $ 10,000,000

The guaranteed portion of the loan is $ (b) (4), which is (b) (4) percent of loan principal. The principal amount of loan is evidenced by One notes (includes bonds as appropriate) described below. The guaranteed portion of each note is indicated below. This instrument is attached to note One in the face amount of $ 10,000,000 and is number 1 of 1.

Lender's Identifying Number	*Face Amount*	*Percent of Total Face Amount*	*Amount Guaranteed*
(b) (4)	$ 10,000,000	(b) (4)	

TOTAL	$ 10,000,000	100%	$ (b) (4)

In consideration of the making of the subject loan by the above named Lender, the United States of America, acting through the United States Department of Agriculture (USDA), does hereby agree that in accordance with, and subject to the conditions and requirements herein, it will pay to:

A. Any Holder 100 percent of any loss sustained by such Holder on the guaranteed portion and on interest due on such portion.

B. The Lender the lesser of paragraph 1 or 2 below:

1. Any loss sustained by such Lender on the guaranteed portion including:
   a. Principal and interest indebtedness as evidenced by said notes or by assumption agreements, and
   b. Principal and interest indebtedness on secured protective advances for protection and preservation of collateral made with USDA's authorization, including but not limited to, advances for taxes, annual assessments, any ground rents, and hazard or flood insurance premiums affecting the collateral; or
2. The guaranteed principal advanced to or assumed by the Borrower under said notes or assumption agreements and any interest due thereon.

   If USDA conducts the liquidation of the loan, loss occasioned to a Lender by accruing interest after the date USDA accepts responsibility for liquidation will not be covered by this Loan Note Guarantee. If Lender conducts the liquidation of the loan, accruing interest shall be covered by this Loan Note Guarantee to 30 days after liquidation of collateral when the Lender conducts the liquidation expeditiously in accordance with the liquidation plan approved by USDA.

The Holder and Lender are defined under applicable regulations identified in the header of this form.

CONDITIONS OF GUARANTEE

1. Loan Servicing.
Lender is responsible for servicing the entire loan, and Lender will remain mortgagee and secured party of record notwithstanding the fact that another party may hold a portion of the loan. When multiple notes are used to evidence a loan, Lender will structure repayments as provided in the loan agreement.

2. Priorities.
The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The unguaranteed portion of the loan will neither be paid first nor given any preference or priority over the guaranteed portion.

3. Full Faith and Credit.
The Loan Note Guarantee constitutes an obligation supported by the full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which Lender or any Holder has actual knowledge at the time it became such Lender or Holder or which Lender or any Holder participates in or condones. The guarantee will be unenforceable to the extent that any loss is occasioned by a provision for interest on interest. In addition, the Loan Note Guarantee will be unenforceable by Lender to the extent any loss is occasioned by the violation of usury laws, negligent servicing, or failure to obtain the required security regardless of the time at which USDA acquires knowledge of the foregoing. Any losses occasioned will be unenforceable to the extent that loan funds are used for purposes other than those specifically approved by USDA in its Conditional Commitment. Negligent servicing is defined as the failure to perform those services which a reasonably prudent lender would perform in servicing (including liquidation) its own portfolio of loans that are not guaranteed. The term includes not only the concept of a failure to act but also not acting in a timely manner or acting in a manner contrary to the manner in which a reasonably prudent lender would act up to the time of loan maturity or until a final loss is paid

4. Rights and Liabilities.
The guarantee and right to require purchase will be directly enforceable by Holder notwithstanding any fraud or misrepresentation by Lender or any unenforceability of this Loan Note Guarantee by Lender except for fraud or misrepresentation of which the Holder had actual knowledge at the time it became the Holder or in which the Holder participates or condones. Nothing contained herein will constitute any waiver by USDA of any rights it possesses against the Lender. Lender will be liable for and will promptly pay to USDA any payment made by USDA to Holder which, if such Lender had held the guaranteed portion of the loan, USDA would not be required to make.

5. Payments.
Lender will receive all payments of principal or interest, on account of the entire loan and will promptly remit to Holder its pro rata share thereof determined according to its respective interest in the loan, less only Lender's servicing fee.

6. Protective Advances.
Protective advances made by Lender pursuant to the regulations will be guaranteed against a percentage of loss to the same extent as provided in this Loan Note Guarantee notwithstanding the guaranteed portion of the loan that is held by another.

7. Repurchase by Lender.
The Lender has the option to repurchase the unpaid guaranteed portion of the loan from the Holder within 30 days of written demand by the Holder when: (a) the borrower is in default not less than 60 days on principal or interest due on the loan or (b) the Lender has failed to remit to the Holder its pro rata share of any payment made by the Borrower within 30 days of its receipt thereof. The repurchase by the Lender will be for an amount equal to the unpaid guaranteed portion of principal and accrued interest less the Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan accruing after 90 days from the date of the demand letter to the Lender requesting the repurchase. Holder will concurrently send a copy of demand to USDA. The Lender will accept an assignment without recourse from the Holder upon repurchase. The Lender is encouraged to repurchase the loan to facilitate the accounting for funds, resolve the problem, and to permit the borrower to cure the default, where reasonable. The Lender will notify the Holder and USDA of its decision.

8. USDA Purchase.
If Lender does not repurchase as provided by paragraph 7 USDA will purchase from Holder the unpaid principal balance of the guaranteed portion together with accrued interest to date of repurchase less Lender's servicing fee, within thirty (30) days after written demand to USDA from Holder. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the original demand letter of the Holder to the Lender requesting the repurchase. Such demand will include a copy of the written demand made upon the Lender. The Holder or its duly authorized agent will also include evidence of its right to require payment from USDA. Such evidence will consist of either the original of the Loan Note Guarantee properly endorsed to USDA or the original of the Assignment Guarantee Agreement properly assigned to USDA without recourse including all rights, title, and interest in the loan. USDA will be subrogated to all rights of Holder. The Holder will include in its demand the amount due including unpaid principal, unpaid interest to date of demand and interest subsequently accruing from date of demand to proposed payment date. Unless otherwise agreed to by USDA, such proposed payment will not be later than 30 days from the date of demand.

The USDA will promptly notify the Lender of its receipt of the Holder's demand for payment. The Lender will promptly provide the USDA with the information necessary for USDA determination of the appropriate amount due the Holder. Any discrepancy between the amount claimed by the Holder and the information submitted by the Lender must be resolved before payment will be approved. USDA will notify both parties who must resolve the conflict before payment by USDA will be approved. Such conflict will suspend the running of the 30 day payment requirement. Upon receipt of the appropriate information, USDA will review the demand for verification. After receiving the demand, USDA will review the demand and remit the appropriate payment to the Holder.

9. Lender's Obligations.
Lender consents to the purchase by USDA and agrees to furnish on request by USDA a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by Borrowers on the loan and the amount then owed to any Holder. Lender agrees that any purchase by USDA does not change, alter or modify any of the Lender's obligations to USDA arising from said loan or guarantee nor does it waive any of USDA's rights against Lender, and that USDA will have the right to set-off against Lender all rights inuring to USDA as the Holder of this instrument against USDA's obligation to Lender under the Loan Note Guarantee.

10. Repurchase by Lender for Servicing.
If, in the opinion of the Lender, repurchase of the guaranteed portion of the loan is necessary to adequately service the loan, the Holder will sell the portion of the loan to the Lender for an amount equal to the unpaid principal and interest on such portion less Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan accruing after 90 days from the date of the demand letter of the Lender or USDA to the Holder requesting the Holder to tender its guaranteed portion.
   a. The Lender will not repurchase from the Holder for arbitrage purposes or other purposes to further its own financial gain.
   b. Any repurchase will only be made after the Lender obtains USDA written approval.
   c. If the Lender does not repurchase the portion from the Holder, USDA at its option may purchase such guaranteed portion for servicing purposes.

11. Custody of Unguaranteed Portion.
Subject to Lender's required retention, the Lender may retain or sell the unguaranteed portion of the loan only through participation. Participation, as used in this instrument, means the sale of an interest in the unguaranteed portion of the loan wherein the Lender retains the note, collateral securing the note, and all responsibility for loan servicing and liquidation.

12. When Guarantee Terminates.
This Loan Note Guarantee will terminate automatically (a) upon full payment of the guaranteed loan; or (b) upon full payment of any loss obligation hereunder; or (c) upon written notice from the Lender to USDA that the guarantee will terminate 30 days after the date of notice, provided the Lender holds all of the guaranteed portion and the Loan Note Guarantee is returned to be cancelled by USDA.

13. Settlement.
The amount due under this instrument will be determined and paid as provided in the applicable USDA regulations in effect on the date of settlement unless such regulations are in direct conflict with this agreement.

14. Notices.
All notices will be initiated through the USDA Rural Development for (State) with mailing address at the day of this instrument:

1390 South Curry Street
Carson City, NV 89703

UNITED STATES OF AMERICA
Department of Agriculture

By: Hank Shedd

11-04-2015
(Date)

Title: Business & Cooperative Programs Director

Assumption Agreement by _____ Dated _____

Assumption Agreement by _____ Dated _____

FORM APPROVED
OMB NO. 0575-0137

Form RD 1980-19
(Rev 02-02)

GUARANTEED LOAN CLOSING REPORT

TRANSACTION CODE 4030

1. CASE NUMBER	4. LENDER ID NO.	5. LENDER STATUS CODE	6. LENDER TYPE CODE
ST CO BORROWER'S ID	(b) (4)	1	1
(b) (4)	7. CERTIFICATION EFFECTIVE MO DA YR DATE	8. CERTIFICATION EXPIRATION MO DA YR DATE	

2. BORROWER NAME AND ADDRESS *(INCLUDING ZIP CODE)*	9. LENDER NAME AND ADDRESS *(INCLUDING ZIP CODE)*
Aqua Metals Reno, Inc. 250 Peru Drive McCarran, NV 89434	Green Bank 4000 Greenbriar Houston, TX 77098

3. BORROWER TYPE CODE	10. SERVICING OFFICE
2	001

11. SOURCE OF FUNDS	12. INTEREST ASSISTANCE CODE	13. GUARANTEE FEE PURPOSE CODE	14. FEE RATE
1		(b) (4)	
15. AMOUNT OF GUARANTEE FEE PAID	16. AMOUNT OF LOAN-LINE OF CREDIT	17. ADVANCE AMOUNT TO DATE	18. CLOSING DATE MO DA YR
(b) (4)	$10,000,000.00	(b) (4)	11 03 2015
19. MATURITY DATE OF LOAN MO DA YR	20. TERM OF BUYDOWN/ INTEREST ASSISTANCE YEARS	21. PERCENT OF LOAN GUARANTEED	22. LENDER'S NOTE INTEREST RATE ON GUARANTEED
11 02 2036		(b) (4)	
23. LENDER'S NOTE INTEREST RATE ON NONGUARANTEED PORTION	24. BUYDOWN/INTEREST ASSISTANCE RATE	25. PERIOD OF OPERATING LINE OF CREDIT	26. RESERVED
(b) (4)	%	YEARS	
27. TYPE OF GUARANTEE 1-LINE OF CREDIT 2-LOAN NOTE GUARANTEE	28. INTEREST BASIS (360 OR 365 DAYS)	29. INTEREST RATE CODE 1 - SINGLE VARIABLE 2 - SINGLE FIXED 3 - MULTI VARIABLE 4 - MULTI FIXED	30. BALANCE OWED ON LOAN
(b) (4)		1	
31. DATE GUARANTEE PERIOD BEGINS MO DA YR	32. DATE GUARANTEE PERIOD ENDS MO DA YR	33. ANNUAL REVIEW DATE MO DA YR	34. CERTIFIED LOAN N-NO Y-YES N
35. AUTHORIZED LENDER'S SIGNATURE - I certify that all conditions of the conditional commitment have been met and that this report accurately describes the subject loan.		36. TITLE Sr. Vice President	37. DATE 11/4/15
(b) (4)			

COMPLETED BY AGENCY SERVICING OFFICE			COMPLETED BY FINANCE OFFICE
38. GUARANTEED LOAN NUMBER	39. OBLIGATED LOAN NUMBER	40. BRANCH NUMBER	41. DATE OF DEPOSIT MO DA YR
42. SIGNATURE OF AGENCY REPRESENTATIVE - I have reviewed this report and the information is consistent with the conditional commitment and the supporting documentation provided by the lender.		43. TITLE Business & Cooperative Programs Director	44. DATE November 4, 2015

☑ AGENCY SERVICING OFFICE (ORIGINAL) - FILE POSITION 2 ☐ LENDER

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0137. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

GREEN BANK℠

July 7, 2015

Herb Shedd
Program Director
USDA Rural Development
Business and Cooperative Programs
1390 S. Curry Street
Carson City, NV 89703

Re: Aqua Metals, Inc. - $10MM Business & Industry Loan

Mr. Shedd:

Please accept this letter as Aqua Metals, Inc. and Green Bank's authorization (b) (4) (b) (4), to communicate with your office with regard to this pending application, serving in the capacity as a loan service provider for our bank with regard to your office's processing of this application.

Should you have any questions, please contact (b) (4).

Sincerely,

(b) (4)

SVP, Government Guaranteed Lending Manager

(b) (4) CFO

Aqua Metals Reno, Inc.