A SINCERE THANK YOU & OPEN INVITATION

Today, we wish to express a sincere THANK YOU to all of the COMMUNITY SUPPORTERS and the group of CONCERNED CITIZENS that have taken an interest in our proposal to develop an Organic Materials Recovery Center (OMRC) in the Glen Canal View Industrial Business Park!

We appreciate the many supportive communications we have received and the questions folks are asking!

As part of our promise to keep everyone engaged and informed, we are pleased to extend this OPEN INVITATION to join us for a special PUBLIC INFORMATION CENTER (PIC) event on THURSDAY, FEBRUARY 15, 2018.

Here is what you need to know in order to join us:

WHO? - This will be a Lystek-hosted event that is open to all community members, supporters and otherwise.

WHAT? - The event will be held locally and set up as a PIC, which means that there will be a number of information stations set up around the room with visuals and subject matter experts available so you can ask questions and we can continue to listen to, and hopefully address, any remaining concerns you may have.

WHEN? - The event will be a “drop in center” style format and will be held on Thursday, February 15, 2018 from 4:00 PM – 7:00 PM so that folks can come and go at their own pace and convenience over that 3-hour period while also having time to engage with us, ask questions and provide comments. We will be there to listen and share.

WHERE? – Firehouse Hall - 134 Auriesville Rd, Fultonville NY 12072

WHY? - A project is being explored between the County and Lystek to establish what we are confident will be another, award-winning regional, Organic Material Recovery Center (OMRC) in the Glen Canal View Industrial Business Park. If the project were to move forward, lands in the Park would be purchased by Lystek for the purposes of establishing an approximately $12 million (estimated total value) facility in that location. Just like our multi-award-winning center in California ( http://lystek.com/about/awards/ ), this recycling facility would have full, regulatory approval to accept pre-approved, non-hazardous, municipal biosolids and (possibly) organic food scraps for processing/conversion into LysteGro®, a federally recognized (US EPA) Class A EQ (Exceptional Quality) biofertilizer product. This product is then sold, primarily into the agricultural marketplace.

There is mutual interest on behalf of both parties and strong support from many local stakeholders. However, due diligence is still being undertaken and we are voluntarily hosting this PIC event so we may continue to engage the community in open, transparent dialogue about the project prior to final decisions being made.

PLEASE SAVE THE DATE & TIME ABOVE & PLAN TO COME SEE US!
COMPANY HISTORY & INSTALLATIONS

- Multi award-winning provider of management solutions for biosolids & organics
- Originally founded in 2000 at the University of Waterloo, Ontario – A North American company with offices & successful operations in the USA & Canada
- Patented & protected Clean/Green technology that has been repeatedly recognized as environmentally responsible & sustainable
- Low temperature Thermal Hydrolysis Process (THP)
- Produces safe, highly regulated, multi-use, end products including:
  - LysteGro®: Biofertilizer, Class A EQ (U.S. EPA) & CFIA registered (Canada)
  - LysteMize®: Digester enhancement, improves biogas yields, reduces volumes
  - LysteCarb®: BNR, alternative source of carbon for use in clean water systems

One System – Multiple Benefits

LysteMize® & LysteCarb®, LysteGro®

Current Installations

<table>
<thead>
<tr>
<th>Location</th>
<th>Status</th>
<th>Capacity (WT/Y)</th>
<th>LysteGro Class A EQ/CFIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guelph</td>
<td>2008</td>
<td>18,000</td>
<td>Yes</td>
</tr>
<tr>
<td>St. Mary’s</td>
<td>2010</td>
<td>3,500</td>
<td>Yes</td>
</tr>
<tr>
<td>*Southgate</td>
<td>2012</td>
<td>150,000</td>
<td>Yes</td>
</tr>
<tr>
<td>*Troy (ON)</td>
<td>2012</td>
<td>40,000</td>
<td>Yes</td>
</tr>
<tr>
<td>Centre Wellington</td>
<td>2014</td>
<td>3,500</td>
<td>Yes</td>
</tr>
<tr>
<td>North St. John</td>
<td>2014</td>
<td>3,500</td>
<td>Yes</td>
</tr>
<tr>
<td>*Fairfield, CA</td>
<td>2016</td>
<td>150,000</td>
<td>Yes</td>
</tr>
<tr>
<td>St. Thomas</td>
<td>2018</td>
<td>5,600</td>
<td>Yes</td>
</tr>
<tr>
<td>Innisfil</td>
<td>2018</td>
<td>5,500</td>
<td>Yes</td>
</tr>
<tr>
<td>St. Cloud, MN</td>
<td>2018</td>
<td>15,000</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*Regional Organic Material Recovery Centers

AWARDS & RECOGNITIONS

Regional Organic Material Recovery Centers (OMRC’s)

Township of Southgate, Ontario, Canada

Capacity: 150,000 tons/year. 12.5 Acre Site.

Fairfield-Suisun, California, USA

Capacity: 150,000 tons/year. Also features LysteMize® digester optimization.

Multiple Awards & Recognitions

Positive Media Coverage
Incoming Feedstock
- Biosolids, food “waste”, organic liquids from fermentation or other biological processes – all non-hazardous
- We require analysis of incoming feedstock by a third-party, accredited laboratory prior to acceptance. We also perform due diligence testing of incoming feedstock to verify quality.

End Product - LysteGro®
- Tested weekly, during production, for metals and pathogens compliance
- Stored material is tested monthly for metals and pathogens compliance
- All analysis is completed by an independent, third-party laboratory.

Class B, Class A & Class A EQ Biosolids
Classified by the US EPA based on analysis of material & its ability to meet/exceed Part 503 Rules for Pathogens, Metals, & VAR (Vector Attraction Reduction) criteria. VAR compliance means the material has been rendered unattractive to vectors (flies, rodents, etc.) as they have the potential for transmitting diseases.

Class B Biosolids: Treated but contains higher levels of detectable pathogens. It must meet metal and pathogen standards. Use requires a special permit from the state, with strict conditions.
Class A Biosolids: Pathogens must be reduced to strictly low levels and this material must comply with strict standards for VAR to meet US EPA guidelines. The Lystek Thermal Hydrolysis Process exceeds US EPA Class A criteria.

Class A EQ (Exceptional Quality): Describes a biosolids product that not only meets, but exceeds, Class A criteria. This highest quality material must meet, or exceed, the US EPA guidelines for widely accepted use, similar to other fertilizers. The Lystek Thermal Hydrolysis Process exceeds US EPA Class A EQ criteria.

Types Of On-Farm Use
- Cash crop farmers: corn, hay, soybeans, oats, wheat, cover crops, canola.

Best Management Practices
- Material is sold as a fertilizer to the agricultural industry
- All of the material is injected below the soil surface, which significantly reduces risk of nutrient run-off
- We have developed and adopted our own, voluntary best management practices – please ask for a copy!

Sub-Surface Injection
- We hire, train and manage local contractors to sub-surface inject the LysteGro® product.
The goal of the Part 503 Rule is to protect public health and the environment. Based on extensive research – Academia, USDA, USEPA. The Part 503 Rule established limits/rules on:

- Trace metals & chemical content
- Trace metals loading rates
- Pathogen levels (Class B, Class A, & Class A EQ)
- Vector Attraction Reduction (VAR)
- Restrictions & guidelines on how the material can be utilized

How Does The Lystek Process Work?

- The combination of Lystek process conditions below exceeds the US EPA Class A (EQ) criteria:
  - Heat – Minimum 168°F, helps kill pathogens, breaks down material and reduces viscosity
  - High-speed shearing/mixing to break down material
  - Alkali addition adds important micronutrients such as potassium and calcium + high pH prevents pathogens from regrowing
  - Processing time: 30 - 45 minutes
  - No waste or side stream from Lystek process to further treat or manage - closed loop system = no waste!

Are The Part 503 Regs Working?

Some facts:
- In 2002, the National Research Council (NRC) of US National Academy of Science conducted an independent review of the 40 CFR Part 503 Regulations to ensure public health & safety was/is being protected.

Key conclusions:
- There was no documented, scientific evidence that the regulations put in place by the US in 1993 for treatment of sewage biosolids for land application failed to protect public health.
- There has never been any documented, scientific evidence linking biosolids to adverse health effects when biosolids were utilized in compliance with the 40 CFR Part 503 Regulations.

NY DEC Regulatory Framework

July 10, 2017: “...we believe our regulations are protective of environmental resources and public health”.

APPLICATION & APPROVALS PROCESS

1. Wetlands: Lystek has secured Army Corps wetlands jurisdictional determination for the site. Project will avoid all impacts on any jurisdictional wetlands.
2. SEQRa: Lead Agency (Town of Glen Planning Board) must make a determination of environmental significance.
3. Site Plan Review: Lystek must obtain site plan approval from the Town of Glen Planning Board.
4. DEC Part 360: Lystek must obtain a Part 361-3 permit to construct/operate the Glen Canal View Industrial Business Park OMRC. Application includes engineering report and drawing package.
5. DEC Air Registration: It is anticipated that, at a minimum, Lystek must submit an air registration form to NYS DEC.
6. DEC Stormwater: Lystek must submit a Notice of Intent for construction activities along with a stormwater pollution prevention plan. It is anticipated that Lystek would obtain a SPDES discharge permit for stormwater discharge from NYS DEC.
7. Land Acquisition: Lystek executes property purchase agreement with Montgomery County Business Development Center (MCBDC) to acquire 14.5-acre parcel.
8. Building Permit: Lystek must obtain a building permit from Town of Glen code enforcement officer to construct main building and out buildings per NYS uniform building code.
9. Fertilizer: Lystek must obtain a license from NYS Agriculture and Markets prior to selling final product (LysteGro®) as a Class A fertilizer.
LYSTEK OMRC FACILITIES

- Biosolids Receiving Pit
- Biosolids Enclosed Conveyor
- Biosolids Enclosed Conveyor
- Biosolids Storage Bin
- Biosolids Pump
- Alkali Dosing System
- Lystek Reactor
- Reservoir Bottom Liner
- Reservoir Sealed Floating Cover
- Tanker Truck Loading Station
- Tanker Truck Loading Station
- OMRC Staff Offices
- OMRC Control Station
- OMRC Laboratory

PROCESS FLOW DIAGRAM
Types of material:
Non-hazardous solid & liquid biosolids and possibly other organic feedstock will be delivered to the Lystek Glen Park OMRC on an ongoing basis. During application season, LysteGro® biofertilizer will be transported out of the OMRC.

Volume of traffic:
There will be an estimated average of 10-20 trucks/day moving in and out of the center.

Types of trucks:
Covered dump trailers will be used to deliver solid feedstock material and sealed tankers will deliver liquid material, or feedstock with lower solids content.

Hours & Days of Operation:
It is expected that the proposed facility will be approved for inbound and outbound transportation services between the hours of 6AM – 6PM, Monday through Saturday.

Safety Procedures & Hauling Contractors:
All hauling contractors will be required, at all times, to meet, or exceed, all New York state laws for safety, insurance and other requirements. We will require all haulers to adhere to state and local jurisdiction regulations and will ensure transportation services are being conducted in a manner that is safe, careful and respectful to the community. Any contractor that does not comply with these standards will not be allowed to provide services to Lystek.

Emergency Response Management:
We will establish open and cooperative relationships with local, first responders and we will comply with all requirements for developing emergency response plans with the Town of Glen and Montgomery County as it pertains to transportation services and, in fact, all operations of the OMRC.
TRANSPORTATION SERVICES

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ECONOMIC BENEFITS – DIRECT & SPIN-OFF

**Initial Construction, Jobs, Etc.**
- Initial investment to construct - up to $12M (estimated)
- Local trades & labor to be used, as available & appropriate – competitive bidding.
- Upon completion, local revenues will be generated in the form of:
  - Sub-contracts for transportation services - feedstock & end product.
  - Utilities & maintenance of the center.
  - Taxes and/or other disbursements (as per final agreement with Town/County).
  - Jobs – initially there will be 8-10 positions, in the areas of:
    - Plant Management
    - Operations
    - Maintenance
    - Administration
    - Laboratory Services
- Employment opportunities are expected to increase, over time, as the business grows
  - Salary ranges will be $50k USD to $80k USD, (depending on position).
  - Spin-off jobs/economic benefits for ongoing suppliers, charitable donations, etc.

**Example Of 2017 Expenditures At Southgate OMRC**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-contractors, transportation services, etc.</td>
<td>$1,987,050</td>
</tr>
<tr>
<td>Utilities</td>
<td>$486,787</td>
</tr>
<tr>
<td>Employment (salaries/wages)</td>
<td>$426,396</td>
</tr>
<tr>
<td>Plant maintenance</td>
<td>$311,224</td>
</tr>
<tr>
<td>Taxes, donations &amp; other disbursements</td>
<td>$140,450</td>
</tr>
<tr>
<td>Office &amp; other supplies, tools, equipment, safety &amp; training</td>
<td>$416,562</td>
</tr>
</tbody>
</table>

Total annual = $3,768,469

*Note – Information above is provided for example only. Figures are quoted in USD and are rounded to the nearest dollar. Expenditures are specific to this operation and geographic area. No two community developments are ever exactly alike.*

**Financial Security & Stability**
- Lystek is an established company in both the USA and Canada - in business since 2000.
- Proven at full scale; 2 projects in the USA + 8 in Canada - capable of diverting almost 400,000 tons of biosolids & organics from landfills annually.
- Canadian projects include our first, state-of-the art, award-winning regional OMRC in the Township of Southgate, Ontario. Successfully operating since 2012.
- Services generators within a 90-100 mile radius, including the City of Toronto - capable of diverting up to 150,000 tons of organic material from landfills annually.
- First, USA project was award-winning OMRC-FSSD in Fairfield, California. Also a regional facility - owned and operated by Lystek. Successfully operating since 2016.
- Provides a range of processing and plant optimization services to the FSSD + San Francisco Bay Area. Designed to divert 150,000 tons of material from landfills annually.
- Financial backing/security – Lystek’s parent company is the Tomlinson Group of companies of Ottawa, Ontario.
  - 60 (+) year old, family owned, private company w/over $500M in annual revenues.
  - Solid, stable & respected – in for the long term.
  - A multi-year Security Bond will be held and paid for by Lystek to provide the community with additional peace of mind regarding stability and viability of the business.
Public Advisory Committee (PAC): As part of our ongoing efforts to engage and inform community, we will be forming a Public Advisory Committee (PAC). This committee will serve as another opportunity for residents to stay informed about the proposed Glen Park Organic Materials Recovery Center (OMRC).

The PAC is being initiated on a voluntary basis as part of our efforts to maintain a high degree of transparency. The PAC will be provided with regular updates on the project as well as opportunities to make suggestions regarding the Center. The intent is to form an unbiased committee, including representation from local residents and other, relevant stakeholders, so that feedback and suggestions can be heard, documented and, where practical, implemented.

Some additional information on the PAC:

What Is The Purpose Of The PAC?
- To provide another avenue for the sharing of information from Lystek to the public and from the public to Lystek regarding the development of the Project via a Committee assembled for this purpose, and;
- To provide input on the development of the Project, including constructive input on the Center design so potential improvements can be made in response to relevant and reasonable suggestions from the public.

Who Will Form The PAC?
- Key representation will consist of members of the community who wish to become, and remain, informed about Lystek and the impact that the Center will have on the Town/County. Our intention is to ask for participation from the following:
  - One or two residents that own property within 5 miles of the center;
  - Three representatives from the general public of the Town/County;
  - One representative from the Town of Glen council;
  - One representative from Montgomery County;
  - One representative from Lystek.

What Will The General Guidelines For The PAC Be?
- All members of the PAC must be at least 18 years of age.
- The PAC shall elect a chairperson from among its members who will preside over meetings and serve as the primary contact between Lystek and the PAC.
- In consultation with the PAC Chair, Lystek shall assist in preparing and distributing meeting agendas, materials and documents, as well as draft meeting minutes. Minutes will be reviewed by PAC prior to each meeting, amended and approved as appropriate.

When Will The PAC Commence Meeting And How Often?
- The target date for the first meeting of the PAC is currently set out for the third week of April, 2018 (note that this is yet to be set as firm)
- Once established, the PAC shall meet monthly at a date, time, and location to be mutually agreed-upon by all members. Frequency of meetings can and will be reviewed and mutually agreed upon over the fullness of time.

How Do I Get Involved In The PAC And What Is The Deadline?
- Applications for participation will begin on February 15, 2018 and will be accepted up to one week prior to the date of the first meeting.
- Once the PAC is formed, committee members will be contacted one week in advance of the first meeting so that appropriate arrangements can be made for attendance.
- If you would like to know more about the proposed PAC, or if you are interested in becoming a member, please request and complete an application form or call us, toll free at 1-888-501-6508 or by email at: infoUSA@lystek.com to obtain one.