

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Senior Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), except that no opinion is expressed as to the status of interest on any 2020 Senior Bond for any period that such 2020 Senior Bond is held by a “substantial user” of the facilities financed or refinanced by the 2020 Senior Bonds or by a “related person” within the meaning of Section 147(a) of the Code. Bond Counsel observes, however, that interest on the 2020 Senior Bonds is a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the 2020 Senior Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2020 Senior Bonds. See “TAX MATTERS.”



\$42,000,000
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
SOLID WASTE DISPOSAL REVENUE BONDS
(CALPLANT I PROJECT)
SERIES 2020 (AMT)
(GREEN BONDS)

This Limited Offering Memorandum relates to the issuance by the California Pollution Control Financing Authority (the “Authority”) of its \$42,000,000 Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2020 (AMT) (Green Bonds) (the “2020 Senior Bonds”). Proceeds of the 2020 Senior Bonds will be lent to CalPlant I, LLC (the “Borrower”) pursuant to a loan agreement. The 2020 Senior Bonds are payable from the revenues specifically pledged thereto, as described in this Limited Offering Memorandum, which consist primarily of loan repayments to be made by the Borrower.

The Borrower will use the proceeds of the 2020 Senior Bonds to finance a substantial portion of the cost of commissioning, ramp-up and operation of a medium density fiberboard plant (the “Plant”) to be operated in Willows, California, and for the other purposes described herein.

The Borrower and the Project (as defined herein) are currently in financial distress. See “PROJECT STATUS – Project in Financial Distress” herein.

The 2020 Senior Bonds are limited obligations of the Authority payable solely from certain revenues, consisting of loan repayments made by the Borrower under the Loan Agreement. The 2020 Senior Bonds will be secured by a senior lien on the Plant, a senior lien on other assets of the Borrower, and a senior lien on the membership interests in the Borrower. The 2020 Senior Bonds will also be secured by some of the funds established under the Senior Indenture referred to below, including the Reserve Fund further described herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2020 SENIOR BONDS. THE AUTHORITY HAS NO TAXING POWER.

THE 2020 SENIOR BONDS ARE BEING OFFERED ONLY TO QUALIFIED INSTITUTIONAL BUYERS AND INSTITUTIONAL ACCREDITED INVESTORS, IN MINIMUM DENOMINATIONS OF \$250,000 AND IN \$5,000 INCREMENTS ABOVE \$250,000, AND ARE SUBJECT TO CERTAIN TRANSFER RESTRICTIONS. SEE “NOTICE TO INVESTORS.” THERE IS NO PUBLIC MARKET FOR THE 2020 SENIOR BONDS AND NO RATINGS HAVE BEEN REQUESTED FOR THE 2020 SENIOR BONDS.

This cover page contains certain information for convenient reference only and is not intended to be a summary of this issue. Investors must read the entire Limited Offering Memorandum including Appendices hereto to obtain information essential to making an informed investment decision.

Interest on the 2020 Senior Bonds will accrue from their date of delivery and will be payable on January 1 and July 1 of each year, commencing January 1, 2021. The 2020 Senior Bonds will be subject to redemption prior to maturity as described in this Limited Offering Memorandum.

The 2020 Senior Bonds are offered when, as and if issued by the Authority and received by the Underwriters, subject to approval of legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed upon for the Authority by the Office of Honorable Xavier Becerra, Attorney General of the State of California, for the Borrower by its special counsel, Morrison & Foerster LLP and Hepner & Myers LLP, and for the Underwriters by their counsel, Nixon Peabody LLP. The Authority expects to deliver the 2020 Senior Bonds through the facilities of DTC on or about October 13, 2020, against payment therefor.

Citigroup

Stifel

MATURITY SCHEDULE

\$42,000,000

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
SOLID WASTE DISPOSAL REVENUE BONDS
(CALPLANT I PROJECT)
SERIES 2020 (AMT)
(GREEN BONDS)**

**\$42,000,000, 7.50% Term Bonds Maturing July 1, 2032, Yield* 8.169%,
Price 95.00, CUSIP† 130536RM9**

* 2020 Senior Bonds sold on the basis of price.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Authority, the Borrower or the Underwriters is responsible for the selection or correctness of the CUSIP numbers set forth herein.

No dealer, broker, salesperson or any other person has been authorized to give any information or to make any representation other than as contained in this Limited Offering Memorandum in connection with the 2020 Senior Bonds, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the Borrower, Agfiber IP, LLC (the “Licensor”), CalPlant I Holdco, LLC (“Holdco”), Citigroup Global Markets Inc. (“Citigroup”) and Stifel, Nicolaus & Company, Incorporated (“Stifel”, and collectively with Citigroup, the “Underwriters”), as underwriters, or any other party. This Limited Offering Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein relating to the business and affairs of the Borrower and the Plant has been supplied by the Borrower. Such information is not to be construed as a representation by the Authority or the Underwriters. Certain information set forth herein has been obtained from the Authority, the Borrower and other sources that are believed to be reliable, but the Underwriters do not guarantee the accuracy or completeness of the information, and the information is not to be construed as a representation by the Authority or the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriters have reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Pursuant to a request of the Underwriters, the Authority has furnished certain information relating to the Authority under the headings “AUTHORITY” and “LITIGATION—The Authority,” but the Authority makes no representation as to the completeness of such information. The Authority makes no representation as to the accuracy or completeness of any other information in this Limited Offering Memorandum and takes no responsibility for its contents. Neither the Authority nor its independent contractors have furnished, reviewed, investigated or verified any other information contained in this Limited Offering Memorandum. The Authority does not, and will not in the future, monitor the financial condition of the Borrower or otherwise monitor payment of the 2020 Senior Bonds or compliance with the documents relating thereto.

The 2020 Senior Bonds will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), nor will the Senior Indenture relating to the 2020 Senior Bonds be qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. The 2020 Senior Bonds will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other government entity or agency has passed upon the adequacy of this Limited Offering Memorandum. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary may be a criminal offense.

In making an investment decision, prospective investors must rely on their own evaluation of the merits and risks of the offering of the 2020 Senior Bonds.

NOTICE REGARDING LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum contains summaries of the structure, terms and conditions of the Borrower, the Transaction Documents and the Project as they exist as of the date hereof. Certain of the documents attached as Exhibits to this Limited Offering Memorandum are in draft form and remain subject to change and modification before execution.

NOTICE TO INVESTORS

The Senior Indenture (as defined herein) provides that, during the “Restricted Period” (defined below), the 2020 Senior Bonds are only to be sold (including in secondary market transactions) to “Qualified Institutional Buyers” as defined in Rule 144A promulgated under the Securities Act or institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1),(2), (3) or (7) under the Securities Act, hereafter, “Institutional Accredited Investors”, and together with Qualified Institutional Buyers, “Qualified Purchasers”) in Authorized Denominations (as defined herein). Neither the Underwriters nor any Holder or Beneficial Owner of the 2020 Senior Bonds shall deposit the 2020 Senior Bonds in any trust or account under its control and sell any shares, participatory interest or certificates in such trust and account, and neither the Underwriters nor any Holder or Beneficial Owner shall deposit the 2020 Senior Bonds in any trust or account under its control the majority of the assets of which constitute the 2020 Senior Bonds, and sell shares, participatory interest or certificates in such trust or account except to Qualified Purchasers in Authorized Denominations; provided that none of the Underwriters, Holders or Beneficial Owners shall have an obligation to independently establish or confirm that any transferee of a 2020 Senior Bond is a Qualified Purchaser, however any actual transfer of a 2020 Senior Bond to any entity that is not a Qualified Purchaser shall be deemed null and void as provided in the Senior Indenture. “Restricted Period” means the period from the date of delivery of the 2020 Senior Bonds until such time, if any, that the Authority agrees to terminate the Restricted Period. At any time, the Borrower may request that the Authority terminate the Restricted Period. The Authority may grant such approval in its discretion, but it will not unreasonably withhold such approval if the Borrower provides evidence that the 2020 Senior Bonds will be rated at least “A3/A-” by Moody’s, S&P or Fitch. If certain conditions are satisfied, including the achievement of specified financial thresholds, the Borrower is obligated to seek a credit rating for the 2020 Senior Bonds from at least one nationally-recognized credit rating agency. If the Borrower obtains at least one credit rating for the 2020 Senior Bonds that meets the criteria described in the second preceding sentence above, the Borrower is further obligated to request that the Authority terminate the Restricted Period.

Initial Purchasers of the 2020 Senior Bonds from the Underwriters will be required to deliver an “Authority Investor Letter” and a “Borrower/Underwriters Investor Letter” in the forms attached hereto in APPENDIX G in connection with such purchase providing representations and assurances to the Authority, the Borrower and the Underwriters regarding their knowledge and sophistication in the evaluation and purchase of securities such as the 2020 Senior Bonds.

Participatory shares of 2020 Senior Bonds in trusts which include any of the 2020 Senior Bonds may be sold only to Qualified Purchasers, and such trust shares must be sold only in increments equal to the 2020 Senior Bond’s minimum denomination unless (i) the participatory

shares are credit enhanced to an “A-” level or higher and purchasers of such shares are not exposed to credit risk of the Borrower, or (ii) participatory shares are not directly made in the 2020 Senior Bonds, but are part of a diversified portfolio in a regulated investment company, where the 2020 Senior Bonds constitute not more than 5% of the total portfolio.

The Underwriters have agreed under the Bond Purchase Agreement to sell the 2020 Senior Bonds such that:

- (i) Each purchaser, based upon the knowledge of the Underwriters after verbal inquiry and receipt of a “Borrower/Underwriters Investor Letter” in the form attached hereto in APPENDIX G (but otherwise without independent investigation), is an institutional purchaser that is a Qualified Purchaser, or, if such purchaser is buying for an account for which such purchaser is acting as fiduciary or agent, such account is a Qualified Purchaser;
- (ii) Each purchaser, to the best knowledge of the Underwriters after verbal inquiry and receipt of a “Borrower/Underwriters Investor Letter” in the form attached hereto in APPENDIX G (but otherwise without independent investigation), is acquiring the 2020 Senior Bonds for its own account or for not more than one account for which it is acting as fiduciary or agent in a minimum amount of not less than Authorized Denominations, in either case not with a view to any sale or distribution thereof, and has acknowledged such on its own behalf and on behalf of any such account for which it is purchasing the 2020 Senior Bonds; and
- (iii) Each purchaser has been provided with access to such financial and other information as it has requested in connection with its decision to purchase any 2020 Senior Bonds.

FORWARD-LOOKING STATEMENTS

This Limited Offering Memorandum includes forward-looking statements and projections provided by or on behalf of the Borrower. Any such statements and projections reflect various estimates and assumptions by the Borrower concerning anticipated results. No representations or warranties are made by the Borrower or any of its affiliates as to the accuracy of any such statements, assumptions or projections. Whether or not any such forward looking statements or projections are in fact achieved will depend upon future events, some of which are not within the control of the Borrower. Accordingly, actual results may vary from the projected results, and such variations may be material. When used in this Limited Offering Memorandum, the words “anticipate,” “believe,” “estimate,” “project,” “predict,” “expect,” “intend,” and words or phrases of similar import are intended to identify forward-looking statements.

Although the Borrower believes that the expectations reflected in such forward-looking statements are reasonable, the Borrower cannot give any assurance that such expectations will prove to have been correct. Certain important factors that could cause actual results to differ materially from the expectations of the Borrower are contained under the caption herein entitled “INVESTMENT CONSIDERATIONS AND RISK FACTORS” and elsewhere in this Limited Offering Memorandum. Actual results could differ materially from expectations for other reasons as well.

Actual results may vary materially from those described herein as anticipated, believed, estimated, projected, predicted, expected or intended. Forward-looking statements speak only as of the date they are made, and the Borrower undertakes no obligation to update such statements in light of new information, future events or otherwise.

The Underwriters and the Authority have not examined or compiled any of the financial forecasts or technical or marketing studies presented herein and accordingly do not assume any responsibility for such forecasts or studies.

INCORPORATION BY REFERENCE

In connection with the Authority's Solid Waste Disposal Revenue Bonds (CalPlant I Project) Series 2017 (AMT) (Green Bonds) (the "2017 Senior Bonds") and Solid Waste Disposal Revenue Bonds (CalPlant I Project) Series 2019 Subordinate Bonds (AMT) (Green Bonds) (the "2019 Subordinate Bonds"), the Borrower has filed certain disclosure information on the Electronic Municipal Market Access system ("EMMA") maintained by the Municipal Securities Rulemaking Board. The Borrower hereby incorporates by this reference into the Limited Offering Memorandum, on the date of this Limited Offering Memorandum, the following documents filed on EMMA:

- Line of Credit Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, among the Borrower, Fidelity National Title Company, as trustee under such Deed of Trust, and BOKF, N.A., as successor collateral agent (the "Collateral Agent"), as amended (the "Deed of Trust");
- Pledge Agreement, by and between Holdco and the Collateral Agent, as amended (the "Pledge Agreement");
- Security Agreement, by and between the Collateral Agent and the Borrower, as amended (the "Security Agreement"); and
- The most recent financial statements and construction reports filed by the Borrower on EMMA.

The Borrower maintains an investor relations website on which the Borrower posts various financial and operating information about the Borrower. Investors can request access to the Borrower's investor relations website by sending an e-mail message to the Borrower at jscholberg@calplant1.com. None of the documents or information on such website is incorporated by reference herein.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
General	1
Consent Solicitation	2
THE 2020 SENIOR BONDS	2
General	2
Redemption	3
Additional Bonds	6
Green Bonds Determination	6
AUTHORITY	7
BORROWER	7
PROJECT STATUS	8
General	8
Commissioning Schedule.....	8
Potential Need for Mechanical Blenders	8
Operational Ramp-Up.....	9
Project in Financial Distress	10
Construction Disputes.....	12
THE PROJECT	12
General	12
Site	15
Patent.....	16
Testing of Project Technology.....	16
Source of Feedstock	16
Marketing and Competition	18
Plant Commissioning and Start-up	19
Permits and Approvals.....	20
Performance Guarantees	20
Risk Mitigation	20
Financial Information.....	22
PLANT OPERATION.....	22
Plant Operation, Staffing and Maintenance	22
Financial Projections.....	23
Equipment Supply Contract.....	23
Rice Straw Supply Contracts	24
Resin Supply Contract	24
ESTIMATED SOURCES AND USES.....	25
OWNERSHIP AND GOVERNANCE OF THE BORROWER	25
Ownership.....	25
CalPlant I Holdco, LLC Governance.....	25
Borrower Management Team	26
SECURITY AND SOURCES OF PAYMENT FOR THE 2020 SENIOR BONDS.....	28

TABLE OF CONTENTS
(continued)

	<u>Page</u>	
General	28	
2017 Senior Bonds	29	
2019 Subordinate Bonds	29	
Collateral	29	
The Collateral Agency Agreement	30	
2020 Project Fund	33	
Reserve Fund	33	
2020 Capitalized Interest Account	34	
Contingency Fund	34	
Collateral Instruments	35	
THE SENIOR INDENTURE AND THE LOAN AGREEMENT	37	
The Senior Indenture	37	
Loan Agreement	37	
INVESTMENT CONSIDERATIONS AND RISK FACTORS	42	
Project in Financial Distress	42	
Risks to Commissioning the Plant	43	
Operating Risk	44	
Market for MDF	48	
Competition	48	
Limitations on Recourse	48	
Enforcement of Remedies	49	
Risks Related to Tax Exemption	52	
Risks Related to Lack of Liquidity and Restrictions on Transferability	53	
TAX MATTERS	53	
LITIGATION	56	
The Authority	56	
Borrower	56	
CONTINUING DISCLOSURE	56	
UNDERWRITING	57	
NO RATINGS	57	
LEGAL MATTERS	57	
MISCELLANEOUS	58	
APPENDIX A	GLOSSARY	A-1
APPENDIX B	SENIOR INDENTURE	B-1
APPENDIX C	LOAN AGREEMENT	C-1
APPENDIX D	AMENDED AND RESTATED COLLATERAL AGENCY AGREEMENT	D-1
APPENDIX E	BOOK-ENTRY ONLY SYSTEM	E-1
APPENDIX F	PRO FORMA AND OTHER FINANCIAL INFORMATION	F-1
APPENDIX G	FORMS OF INVESTOR REPRESENTATION LETTERS	G-1
APPENDIX H	PROPOSED FORM OF OPINION OF BOND COUNSEL	H-1

TABLE OF CONTENTS
(continued)

	<u>Page</u>
APPENDIX I	FORM OF CONTINUING DISCLOSURE UNDERTAKING..... I-1
APPENDIX J	THE ENVIRONMENTAL REPORT FROM SVC..... J-1

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LIMITED OFFERING MEMORANDUM

\$42,000,000

**California Pollution Control Financing Authority
Solid Waste Disposal Revenue Bonds
(CalPlant I Project)
Series 2020 (AMT)
(Green Bonds)**

This Limited Offering Memorandum is provided to furnish information in connection with the issuance of \$42,000,000 Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2020 (AMT) (Green Bonds) (the “2020 Senior Bonds”). Capitalized terms used herein are defined in the glossary attached as APPENDIX A.

INTRODUCTION

General

The California Pollution Control Financing Authority (the “Authority”) is issuing its 2020 Senior Bonds, and will lend the proceeds thereof to CalPlant I, LLC (the “Borrower”) pursuant to a Loan Agreement, dated as of June 1, 2017, by and between the Authority and the Borrower, as amended and supplemented, including as amended by the Third Amendment to Loan Agreement, dated as of October 13, 2020 (the “Third Amendment to Loan Agreement”), by and between the Authority and the Borrower (collectively, the “Loan Agreement”), to finance a substantial portion of the costs of commissioning, ramp-up and operation of a medium density fiberboard plant (the “Plant”) to be operated in Willows, California and for the other purposes set forth in this Limited Offering Memorandum. The Borrower’s development, construction, financing and operation of the Plant is referred to as the “Project.”

The 2020 Senior Bonds will be issued pursuant to an Indenture, dated as of June 1, 2017, by and between the Authority and BOKF, N.A., as successor trustee (the “Bond Trustee”), as amended and supplemented, including as amended by the Third Supplemental Indenture, dated as of October 13, 2020, by and between the Authority and the Bond Trustee (collectively, the “Senior Indenture”).

The Authority has previously issued \$228,165,000 in aggregate principal amount of its Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT) (Green Bonds) (the “2017 Senior Bonds”) and \$73,685,000 aggregate principal amount of Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2019 Subordinate Bonds (AMT) (Green Bonds) (the “2019 Subordinate Bonds”). Both the 2020 Senior Bonds and 2017 Senior Bonds will constitute Senior Bonds under the Collateral Agency Agreement and “Bonds” under the Senior Indenture. The 2020 Bonds are secured on a parity with the 2017 Senior Bonds under the Senior Indenture and the Collateral Agency Agreement. The 2017 Senior Bonds and the 2020 Bonds will be secured by the Collateral on a senior basis to the 2019 Subordinate Bonds as provided in the Collateral Agency Agreement. The 2019 Subordinate Bonds are Subordinate Bonds under the Collateral Agency Agreement, were issued under the Subordinate Indenture (as defined below), and are

secured on a subordinate basis in the Collateral as provided in the Collateral Agency Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2020 SENIOR BONDS” herein.

The 2017 Senior Bonds, the 2020 Senior Bonds and any Additional Bonds issued pursuant to the Senior Indenture are collectively referred to herein as “Senior Bonds”.

Consent Solicitation

In connection with the issuance of the 2020 Senior Bonds, the Required Bondholders have provided their consents to the issuance of the 2020 Senior Bonds and the amendments provided for in the Third Supplemental Indenture and the Third Amendment to Loan Agreement. In addition, the Borrower expects the Required Subordinate Bondholders to provide their consents to the issuance of the 2020 Senior Bonds.

THE 2020 SENIOR BONDS

The following summarizes selected provisions of the 2020 Senior Bonds. Reference is made to the Senior Indenture for the detailed provisions of the 2020 Senior Bonds. The Senior Indenture, together with a draft form of the Third Supplemental Indenture, is attached as APPENDIX B.

General

The 2020 Senior Bonds will be issued in the form of one fully registered bond for each maturity in an aggregate principal amount of \$42,000,000, will be dated the Delivery Date and will mature on the date set forth on the inside cover page of this Limited Offering Memorandum.

Except as otherwise provided below, the 2020 Senior Bonds will bear interest at the rates set forth on the inside cover page. During the occurrence and continuance of an Event of Default first occurring after the date of issuance of the 2020 Senior Bonds (other than Events of Default prior to January 2, 2022), the 2020 Senior Bonds shall bear interest at a per annum rate equal to the stated interest rates on the 2020 Senior Bonds plus 2.0%.

Interest on the 2020 Senior Bonds will be computed on the basis of a year of 360 days consisting of 12 months of 30 days each and will be payable on each January 1 and July 1, commencing January 1, 2021 (each, an “Interest Payment Date”), and at maturity or earlier redemption.

Principal of and premium, if any, on the 2020 Senior Bonds will be payable at final maturity, acceleration or redemption upon surrender thereof at the corporate trust office of the Bond Trustee. Payment of the interest on any 2020 Senior Bonds will be made to the Person appearing on the bond registration books of the Bond Trustee (in its capacity as Bond Registrar) as the Holder thereof on the Record Date, such interest to be paid to such Holder, while the 2020 Senior Bonds are in the book-entry system, by wire transfer to DTC. The “Record Date” shall be the day which is the fifteenth day of the month prior to the Interest Payment Date, whether or not such date is a Business Day.

Restrictions on Transfer. Initially, only “Qualified Institutional Buyers” (as such term is defined by Rule 144A promulgated under the Securities Act of 1933 (the “Securities Act”) or institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1),(2), (3) or (7) under the Securities Act, hereafter, “Institutional Accredited Investors”), each as in effect on the Delivery Date, may purchase 2020 Senior Bonds and in Authorized Denominations (as defined below), and subject to other limitations described under “NOTICE TO INVESTORS.” During the Restricted Period, no 2020 Senior Bond shall be transferred except to a Qualified Purchaser in an Authorized Denomination. ***Each registered owner of a 2020 Senior Bond agrees by purchase of the 2020 Senior Bond to abide by these limitations. Any purported transfer which is not in compliance with these requirements shall be null and void.***

“Restricted Period” means the period from the Delivery Date until such time, if any, that the Authority agrees to terminate the Restricted Period. At any time, the Borrower may request that the Authority terminate the Restricted Period. The Authority may grant such approval in its discretion, but it agrees that it will not unreasonably withhold such approval if the Borrower provides evidence that the 2020 Senior Bonds will be rated at least “A3/A-” by Moody’s, S&P, or Fitch.

“Authorized Denomination” means (i) during the Restricted Period, \$250,000 or any integral multiple of \$5,000 in excess thereof, or (ii) thereafter, \$5,000 or any integral multiple thereof; provided, however, that if it is not possible to deliver every 2020 Senior Bond required or permitted to be Outstanding in the denominations permitted above following any optional or mandatory redemption pursuant to the terms of the Senior Indenture, one 2020 Senior Bond of each maturity may be delivered, but only to the extent necessary, in a different denomination.

THE 2020 SENIOR BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM CERTAIN REVENUES, CONSISTING OF LOAN REPAYMENTS MADE BY THE BORROWER UNDER THE LOAN AGREEMENT, AND ANY OTHER AMOUNTS HELD IN ANY FUND OR ACCOUNT ESTABLISHED PURSUANT TO THE SENIOR INDENTURE (OTHER THAN THE REBATE FUND AND EXCLUDED MONEYS). THE 2020 SENIOR BONDS ALSO ARE SECURED BY A DEED OF TRUST LIEN ON THE SITE AND THE PLANT, THE MEMBERSHIP INTERESTS IN THE BORROWER, AND OTHER COLLATERAL AS FURTHER DESCRIBED HEREIN AND SUBJECT TO THE TERMS OF THE COLLATERAL AGENCY AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2020 SENIOR BONDS. THE AUTHORITY HAS NO TAXING POWER.

The 2020 Senior Bonds are payable and secured on a parity with the 2017 Senior Bonds. See “SECURITY AND SOURCES OF PAYMENT OF THE 2020 SENIOR BONDS – 2017 Senior Bonds”.

Redemption

The 2020 Senior Bonds are subject to redemption upon the below terms.

Optional Redemption. The 2020 Senior Bonds are not subject to redemption at the option of the Borrower.

Mandatory Sinking Fund Redemption. The 2020 Senior Bonds shall be subject to semi-annual sinking fund redemption prior to their stated maturity in part, by lot, on each of the following dates, at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium:

<u>Mandatory Sinking Fund Payment Dates</u>	<u>Mandatory Sinking Fund Payments</u>
July 1, 2023	\$1,810,000
January 1, 2024	1,825,000
July 1, 2024	-
January 1, 2025	1,830,000
July 1, 2025	1,825,000
January 1, 2026	1,965,000
July 1, 2026	1,965,000
January 1, 2027	2,120,000
July 1, 2027	2,115,000
January 1, 2028	2,275,000
July 1, 2028	2,280,000
January 1, 2029	2,450,000
July 1, 2029	2,455,000
January 1, 2030	2,640,000
July 1, 2030	2,640,000
January 1, 2031	2,845,000
July 1, 2031	2,840,000
January 1, 2032	3,060,000
July 1, 2032*	3,060,000

* Maturity

Mandatory Redemption.

Mandatory Redemption upon Invalidity. Upon any Invalidity Event, the Senior Bonds (including the 2020 Senior Bonds and the 2017 Senior Bonds) Outstanding on the date of the occurrence of the invalidity shall be redeemed in whole at any time within 30 days thereafter at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the date of redemption. No redemption of Senior Bonds shall be made pursuant to any of the other redemption provisions following an Invalidity Event.

Mandatory Redemption from Excess Proceeds. On the Interest Payment Date following any deposit into the Excess Proceeds Account, if required under the Senior Indenture, the Senior Bonds (including the 2020 Senior Bonds and the 2017 Senior Bonds) shall be subject to redemption, in part, in an amount equal to the amount on deposit in the Excess Proceeds Account, in denominations of \$5,000, at a price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption; provided that the Tax-Exempt Bonds

(including the 2020 Senior Bonds and the 2017 Senior Bonds) shall be redeemed in whole pursuant to the mandatory redemption from excess proceeds prior to the redemption pursuant to the mandatory redemption from excess proceeds of any Senior Bonds that are not Tax-Exempt; and provided further that, unless the Borrower shall provide to the Bond Trustee and the Authority an Opinion of Bond Counsel to the effect that an alternative redemption of Senior Bonds will not adversely affect the Tax-Exempt status of the Tax-Exempt Bonds, the Tax-Exempt Bonds so redeemed shall have a weighted average maturity no less than the weighted average maturity of all Tax-Exempt Bonds Outstanding immediately prior to such redemption.

Mandatory Redemption upon Receipt of Loss Proceeds. The Senior Bonds (including the 2020 Senior Bonds and the 2017 Senior Bonds) are subject to redemption, in whole or in part, from Loss Proceeds (other than Excluded Loss Proceeds), on the Interest Payment Date following the receipt of such Loss Proceeds by the Collateral Agent, in an amount equal to the Loss Proceeds received from the Collateral Agent, in denominations of \$5,000, at a price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption; provided that the Tax-Exempt Bonds shall be redeemed in whole pursuant to the mandatory redemption upon receipt of Loss Proceeds prior to the redemption pursuant to the mandatory redemption upon receipt of Loss Proceeds of any Senior Bonds that are not Tax-Exempt.

Selection of 2020 Senior Bonds for Redemption. Whenever provision is made in the Senior Indenture for the redemption of less than all of the 2020 Senior Bonds, those maturities of 2020 Senior Bonds shall be redeemed as selected by the Borrower and, if the Borrower makes no such selection, in inverse order of maturity and, within any maturity, the Bond Trustee will select the 2020 Senior Bonds to be redeemed by lot in any manner which the Bond Trustee in its sole discretion deems appropriate. Notwithstanding the foregoing, with respect to any mandatory redemption from excess proceeds or upon receipt of Loss Proceeds, all maturities of 2020 Senior Bonds shall be redeemed on a pro rata basis, on the basis of the outstanding principal thereof, as nearly as practicable, as reasonably determined by the Borrower, and, within any maturity, the Bond Trustee will select the 2020 Senior Bonds to be redeemed by lot in any manner which the Bond Trustee in its sole discretion deems appropriate.

Notice of Redemption. Notice of redemption will be mailed by first class mail not less than 30 days nor more than 60 days before a mandatory sinking fund redemption as described in “—*Mandatory Sinking Fund Redemption*” above and not less than 20 days in the case of all other redemptions before such redemption date, to the respective Holders and Beneficial Owners of any 2020 Senior Bonds designated for redemption at their addresses on the registration books maintained by the Bond Registrar. Each notice of redemption will state the redemption date, the place or places of redemption, if less than all of the 2020 Senior Bonds are to be redeemed, the distinctive number and series of the 2020 Senior Bonds to be redeemed, and in the case of 2020 Senior Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said redemption date there will become due and payable on each of said 2020 Senior Bonds the principal thereof or a specified portion of the principal thereof in the case of a 2020 Senior Bond to be redeemed in part only, and that from and after such redemption date, interest thereon will cease to accrue, the Bond Trustee will require that such 2020 Senior Bonds be then surrendered. Neither failure to receive such notice nor any defect therein shall affect the sufficiency of such redemption.

Partial Redemption of 2020 Senior Bonds. Upon surrender of any 2020 Senior Bond redeemed in part only, the Authority will execute and the Bond Trustee will authenticate and deliver to the Holder thereof, at the expense of the Borrower, a new 2020 Senior Bond or 2020 Senior Bonds of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the 2020 Senior Bond surrendered.

Effect of Redemption of 2020 Senior Bonds. Notice of redemption having been duly given as described above, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the 2020 Senior Bonds (or portions thereof) so called for redemption being held by the Bond Trustee, on the redemption date designated in such notice the 2020 Senior Bonds (or portions thereof) so called for redemption will become due and payable, interest on the 2020 Senior Bonds so called for redemption will cease to accrue, said 2020 Senior Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Senior Indenture (except for payment of particular 2020 Senior Bonds for which moneys are being held by the Bond Trustee and which money will be pledged to such payment), and the Holders of said 2020 Senior Bonds will have no rights in respect thereof except to receive payment of said principal, premium, if any, and interest accrued to the date fixed for redemption.

Additional Bonds

The Senior Indenture permits the issuance of Additional Bonds after the issuance of the 2020 Senior Bonds if (i) the Required Bondholders have provided consent, (ii) after such issuance, no Senior Bonds Outstanding prior to the issuance remain Outstanding, or (iii) the proceeds of Additional Bonds are used to refinance a portion of the Senior Bonds Outstanding, and Debt Service on the Senior Bonds in each year before giving effect to the refinancing is greater than or equal to Debt Service on the Senior Bonds in each year after giving effect to the refinancing. The Additional Bonds will be payable from Revenues on parity with the 2020 Senior Bonds and the 2017 Senior Bonds and secured *pari passu* by the deed of trust lien on the Site and the Plant, the membership interest in the Borrower and other collateral securing the 2020 Senior Bonds and the 2017 Senior Bonds, as further described herein and subject to the terms of the Collateral Agency Agreement. See “APPENDIX B—SENIOR INDENTURE—ARTICLE II: THE BONDS—Conditions for the Issuance of Additional Bonds” and “—Procedure for the Issuance of Additional Bonds.”

Additionally, any issuance of Additional Bonds is subject to the consent of the Required Subordinate Bondholders to the extent provided for in the Subordinate Indenture.

Green Bonds Determination

The Borrower has determined that the 2020 Senior Bonds are “Green Bonds” based on a report from Stephen Vajda Consulting (“SVC” or the “Technical Advisor”) using guidelines that are consistent with the “Green Bond Principles” set forth by the International Capital Market Association. A copy of the report is attached hereto as Appendix J. See “THE PROJECT –Risk Mitigation—Project Oversight” for a description of SVC. The Borrower has agreed in the Loan Agreement that it will cause the independent consultant to annually (until the Plant Substantial Completion Date occurs) deliver a certificate to the effect that no changes have been made to the Project that would reasonably be expected to materially adversely affect the environmental benefits described in such report. The Authority undertakes no responsibility for the accuracy or

completeness of such information, the Borrower’s determination that the 2020 Senior Bonds are Green Bonds, or for monitoring or enforcing any terms relating to such determination or such report.

The purpose of the Borrower determining that the 2020 Senior Bonds are Green Bonds is to allow investors to invest directly in bonds that finance projects which support such environmental benefits. The 2020 Senior Bonds are secured by a pledge of Revenues under the Senior Indenture, and the holders of the 2020 Senior Bonds do not assume any specific project risk or economic benefit related to the Project as a result of such designation. The determination that the 2020 Senior Bonds are “Green Bonds” is not a recommendation to any person to purchase, hold or sell the 2020 Senior Bonds and such determination does not address the market price or suitability of the 2020 Senior Bonds for a particular investor.

AUTHORITY

The Authority is a political subdivision and public instrumentality of the State of California (the “State”) created pursuant to the California Pollution Control Financing Authority Act, constituting Division 27 of the Health and Safety Code of the State of California (the “Act”), for the purpose of providing industry within the State with an alternative method of financing in providing, enlarging, and establishing pollution control facilities to the mutual benefit of the people of the State and to protect their health and welfare. In furtherance of such purposes, the Authority is authorized to issue revenue bonds and to make loans to lend financial assistance in the acquisition, construction or installation of pollution control facilities. The Authority consists of three public officials who hold office ex officio: the State Treasurer, the State Controller, and the State Director of Finance. Pursuant to the Act, the Authority authorized the issuance of the 2020 Senior Bonds, the loan of the proceeds of the 2020 Senior Bonds to the Borrower pursuant to the Loan Agreement and the securing of the 2020 Senior Bonds by a pledge and assignment to the Bond Trustee of Revenues pursuant to the Senior Indenture. The Authority’s principal offices are located at 801 Capitol Mall, Second Floor, Sacramento, California 95814.

BORROWER

The Borrower is CalPlant I, LLC, a limited liability company formed under the laws of the State of California for the purpose of acquiring, developing, financing, constructing and operating the Plant. The Borrower is a single-purpose entity with no assets other than those related to the Project.

The Borrower is a wholly owned subsidiary of CalPlant I Holdco, LLC (“Holdco”), which is owned by Occator Agricultural Properties, LLC (“Occator”), a wholly-owned subsidiary of Teachers Insurance and Annuity Association of America (commonly known as TIAA); Columbia Forest Products, Inc. (“CFP”); Siempelkamp Maschinen- und Anlagenbau GmbH (“Siempelkamp Germany”); CalAg, LLC (“CalAg”), which originated the Project; CalAg Preferred Investor, LLC, an affiliate of CalAg; and ZC CalAg LLC (“ZC”). CalAg was founded in 1997 in anticipation of the 2001 prohibition on California rice straw burning. CalAg is owned by approximately 100 investors (including Jerry Umland, who is a key member of the Borrower’s management team listed below under “Ownership and Governance of the Borrower—Borrower Management Team”), who

have invested over \$22 million in obtaining the Patent, conducting production trials, acquiring the Site and developing the Project.

The Borrower is managed by Holdco, which is overseen by a board of directors of up to nine members. Jerry Uhland and Jeffrey Wagner lead the executive management team as, respectively, the Borrower's Chief Executive Officer and Executive Chairman. Mr. Uhland has been involved in the California rice industry for over 40 years and has been the primary proponent of the Project for more than 20 years. Mr. Wagner was formerly the Executive Vice President for Oriented Strand Board at Louisiana Pacific Corp., where he had a 39-year career that included starting up and operating numerous panelboard manufacturing plants. See "OWNERSHIP AND GOVERNANCE OF THE BORROWER."

PROJECT STATUS

General

The Plant consists of several structures that are connected through large-diameter, high-volume pneumatic connections or other mechanical connecting devices. The Plant's several structures will progressively prepare and refine rice straw and add resin as well as other steps before the treated fiber is delivered to the main production building where it will be inserted into the Plant's continuous press and manufactured into medium density fiberboard ("MDF"). The Plant is substantially mechanically complete, and is in the process of being commissioned. The Plant will be commissioned without the incorporation of certain mechanical blenders, which are at the Site but which the Borrower believes will not be necessary in order to produce the Plant's expected production of MDF.

Commissioning Schedule

The Borrower expects that it will be able to commission the Plant and produce its First Board of MDF in early November 2020. As is the case with other industrial projects of the scale of the Plant, there are a number of circumstances that could affect this schedule. These include, but are not limited to (a) the ongoing effects of the COVID-19 pandemic, which could prevent essential technicians and contractors from performing the commissioning work, (b) the possibility that mechanical and electrical work has not been completed in accordance with specifications, which would interfere with the ability of the Plant to function, or to function on the fully automated basis for which it was designed, (c) the discovery of defects in the design of the Plant, including its intended ability to properly process rice straw in the refining and resin addition process of the Plant, (d) difficulties encountered in the integration of the Plant processes. Because this is the first MDF plant to use rice straw as its feedstock, there is inherent uncertainty concerning how long the commissioning of the Plant will take.

Potential Need for Mechanical Blenders

The Borrower will initially produce its MDF using blow-line blending technology, although the Borrower will be prepared to add the mechanical blenders to the production process if those prove necessary or desirable. Most wood-based MDF plants use blow-line blending technology, and the Borrower expects to rely on the blow-line blending technology in the Plant in the first instance. The Borrower expects to achieve Commercial Operations Date approximately

seven months following the production of the First Board. How quickly the Borrower reaches these dates depends on numerous factors, and different MDF plants have achieved milestones at different rates. A few of the key factors that will determine the ability of the Borrower to achieve these milestone dates will include whether the mechanical blenders prove necessary or desirable and, if so, how quickly the Borrower integrates the mechanical blenders into its manufacturing process after they are installed, and how quickly the Borrower will be able to achieve operational efficiency. Because the Plant is the first plant in the world to use rice straw as its feedstock in an MDF manufacturing process, there is uncertainty about how long it will take to achieve operational efficiency or whether the mechanical blenders will be necessary or desirable.

Siempelkamp Germany is of the opinion that the Borrower's manufacturing process requires mechanical blenders in order to achieve satisfactory quantities of resin usage, and Siempelkamp Germany's performance guarantees are based on the use of the mechanical blenders. The Borrower and Siempelkamp Germany are of the opinion that the project schedule might be further delayed due to various reasons, including the COVID-19 pandemic. For a discussion of the risks associated with the Plant's construction and operations, see "INVESTMENT CONSIDERATIONS AND RISK FACTORS."

Operational Ramp-Up

After the Plant produces its first board, the Borrower expects to achieve the bulk of its operational efficiencies within 18 months but that it will take an additional 10 months to achieve the Plant's maximum production capacity. Also during this initial period, the Borrower intends to continue to improve its product mix to gain market acceptance.

The Borrower expects that during the 18-month period following the production of the First Board, it will achieve operational improvements that will result in a reduction in the amounts of resin and rice straw used to produce MDF and a reduction in the amount of electricity and natural gas used to power the manufacturing process. The Borrower's financial model depends on the Borrower's ability to improve its operations so that initial inefficiencies in the use of feedstock, resin, electricity, and natural gas are ameliorated within approximately 18 months after First Board. See "THE PROJECT—Financial Information."

Initially, the Borrower expects to produce primarily thick MDF and sell that product to customers who will not place high demands on the finishing quality of the MDF. The Borrower then expects to improve its manufacturing process to enable it to produce different kinds of MDF – thick, thin and specialty products – and improve the finishing quality of the MDF. Some of this improvement in manufacturing process may require additional or modified equipment or reconfiguration of space in the Plant's finishing area. Although the Borrower has reserved approximately \$1.5 million for the expenses of the addition or modification of any equipment and reconfiguration of space that proves necessary or desirable in this period, due to the uncertainties inherent in the production demands of optimal product mix, the Borrower cannot be certain that this amount will be sufficient. Because this is the first MDF Plant that will use rice straw as feedstock, many of the Borrower's expectations are unproven and rely on experience with wood-based feedstock to determine the reasonableness of these expectations. See "THE PROJECT—Financial Information."

Initially, the Borrower will work with some of its prospective customers to assist in improving its MDF product. The Borrower expects that these initial customers will not place high demand on high quality MDF and will also provide regular feedback to the Borrower to assist in the improvement of the MDF product quality. Over time, the Borrower will need to develop customer and distribution networks that perceive the Borrower's MDF product to be of the highest quality in the MDF market. Because the Borrower's Plant will be the first MDF Plant to use rice straw as feedstock, the Borrower expects that its customers will take some time to verify that the Borrower's MDF products meet their internal requirements. The Borrower's financial model assumes that the Borrower is able to produce and sell a variety of qualities of MDF at competitive pricing, including high-quality MDF that will need to be produced to high specifications. See "THE PROJECT—Financial Information."

Project in Financial Distress

The Borrower is currently experiencing financial difficulties in commissioning the Plant and in paying its costs and expenses as it commences its operations. The Borrower anticipates that, absent the issuance and sale of the 2020 Senior Bonds or the availability of other capital, the commissioning of the Plant and operating the Plant through the ramp-up period will not be financially possible.

At the time of issuance of the 2019 Subordinate Bonds in August 2019, the Borrower estimated that it would produce its First Board in November 2019, Plant Acceptance would occur in January 2020, and the Commercial Operations Date would occur around March 2020. Also, at the time of the issuance of the 2019 Subordinate Bonds, the Borrower projected that it would need approximately \$420 million to construct the Project, which included operating costs during the operational ramp-up of the Plant before and following the Commercial Operations Date. As a result of additional delays in achieving the mechanical completion of the Project, including delays due to the COVID-19 pandemic, the Borrower now estimates that it will produce its First Board in early November 2020, that Plant Acceptance will occur around January 2021 and that the Commercial Operations Date will occur in May 2021. Siempelkamp Germany estimates that Plant Acceptance will not occur earlier than three months after First Board, and Siempelkamp Germany cannot estimate the Commercial Operations Date. As a result of cost overruns, including significant costs due to the COVID-19 pandemic, the Borrower now estimates those costs to be approximately \$475 million. These delays and cost overruns have placed the Borrower in the position of not having sufficient funds to finish commissioning the Plant and subsequently reaching the Commercial Operations Date, or to fund operations through July 2022, when the Borrower anticipates that the Project will generate sufficient funds to pay the Borrower's debt service and other financial obligations as they become due.

In order to preserve cash resources that the Borrower believed might be necessary to fund the Borrower's costs to complete the commissioning of the Plant, the Borrower requested that the holders of the 2019 Subordinate Bonds instruct the Subordinate Trustee (as defined below) to refrain from paying the interest payment due on the 2019 Subordinate Bonds on June 1, 2020 from amounts in the capitalized interest account for the 2019 Subordinate Bonds. Pursuant to the Subordinate Forbearance Agreement described below, the Subordinate Trustee did not make the interest payment due on June 1, 2020. As a result, the Borrower is in default of its obligation to pay debt service on the 2019 Subordinate Bonds. The Borrower also requested that the holders of

the 2017 Senior Bonds instruct the Bond Trustee to refrain from paying the interest payment due on the 2017 Senior Bonds on July 1, 2020 from amounts in the Reserve Fund. Pursuant to the Senior Forbearance Agreement described below, the Senior Trustee did not make the interest payment due on July 1, 2020. As a result, the Borrower is in default of its obligation to pay debt service on the 2017 Senior Bonds.

On June 1, 2020, the Borrower together with UMB Bank, N.A., as trustee (the “Subordinate Trustee”), and the bondholders holding approximately 90% of the 2019 Subordinate Bonds (the “Consenting Subordinate Bondholders”) entered into a Forbearance Agreement (as amended, the “Subordinate Forbearance Agreement”) in connection with the 2019 Subordinate Bonds. Pursuant to the Subordinate Forbearance Agreement, the Borrower requested, and the Consenting Subordinate Bondholders agreed, that the Subordinate Trustee temporarily forbear from (a) releasing \$2,481,937.50 from the Capitalized Interest Account to the Interest Account (as such terms are defined in the Subordinate Indenture) to make the interest payment due on June 1, 2020 under the Subordinate Indenture, and (b) accelerating the maturity of the 2019 Subordinate Bonds or from exercising any remedies in connection with the Borrower’s failure to pay the interest payment due on June 1, 2020. The Subordinate Forbearance Agreement will expire by its terms on the earlier to occur of (i) 11:59 p.m. New York time on October 12, 2020, and (ii) certain other termination events specified in the Subordinate Forbearance Agreement.

On June 30, 2020, the Borrower together with Bond Trustee, and the holders of at least majority in principal amount of the 2017 Senior Bonds (the “Consenting Senior Bondholders”) entered into that certain Forbearance Agreement (as amended and restated, the “Senior Forbearance Agreement”) in connection with the 2017 Senior Bonds. Pursuant to the Senior Forbearance Agreement, the Borrower requested, and the Consenting Senior Bondholders agreed, that the Bond Trustee temporarily forbear from (a) releasing \$8,833,963 from the Reserve Fund to the Interest Account (as such terms are defined in the Senior Indenture to make the interest payment due on July 1, 2020 under the Senior Indenture and which the Borrower failed to cause to be paid (the “Senior Payment Default”), and (b) accelerating the maturity of the 2017 Senior Bonds or from exercising any remedies in connection with the Senior Payment Default and certain other incipient defaults and anticipated payment defaults under the Senior Bond Documents. Pursuant to that certain First Amendment to Forbearance Agreement, dated July 23, 2020, the Bond Trustee, at the direction of the Consenting Senior Bondholders, released \$2,572,574.18 from the Reserve Fund to the Project Development Account for the purpose of paying certain costs related to the Project. Pursuant to the Amended and Rested Forbearance Agreement, dated August 24, 2020, the Bond Trustee, at the direction of the Consenting Senior Bondholders, released \$4,300,000 from the Reserve Fund to the Project Development Account for the purpose of paying certain costs related to the Project on August 24, 2020, and an additional release of \$3,500,000 was made on September 25, 2020. The Senior Forbearance Agreement will expire by its terms on the earlier to occur of (i) October 12, 2020, and (ii) certain other termination events specified in the Senior Forbearance Agreement.

The Borrower expects that prior to the issuance of the 2020 Senior Bonds (i) the Required Bondholders will have provided their consent to the execution and delivery by the Bond Trustee of a non-acceleration agreement under which the Bond Trustee will agree to refrain from accelerating the maturity of the 2017 Senior Bonds for a period of twelve months after the issuance of the 2020 Senior Bonds (unless earlier terminated pursuant to certain events described in the

non-acceleration agreement), and (ii) the holders of at least a majority in principal amount of the 2019 Subordinate Bonds will have provided their consent to the execution and delivery by the Subordinate Trustee of a non-acceleration agreement under which the Subordinate Trustee will agree to refrain from accelerating the maturity of the 2019 Subordinate Bonds for a period of twelve months after the issuance of the 2020 Senior Bonds (unless earlier terminated pursuant to certain events described in the non-acceleration agreement).

Construction Disputes

The Borrower is engaged in a payment dispute with BCM Construction (“BCM”) regarding the scope and quality of its construction work at the Plant. Approximately \$2 million is in dispute. Although the Borrower has substantial arguments in its favor, it is too early in the dispute to determine the likely financial effect of its resolution. BCM has recorded a mechanic’s lien against the Plant in the amount of \$3,146,497. If the current negotiations are unsuccessful in resolving the dispute, the Borrower will first attempt mediation with BCM and, if necessary, submit the dispute to arbitration.

Related to the BCM dispute, the Borrower is aware that several BCM subcontractors have payment disputes with BCM. One subcontractor, Engineer Mechanical Contractor Inc., has recorded a mechanic’s lien against the Plant in the amount of \$654,564 and has filed a lawsuit in California Superior Court alleging breach of contract claims against BCM and a lien foreclosure claim against the Borrower. The Borrower intends to defend the claim. The Borrower is also aware that several other subcontractors have recorded mechanics’ liens against the Project, with aggregate claims of \$259,767. The total value of outstanding subcontractor claims against BCM is \$1,223,301. The Borrower anticipates that resolution of its dispute with BCM will resolve these remaining subcontractor claims.

The Borrower also has a potential dispute with its former contractor, Casey Industrial, Inc (“Casey”), and Casey’s engineer, Evergreen Engineering, regarding the building design and construction of the main manufacturing building at the Plant. The Borrower understands that Evergreen Engineering is insured for professional negligence. The design defects have been corrected at the Borrower’s expense. No litigation is currently filed, and the Borrower is still investigating the extent of its claims against each of these parties. It is too early to determine the exact damages that would be sought, or the likelihood of success, but the Borrower anticipates its total claims against Casey and Evergreen Engineering will exceed \$1 million. In the pendency of this dispute, Casey has recorded a mechanic’s lien against the Plant for \$206,373.

The Borrower’s current financial projections have allocated \$1.2 million for the potential payout for the BCM claim, but do not currently reflect any recovery for the Casey dispute.

THE PROJECT

General

The Borrower is developing an MDF plant on a 273-acre site in Willows, California. The site is located in the northern portion of California’s rice growing region, approximately 85 miles north of Sacramento.

MDF is a composite panel product created by combining cellulosic fibers with a resin binder and wax, and pressing the mixture into panels using high temperature and pressure. Because it can be made in a wide range of thicknesses, and because it is machinable, MDF has a wide variety of applications, such as millwork, furniture, moulding, flooring and decorative hardwood plywood.

Traditionally, MDF has been produced using fiber from either wood or wood byproducts. Using the patented production process developed by Mr. Uhland and CalAg, the Plant will produce high-quality, environmentally-friendly MDF using annually renewable rice straw as its feedstock.

Each harvest season, the Sacramento Valley has produced approximately 390% of the rice straw that will be needed for the Plant's targeted annual production capacity of 150 million square feet, 3/4" basis* ("MMsf 3/4"). The rice straw, a byproduct of rice production, must be disposed of after each harvest, and, since 1991, when post-harvest burning regulations were initiated, no other large-scale economically viable post-harvest uses for the straw have been developed.

The Plant will use existing, proven technology common to modern MDF production plants, and will be the first facility to manufacture MDF on a commercial scale using rice straw as feedstock. The production process equipment is identical to that used in modern wood-based MDF plants using continuous press technology; the straw-handling "front-end" equipment is in common use in other industries. According to the Technical Advisor, comparable straw handling and production process equipment (although not the specific brands or models) proposed to be used in the Plant have been previously used on a commercial scale to produce composite panelboard using agricultural fiber as feedstock.

The Borrower believes that over the course of 28 months following the production of the First Board, the Plant can achieve an annual production capacity of 150 MMsf 3/4", subject to the following main prerequisites,

- organizing a high efficiency of the straw preparation in the areas of choppers and refiners and running at and above the design numbers as stipulated in the Siempelkamp Equipment Supply Contract;
- optimizing the use of the full press width of 10 feet;
- achieving high operational efficiencies by optimizing the press speeds via the pressing schedule with the capability of the operating staff having experience in the MDF industry and improving the underlying chemistry by optimization of the resin and its application;

* The MDF industry generally quotes both volumes and prices on a per thousand square feet, 3/4" equivalent basis (Msf 3/4") or a per million square feet, 3/4" basis (MMsf 3/4") in order to have a single benchmark for comparison. Unless otherwise noted, all MDF production costs and prices in the Borrower's projections are made using the Msf 3/4" convention, and all annual volumes use the MMsf 3/4" convention. For production volumes, the 3/4" equivalent would be a board's thickness divided by 3/4; for example, if the Borrower produced 1,000 square feet of 3/8" MDF, this would be the 3/4" equivalent of 500 square feet [1000 * (3/8) / (3/4)] on a 3/4" equivalent basis. Similarly, if the Borrower sold that 1,000 square feet of 3/8" MDF for \$400, it would have realized a 3/4" equivalent price of \$800 [\$400 * (3/4) / (3/8)] on a 3/4" equivalent basis.

- achieving the required throughput in accordance with the dryer design, provided the availability is maintained by careful start-up and setting of the material and resin injection to avoid material sticking and build-ups;
- operating the blenders with a high availability and running on throughput numbers close to or above the design figures; and
- proper operation and maintenance, availability of spare and wear parts, and use of qualified and trained personnel.

Because producing MDF using rice straw as the feedstock has never been done commercially, neither the Borrower nor Siempelkamp Germany can assure when, or whether, the Plant can reach 150 MMsf ³/₄ of annual production. The Borrower intends to operate the Plant in a manner that will achieve maximum profitability, which may or may not require reaching the targeted annual production of 150 MMsf ³/₄.

The Borrower has secured long-term agreements to procure a maximum exceeding the Plant's expected annual need for rice straw. The physical characteristics of fiber made from rice straw, as well as the Plant's location in the Sacramento Valley, provide the Borrower with several advantages relative to traditional wood-based production facilities in North America. The Borrower expects that the Plant will have cost and competitive advantages over current wood-based alternatives as outlined in the following table:

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	<u>The Borrower's Plant</u>	<u>Wood-based MDF Plants</u>
<i>Source of Feedstock</i>	Rice straw.	Wood or wood byproducts.
<i>Availability of feedstock</i>	Abundant within 25 miles of the Plant site.	Very limited in California; all other MDF plants in California have been closed down, partly due to lack of affordable feedstock.
<i>Cost of Supply</i>	Relatively inexpensive because farmers' other means of disposing of post-harvest rice straw are more expensive than giving access to the Borrower's baling and transportation contractors.	Much more expensive due partly to competition for wood byproducts (e.g. pellets, power generation, advanced biofuels), constrained supply from Federal lands in the Western U.S., and costs of transporting the feedstock longer distances.
<i>Conversion process</i>	Less refining time and less steam pressure.	Approximately six times longer refining time and two times as much steam pressure.
<i>Equipment</i>	Substantially identical.	Substantially identical.
<i>Location</i>	Closer to Bay Area and Los Angeles markets than any competitor.	No operational plants in California.
<i>Product Quality</i>	Superior stability to wood fiber MDF; unlike wood fiber, rice fiber has unique properties that create a physical, as well as a chemical, bond in MDF. Rice straw contains natural wax that gives the finished panel improved moisture resistance when compared to wood-based MDF.	Wood-based MDF is the current ANSI benchmark for quality and performance.
<i>Environmental</i>	Made from a raw material that is renewable every year and fabricated with formaldehyde free binders. Eliminates the need for post-harvest re-flooding of rice fields thus reducing water use and the generation and release of methane gas into the atmosphere.	Use of wood fiber, with a multi-decade growing cycle, offers fewer environmental benefits.

Site

The Borrower has constructed the Plant on a 273-acre site (the "Site") owned by the Borrower and located at 6101 State Highway 162 near Willows, California. The Site is located at the northern end of the 50-mile north to south rice growing region within California. There are two deep wells on the Site that the Borrower expects will produce sufficient water supply to operate the Plant. Natural gas and electrical power are supplied to the Plant by Pacific Gas and Electric ("PG&E") from distribution lines that PG&E has constructed to reach the Site. The electrical service to the Plant has been installed on a permanent basis and is fully operational. The natural

gas service to the Plant has been installed and fully tested, and is ready for use by the Plant when it becomes operational.

The Site is located in the midst of the California rice-growing region and is many miles from any of the locations where California has experienced major wildfires. In addition, while PG&E has implemented a wildfire mitigation plan that involves cutting service to affected areas, the Site is located sufficiently far from areas where wildfires are prone that the Borrower does not have any reason to expect that it will be regularly affected by disruptions in power by PG&E's wildfire mitigation plan.

Patent

The Licensor is Agfiber IP, LLC. The Licensor is owned by the same owners as the owners of Holdco, but with different percentages of ownership. The Licensor has licensed to the Borrower the Patent and other related intellectual property.

The Licensor owns the Patent for the process for producing particleboard and MDF using rice straw. The Patent will expire on December 29, 2021. The Patent and other related intellectual property have been licensed by the Licensor to the Borrower on a non-exclusive basis under the terms of a license agreement (the "License Agreement"), subject to a restriction on the Licensor under the License Agreement and the Licensor's and Investors' Undertaking to not grant any third party a license to practice or use the Patent to make medium density fiberboard within Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming (the "Licensed Territory").

The Borrower anticipates that it will improve the process represented by the Patent, with the goal of developing additional patent-eligible subject matter prior to the expiration of the Patent in 2021. Any one of these modifications could provide advantages in performance or market differentiation, or both. Under the terms of the License Agreement, the Borrower will assign all intellectual property rights in such developments and improvements to the Licensor, and the Licensor will license back such rights to the Borrower. The Licensor will be responsible for pursuing patent protection for any eligible developments and improvements.

See "INVESTMENT CONSIDERATIONS AND RISK FACTORS—Operating Risk" herein.

Testing of Project Technology

Certain components of the rice straw process technology have been tested in a research and development facility assembled by Siempelkamp Germany and other testing facilities to evaluate whether they are capable of producing an amount and quality of MDF consistent with the Borrower's expectations. Although various components of the rice straw process technology have been tested, the entire process has not been tested as an integrated manufacturing process. See "INVESTMENT CONSIDERATIONS AND RISK FACTORS—Operating Risk" herein.

Source of Feedstock

The Plant's location in Willows, California places it close to its suppliers of rice straw. According to Randall Mutters, Ph.D., who was engaged in 2016 to provide an independent analysis

on the availability of rice straw in the Sacramento Valley for use in the manufacture of medium density fiberboard, the estimated annual quantity of rice straw generated in the Sacramento Valley is over 1.65 million tons. The Borrower has not updated Mr. Mutters' analysis, but has no reason to believe that it does not remain materially correct. This annually renewable and readily available straw tonnage is, within a 25-mile radius of the Plant, at least five times what would be necessary for the Plant to produce its targeted annual production of 150 MMsf $\frac{3}{4}$ ". Depending on the willingness from time to time of rice growers in the 25-mile radius to make rice straw available to the Plant, the Borrower may need to obtain rice straw from a wider area, at greater expense. California rice growers have incurred high costs to manage post-harvest straw since post-harvest burning regulations were initiated in 1991 and ramped up in 2001 when open field burning was severely restricted by state environmental regulations. The alternative disposal for the post-harvest straw—incorporating it into the soil and re-flooding the fields—is both water-intensive and costly. The Borrower estimates that this disposal procedure annually costs rice growers up to \$50 per acre in non-drought years and in some locations over \$70 per acre in drought years, which includes the cost of water, plowing of the straw into the soil and fungicides (which are required because reincorporated rice straw is a host material for fungus). Since commencing straw purchasing operations in 2017, the Borrower's experience with rice growers in the Sacramento Valley demonstrates that, notwithstanding the Borrower's estimate of the costs avoided by making rice straw available to the Plant, particular growers' perception of their costs may be different, for a variety of reasons, including their fixed costs of investment in equipment and availability of post-harvest labor.

The Borrower has secured rice straw supply contracts (all of which expire in 2034) with local and regional baling and transportation companies, for a maximum exceeding the Plant's anticipated maximum annual rice straw needs (roughly 280,000 tons at 150 MMsf $\frac{3}{4}$ "). Except for the tonnage commitments, all terms of the supply contracts, including delivered price, are substantially identical. On or before May 1st of each year, the Borrower will specify the tonnage of rice straw it will purchase from each supplier during the following autumn harvest season. These baling companies have assured the Borrower, and will annually affirm, that they have access to the required acreage under their respective contracts. These baling companies are under contract to gather, bale, and deliver rice straw to the Plant. They collectively have more than 100 years of experience baling and transporting agricultural raw materials. See "PLANT OPERATION—Rice Straw Supply Contracts".

The Borrower currently has stored at the Plant approximately 286,000 tons of rice straw, which the Borrower expects to substantially exceed the needs of the Plant's first year of operations.

On August 16, 2020, a lightning strike ignited a row of baled straw in the South storage yard at the Site. There were no injuries as a result of the fire, but approximately 54,000 of the approximately 90,000 tons of rice straw stored in the South storage yard burned. The Plant and the North storage yard – the Site's largest inventory storage area (holding approximately 232,000 tons of rice straw) – were not damaged by the fire, due to the distance from the burn location and the containment measures that were in place. Assuming that replacement rice straw can be obtained from the 2020 or 2021 rice harvests, the fire and loss of rice straw in the South storage yard are not anticipated by the Borrower to interfere with projected manufacturing operations at the Site. On October 7, 2020, the Borrower's insurance broker reported that the Borrower's insurance carrier intends to deny the Borrower's claim for insurance coverage. Notwithstanding

the anticipated denial of the claim, the Borrower expects the loss to be paid by the insurance carrier, subject to a deductible in the amount of \$250,000. The Borrower's insurance broker and claims counsel believe that the Borrower has a good basis for the Borrower's claim on its insurance policy, which the Borrower intends to pursue aggressively.

The Borrower currently estimates its loss from the casualty to be approximately \$4 million, which includes the loss of inventory in the amount of approximately \$3 million, and firefighting, remediation and other costs in the aggregate amount of approximately \$1 million. The projections included in "Appendix F — PRO FORMA AND OTHER FINANCIAL INFORMATION" do not reflect any anticipated receipts from the insurance claim, or the anticipated payment of the cost of replacing a portion of the straw inventory in 2020 (currently estimated at \$1.2 million) or approximately \$1 million in other anticipated expenses.

The Borrower is currently experiencing difficulty in obtaining property insurance covering its inventory of rice straw. The Borrower expects that such coverage may be difficult or expensive to maintain, at least during the current California wildfire season.

The Borrower expects that all of the feedstock and other major consumables that it will use to manufacture MDF, and most other spare parts necessary for production of MDF, will be procured from domestic sources, and thus does not expect that any of the foregoing will be impacted by any tariffs that the United States imposes on the importation of foreign goods. However, certain critical spare parts and other replacement equipment necessary for the production of MDF at the Plant will likely need to be imported. The Borrower is unaware of any tariffs currently imposed on the importation of any of the spare parts or other equipment that may need to be imported.

Marketing and Competition

According to estimates from Forest Economic Advisors, the Plant's targeted production of 150 MMsf ¾" represents approximately 35% of the 2019 California demand for MDF and 17% of the 2019 Western U.S. demand for MDF.

The Borrower has identified prospective purchasers who have expressed an interest in purchasing the Borrower's MDF. The Borrower expects that sales to these purchasers will represent a substantial percentage of the Borrower's sales for the first year of the Plant's operations, if not longer. During the Plant's ramp-up period, the Borrower expects that it will sell substantially all of the Plant's output to these purchasers as the Borrower refines its production process and the quality of its MDF. The Borrower has been contacting, and will continue to actively contact, these prospective purchasers for their interest in quantities, thickness, sizes, and other qualities of Borrower MDF to position the Borrower to market and sell its MDF during the ramp-up period of the Plant's operations. In addition, the Borrower's typical terms of sale of its MDF will provide for a 1% discount if paid within 10 days, which means that the purchasers will be incentivized to pay invoices within 10 days of delivery of the product. See "APPENDIX F – PRO FORMA AND OTHER FINANCIAL INFORMATION."

The Borrower has entered into an agreement with OrePac Holding Company ("OrePac"), a manufacturer and distributor of MDF mouldings, for the sale of MDF by the Borrower to OrePac

at minimum quantities and fixed prices for the duration of the agreement (but subject to periodic rights of renegotiation). After a one-year ramp-up period, OrePac is required under the agreement to purchase at least 2.75 MMsf $\frac{3}{4}$ " of MDF from the Borrower in every calendar month during the term of the agreement. The agreement with OrePac is terminable by the Borrower, without penalty, at annual intervals following the provision by the Borrower to OrePac of at least 1 MMsf $\frac{3}{4}$ " of MDF in any month. OrePac may not require the Borrower to provide to OrePac more than 3.25 MMsf $\frac{3}{4}$ " of MDF in any consecutive 30-day period or more than 39 MMsf $\frac{3}{4}$ " in any consecutive 12-month period. The anticipated quantities of MDF to be sold by the Borrower to OrePac are reflected in the Borrower's projected sales revenues.

The Borrower does not expect that its sale revenues will be directly impacted by any tariffs imposed by foreign countries in any material respect.

Plant Commissioning and Start-up

Commissioning the Plant consists of the testing procedures and adjustments necessary to bring the Plant from its substantially mechanically completed state to the production of the First Board. Under the terms of the Siempelkamp Equipment Supply Contract, Siempelkamp Germany is required to provide supervisory services for the commissioning process, and Siempelkamp Germany's supervision of the process is important both under the terms of the Siempelkamp Equipment Supply Contract, as well as so that the Borrower's personnel will gain a better understanding of the operation of the Plant under production conditions. Siempelkamp Germany and the Borrower commenced commissioning the Plant in early March 2020. Shortly thereafter, however, Siempelkamp Germany's employees had to return to Germany due to the COVID-19 pandemic, after which their return to the Site was prohibited by an Executive Order prohibiting travel by non-U.S. nationals from countries in the European Union to the United States. As a result, the commissioning process came to a halt until the Borrower facilitated an exemption for employees of Siempelkamp Germany to travel to the Site for the purpose of commissioning the Plant. On August 4, 2020, some of Siempelkamp Germany's commissioning experts began returning to the Plant to resume the commissioning process. Because German public health authorities have advised against travel by German residents to California, Siempelkamp Germany cannot instruct its employees to travel to or remain at the Site, and the Borrower must rely on the continued willingness of the commissioning experts to travel to and remain at the Site on a purely voluntary basis.

Plant commissioning activities at the Plant include "no-load start-up" and "load tests." No-load start-up includes mechanical and electrical testing of all equipment, gas, steam and glue systems testing, mass balance of the pneumatic systems, and integration of the fire, explosion and PLC controls. No-load start-up is performed without the use of rice straw or other feedstock. Upon completion of the no-load start-up activities, rice straw will be introduced in each unit of operations for the load tests to ensure that material will flow from one system to the next without issue. The Plant will be ready to produce its First Board upon completion of the load tests. The Borrower estimates that the no-load start-up activities and load tests will be completed by early November 2020, assuming that no other disruption of commissioning activities will occur and that all of Siempelkamp Germany's commissioning experts are able to timely return to the Site and remain there as necessary.

Permits and Approvals

The Borrower is in the process of completing the necessary steps to secure a certificate of occupancy for the Plant. The Borrower projects completing approximately 90% of the requirements for the certificate of occupancy before the production of the First Board. The remaining requirements relate to fire and life safety systems for the Plant's buildings, personnel, and process equipment. Commissioning of these safety systems will be performed simultaneously with the commissioning activities discussed above. The Borrower expects to have obtained all necessary permits to operate the Plant before Plant Acceptance.

The Borrower does not expect any material disruption to the Plant commissioning while finalizing the remaining permits.

Once Plant Acceptance has been achieved, the Borrower will be required to secure an operating permit from the Glenn County, California, Air Pollution Control Agency to operate the Plant. The Borrower will have 12 months after Plant Acceptance to obtain this permit, and the Borrower anticipates that it will timely obtain the permit, without the imposition of any material conditions or any material disruption of the Borrower's operations.

Performance Guarantees

Siempelkamp Germany agrees in the Siempelkamp Equipment Supply Contract that, assuming the mechanical blenders have been completely installed, commissioned and are in full operation, the process equipment will produce MDF from rice straw and achieve the SICO Guaranteed Values for production output, resin usage, MDF quality and other parameters, as demonstrated by Equipment Performance Tests pursuant to the Siempelkamp Equipment Supply Contract. Within the Equipment Performance Tests, Siempelkamp Germany agrees that three nominal sanded board thicknesses (9.53 mm, 4.7 mm and 3.0 mm) will conform to the SICO Guaranteed Values. If the Equipment fails to achieve the SICO Guaranteed Values, within Equipment Performance Tests pursuant to the Siempelkamp Equipment Supply Contract, Siempelkamp Germany would be obligated to pay performance liquidated damages in an amount that will not exceed 15% of the Siempelkamp Equipment Price. If Siempelkamp Germany does not meet 85% of its production output guarantee in the Equipment Performance Tests, then, under the circumstances described in the Siempelkamp Equipment Supply Contract, the Borrower can require Siempelkamp Germany to remove the equipment and reimburse the Borrower for 100% of the Siempelkamp Contract Price.

Risk Mitigation

Project Oversight. The Borrower has engaged Harris Group, Inc. ("Harris" or the "Construction Monitor") as the construction monitor for the Plant. The Construction Monitor is a multidisciplinary engineering consulting firm founded in 1975, with offices located throughout the United States. Harris has experience providing technical due diligence and independent engineering review services of projects on behalf of lenders, investors, and owners since 1989 and has acted as a construction monitor for lenders and bondholders on a wide variety of industrial projects throughout the United States.

The Borrower has engaged SVC as the Technical Advisor. SVC was founded by Mr. Stephen Vajda in 2000. A specialist in wood technology and composite panel manufacture, Mr. Vajda has been involved in the composite and engineered wood panel industry since 1979. Mr. Vajda has participated in numerous plant feasibility studies, and has managed the design and engineering at several facilities. He is experienced in all aspects of the industry, including plant design, product development, market analysis, financial evaluations, and environmental performance.

The Borrower has retained both the Construction Monitor and the Technical Advisor for the benefit of the holders of the Bonds to provide oversight for the construction of the Plant, and, in the case of the Technical Advisor, certain post-construction services. The responsibilities of the Construction Monitor include, but are not limited to, the following services:

- Monitor and review the performance of the Borrower's principal contractors during the construction and commissioning phases of the Plant for compliance with the respective contracts and generally accepted industry practices, and report on the construction progress.
- Conduct monthly site visits during the construction period and review monthly construction progress and attend project review meetings.
- Review requisitions and related documentation.
- Review the achievement by the Borrower's principal contractors of mechanical completion and substantial completion, as defined in their respective contracts, and subsequent achievement of each item on the respective punch lists.
- Upon successful testing and commissioning and achievement of substantial completion, verify the completion of punch list and other items required to achieve final completion as defined in the Siempelkamp Equipment Supply Contract.

The responsibilities of the Technical Advisor include, but are not limited to, the following services:

- Review the test procedures and monitor data collection procedures and plant operating and testing personnel during performance testing, and review and approve test reports provided by Siempelkamp Germany.
- Confirm whether the Plant has satisfied all requirements to the achievement of the Commercial Operations Date.
- After the Commercial Operations Date, and following any Calculation Period in which the Borrower's Historic Debt Service Coverage Ratio is 1.15 or less, approve or reject any Operating Budget proposed by the Borrower.
- Advise the Bond Trustee and the Bondholders regarding, and in some cases have approval rights over, certain modifications and replacements of Material Contracts.

- After the occurrence of Plant Acceptance, advise the Borrower, the Bond Trustee, and the Collateral Agent on a variety of matters, including whether proposed alterations of the Plant are technically and commercially viable.
- In the case of a casualty or condemnation of the Plant resulting in insurance proceeds or condemnation awards in excess of \$10 million, certify to the Collateral Agent that rebuilding the Plant is commercially feasible and, if so, verifying requisitions of any proceeds held by the Collateral Agent for expenditures of the restoration of the Plant.

Contingent Financial Resources. Following the sale of the 2020 Senior Bonds, the Borrower estimates that it will have access to approximately \$16.40 million of contingency funds to fund potential overruns in costs of the commissioning and ramp-up of the Plant. The contingency funds will be deposited with the Bond Trustee from the proceeds of the 2020 Senior Bonds and will be made available to the Borrower under the terms of the Senior Indenture and the Senior Forbearance Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2020 SENIOR BONDS—Contingency Fund”.

Financial Information

The pro forma financial information, the Project’s recapitalization and other relevant information with respect to the Project are included in “APPENDIX F— PRO FORMA AND OTHER FINANCIAL INFORMATION”.

PLANT OPERATION

Plant Operation, Staffing and Maintenance

The management team of the Borrower will manage the Plant and oversee planning and performance in all areas, including safety, environmental compliance, forecasting and budgeting, production, quality, process control, maintenance and administration of personnel.

The process within the Plant will be highly automated and controlled with sophisticated metering and process measuring devices and custom software. The Borrower will operate the Plant with an anticipated staff of approximately 140 employees after Plant acceptance, plus 8 seasonal straw-handling employees during the harvest season. The Borrower anticipates reducing the staff to approximately 136 employees once the operators become proficient in their positions. The Plant is expected to operate most efficiently when continuously manufacturing MDF and running 24 hours a day every day of the year, except for approximately 12 days per year for scheduled maintenance shutdowns.

The Borrower expects to produce MDF at a level of 150 MMsf $\frac{3}{4}$ ” per year beginning 28 months after having achieved First Board. Although it may be possible that production volume will increase in subsequent years, the Borrower does not count on such increases, and no increases after reaching an annualized potential production of 150 MMsf $\frac{3}{4}$ ” are assumed in the Financial Model attached hereto as “APPENDIX F—PRO FORMA AND OTHER FINANCIAL INFORMATION.”

Maintenance of the process equipment will be carried out by a maintenance superintendent, a maintenance manager, an electrical manager, and a staff of 21 employees, using spare parts delivered by Siempelkamp Germany under the Siempelkamp Equipment Supply Contract as well as parts provided by other vendors. Siempelkamp Germany will provide ongoing maintenance assistance through a software (Prod IQ) for the organization and optimization of the maintenance of the process equipment. After the initial purchase of spare parts, the Borrower will purchase most of its spare parts from local vendors, except for proprietary components of the process equipment which the Borrower will purchase directly from Siempelkamp Germany or from its service affiliates. In the Financial Model described under the caption “The Project—Financial Information” and attached hereto as Appendix F, the Borrower has budgeted on average approximately \$7.8 million annually in expenses for maintenance of the process equipment, including spare parts and consumable supplies.

For a discussion of some of the risks associated with operation of the Plant, see “INVESTMENT CONSIDERATIONS AND RISK FACTORS.”

Financial Projections

The Borrower’s financial model (the “Financial Model”) is included in the pro forma financial information in APPENDIX F. The Financial Model uses data that contains forward-looking statements about the business and prospects of the Borrower and the Plant. The forward-looking statements made in the Financial Model are based on the Borrower’s assumptions and expectations. Actual results may differ, materially and negatively, from those reflected in the Financial Model. In particular, because the Plant is not currently operating and will be the first manufacturing facility in the world to produce MDF using rice straw as feedstock, many of these assumptions are unproven and inherently uncertain, and they will likely change as the Plant commences operations. Accordingly, no assurances are given, and no representations are made, that any of the assumptions are correct, that the projections contained in the Financial Model will be achieved, or that the forward-looking statements will correspond to actual results. See “FORWARD-LOOKING STATEMENTS” and “INVESTMENT CONSIDERATIONS AND RISK FACTORS” herein.

Equipment Supply Contract

All of the Siempelkamp Equipment has been delivered to the Site, and Siempelkamp Germany’s personnel are responsible for supervising the start-up, process and product optimization and performance tests, as applicable, of the Siempelkamp Equipment during Plant commissioning.

The Borrower has paid all but \$8,475,829.45 of the base contract price (the “Siempelkamp Contract Price”) for the Siempelkamp Equipment. Siempelkamp Germany has agreed to defer the payment of the balance of \$8,475,829.45 owed to Siempelkamp Germany until February 15, 2022, with interest payable on the deferred amount from the time dates when originally due until the date paid at the rate of 10% per annum. In addition to the Siempelkamp Contract Price, Siempelkamp Germany is entitled to the costs for supervision and commissioning services exceeding the manweeks as stipulated in the Siempelkamp Equipment Supply Contract.

Siempelkamp Germany is also required to meet production output and quality guarantees and a glue/resin consumption guarantee, as set forth more fully in the Siempelkamp Equipment Supply Contract. Assuming the mechanical blenders are installed and other preconditions for the Performance Test are fulfilled, if such guarantees are not met, Siempelkamp Germany would owe liquidated damages subject to the terms of the Siempelkamp Equipment Supply Contract. Siempelkamp Germany's aggregate liquidated damages for failing to meet the performance guarantees are 15% of the Siempelkamp Equipment Price. If Siempelkamp Germany does not meet 85% of the production output guarantee, then, under the circumstances described in the Siempelkamp Equipment Supply Contract, the Borrower can require Siempelkamp Germany to remove the equipment and reimburse the Borrower for 100% of the Siempelkamp Contract Price.

Rice Straw Supply Contracts

The Borrower has secured rice straw supply contracts with local and regional baling and transportation companies (all of which expire in 2034), for a maximum exceeding the Plant's anticipated maximum annual rice straw needs (roughly 280,000 tons at 150 MMsf $\frac{3}{4}$ " basis). The contracts are substantially similar. The terms of the contracts include:

- The Borrower to pay \$45 per ton for rice straw delivered to the Plant, with surcharges if the cost of diesel fuel rises above \$2 per gallon. The diesel surcharge is capped at one gallon of diesel fuel for every one ton of rice straw delivered pursuant to the agreement. The Financial Model assumes an inflation rate of 1.6% on the \$45 per ton base cost of straw.
- Rice straw supplied to the Borrower must meet quality requirements related to bale size and weight, maximum amount of contaminants, and moisture content, in order to conform to the raw material quality requirements under the Siempelkamp Equipment Supply Contract.
- The baling companies are required to arrange access to fields, bale the rice straw, and transport the bales to the Plant.
- Each baling company is responsible for providing all equipment, supplies, and transportation necessary to deliver its annual supply commitments to the Plant.

Each baling company will annually provide assurance to the Borrower that it has access to the required acreage for such year's harvest. On or before May 1st of each year, the Borrower is required to specify the tonnage of rice straw needed from each baling company for the following autumn rice harvest season. See "THE PROJECT – Source of Feedstock."

Resin Supply Contract

The Borrower has entered into a resin supply contract with Huntsman under which is required to provide the Borrower with an annual supply of up to approximately 17 million pounds of polymeric MDI, or, at Huntsman's option, not more than 120% of the average monthly purchase quantity since the inception of the supply contract. The Huntsman resin supply contract expires on December 31, 2023 but is automatically renewed for successive calendar year periods unless

notice of non-renewal is delivered by either the Borrower or Huntsman on or before September 30 of the calendar year prior to the year of the renewal term.

ESTIMATED SOURCES AND USES

The proceeds of the 2020 Senior Bonds are expected to be applied as follows:

Sources of Funds

Principal Amount	\$42,000,000.00
Less Original Issue Discount	2,100,000.00
Total Sources	<u>\$39,900,000.00</u>

Uses of Funds

Deposit to 2020 Project Fund ⁽¹⁾	\$15,029,480.56
Deposit to Reserve Fund	3,990,000.00
Deposit to 2020 Capitalized Interest Account	3,832,500.00
Deposit to Contingency Fund	16,402,500.00
Underwriters' discount	645,519.44
Total Uses	<u>\$39,900,000.00</u>

⁽¹⁾ Includes payment of Bond Counsel and other counsel fees, trustee fees, Preliminary Limited Offering Memorandum and Offering Memorandum printing and other costs of issuance.

OWNERSHIP AND GOVERNANCE OF THE BORROWER

Ownership

The Borrower is a wholly owned subsidiary of Holdco. The equity owners of Holdco include, among others, Occator (an affiliate of Teachers Insurance and Annuity Association of America, known as TIAA), CalAg (the original developer of the Project), CFP, and Siempelkamp Germany.

CalPlant I Holdco, LLC Governance

Holdco is governed by a board of directors (the "Board"). The Board consists of up to nine members — up to seven appointed by certain of the members, and, up to two additional directors, who are appointed by the affirmative vote of the other members of the Board. The Board is currently comprised of eight directors, six of whom have been appointed by Holdco's members, and two of whom are independent of Holdco's members and have been appointed by the other members of the Board.

The Board manages, operates and controls the business and affairs of Holdco and has the full and complete power, authority and discretion to act for and in the name of Holdco and the Borrower, subject only to certain decisions that require the approval of the holders of membership interests in Holdco.

Holdco is the sole member of the Borrower and directs all of the business and affairs of the Borrower by the governance mechanisms at Holdco.

Borrower Management Team

Jeffrey N. Wagner, Executive Chairman. Mr. Wagner is the Executive Chairman of the Borrower. As the Executive Chairman, Mr. Wagner has, among other things, general charge of the business affairs and property of the Borrower and control over its officers, agents, and employees.

Mr. Wagner spent 39 years at Louisiana-Pacific Corp., a leading manufacturer of engineered wood building materials, and held the position there of Executive Vice President for oriented strand board before retiring in 2015. Mr. Wagner has had supply chain responsibilities (procurement, logistics and forest resources) for all of Louisiana Pacific's North American facilities. In 2004, Mr. Wagner took over management of Louisiana Pacific's oriented strand board business in North America as an officer of the company and was a member of company's South American Board of Directors. While in that role he had accountability for up to 5 billion square feet of oriented strand board production, across 13 facilities and over 1,100 employees, in addition to playing an active role in the construction and start-up of two world-class oriented strand board mills in North America.

Jerry Uhland, Chief Executive Officer. Mr. Uhland is the Chief Executive Officer ("CEO") of the Borrower. As the CEO, Mr. Uhland participates, subject to the advice and consent of the Executive Chairman, in responsibility for the day-to-day business affairs and property of the Borrower and control over its officers, agents, and employees. The CEO reports to the Executive Chairman.

Mr. Uhland has been involved in the California rice industry for over 40 years, and for the last 20 years, has been the primary proponent of the Project. His responsibilities in that role involve developing process technology, fiber science, negotiating agreements, capital requirements, creating sales and marketing plans, financial modeling, and obtaining the Patent. Mr. Uhland holds a B.S. in Agricultural Science from California State University, Chico.

Jeffrey Scholberg, Vice President of Finance. Mr. Scholberg is the Vice President of Finance. In that capacity, he is, among other things, responsible for the audit, finance, treasury and accounting functions of the Borrower. The Vice President of Finance reports to the Executive Chairman.

Mr. Scholberg brings 25 years of industrial product manufacturing experience from the Forest Products and Packaging industries where he has held both financial/accounting and operations management positions. Most recently, Mr. Scholberg served as General Manager for Pactiv, LLC in Red Bluff, CA, overseeing the daily operations of a paper products facility. Mr. Scholberg has worked for several other major successful manufacturing companies such as Roseburg Forest Products, Olympic Panel Products, Sierra Pacific Industries, Georgia-Pacific, and LP Corporation where he has gained valuable experience in a multitude of product lines (lumber, veneer, plywood, I-joists/laminated veneer lumber, particleboard, MDF & hardboard) as well as hands-on experience in co-generation and energy management.

Gerina Freeman, Vice President of Sales, Marketing and Logistics. Ms. Freeman is the Vice President of Sales, Marketing and Logistics of the Borrower. In that capacity, she is, among other things, responsible for managing all aspects of the Borrower's sales activities, as well as pricing, order acceptance and entry, logistics, and customer service. The Vice President of Sales, Marketing and Logistics reports to the Executive Chairman.

Ms. Freeman has over 30 years of experience developing, managing and expanding MDF sales in the Western U.S. From 2010 – 2017, Ms. Freeman was the Technical Sales Representative for Plum Creek Timber Company, where she managed all aspects of MDF sales in 13 western states, Mexico and Canada. Most recently, she was the Regional Sales Manager for Arauco, where she managed all aspects of MDF, Particleboard, and thermally fused laminates in California, Nevada, Utah and Colorado.

Elizabeth Whalen, Vice President of Marketing and Sustainability. Ms. Whalen is the Vice President of Marketing and Sustainability of the Borrower. In that capacity, she is, among other things, responsible for brand strategy development, brand management, public relations, and marketing communications (including advertising and promotions). The Vice President of Marketing and Sustainability reports to the Vice President of Sales, Marketing and Logistics.

Prior to formally joining the Borrower in 2017, Ms. Whalen worked at CFP for 9 years; first at their advertising agency, then as their head of brand strategy, and finally as director of corporate sustainability. She launched CFP's internationally recognized green brands, including their award-winning PureBond® formaldehyde-free resin system innovation, and directed their company-wide sustainability strategy. Ms. Whalen has a B.A. from the School of Journalism & Communications at the University of Oregon and an M.B.A. in Sustainable Business from the Bainbridge Graduate Institute.

Ashleigh Ritchie, People Operations Manager. Ms. Ritchie is the People Operations Manager of the Borrower and is responsible for the oversight of daily human resource functions as well as managing recruiting functions, employee relations, performance management programs, training and development initiatives, and compensation and benefits packages. The People Operations Manager reports to the Executive Chairman.

Ms. Ritchie has been working in the human resources field for 7 years and has over 13 years of experience performing human resource functions. Prior to joining the Borrower, Ashleigh's human resources career has primarily been in the agricultural industry, working for Olivarez Honey Bees, one of the largest queen bee producers in North America, and Lundberg Family Farms, a vertically integrated food manufacturing company. Ashleigh's experience in these roles has consisted of policy development and implementation, recruiting, training, employee relations, HRIS implementation, performance management and employee engagement programs.

Robert Hamilton, Plant Manager. Mr. Hamilton is the Plant Manager of the Borrower and is responsible for overseeing the daily production operations of the Plant. The Plant Manager reports to the Executive Chairman.

Mr. Hamilton's career in wood composites has spanned 28 years, including at Jeld Wen, a manufacturer of raised-panel MDF for interior doors, at Sturdi-Craft, a value-enhanced panel

laminating, painting, machining, and packaging facility, and at Collins Products, a producer of particleboard.

SECURITY AND SOURCES OF PAYMENT FOR THE 2020 SENIOR BONDS

General

Payment of principal of, and the premium, if any, and interest on, the Senior Bonds (including the 2020 Senior Bonds) will be paid from payments received by the Bond Trustee from the Borrower pursuant to the Loan Agreement. The Senior Bonds are also payable from the proceeds from the sale of the Senior Bonds on deposit in accounts established and maintained by the Bond Trustee under the Senior Indenture and from any other amounts held in any fund or account under the Senior Indenture (other than the Rebate Fund), including by the Reserve Fund further described herein under “SECURITY AND SOURCES OF PAYMENTS FOR THE 2020 SENIOR BONDS – Reserve Fund”.

The Authority has assigned to the Bond Trustee, as security for the Senior Bonds, its entire interest in the Loan Agreement (except for Reserved Rights which the Authority will retain), including its rights to the amounts payable under the Loan Agreement required from time to time to be deposited in the Debt Service Fund established under the Senior Indenture. The Borrower is obligated under the Loan Agreement to make payments which are sufficient to pay when due the principal of, and premium, if any, and interest on, the 2020 Senior Bonds. The Borrower’s obligations to make such payments pursuant to the Loan Agreement will be absolute and unconditional and are not subject to any defense other than payment.

The 2020 Senior Bonds also are secured by the Collateral as described below under “— The Collateral.” Collateral refers to the collateral that secures both the Senior Bonds and the Subordinate Bonds, notwithstanding that both the Senior Bonds and the Subordinate Bonds are also secured by separate collateral.

OTHER THAN THE COLLATERAL, THE 2020 SENIOR BONDS ARE NOT SUPPORTED BY ANY GUARANTY OR LETTER OF CREDIT OR OTHER CREDIT OR LIQUIDITY ENHANCEMENT.

THE 2020 SENIOR BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM CERTAIN REVENUES, CONSISTING OF LOAN REPAYMENTS MADE BY THE BORROWER UNDER THE LOAN AGREEMENT, AND ANY OTHER AMOUNTS HELD IN ANY FUND OR ACCOUNT ESTABLISHED PURSUANT TO THE SENIOR INDENTURE (OTHER THAN THE REBATE FUND AND EXCLUDED MONEYS). THE SENIOR 2020 BONDS ARE ALSO SECURED BY A DEED OF TRUST LIEN ON THE SITE AND THE PLANT, THE MEMBERSHIP INTERESTS IN THE BORROWER AND OTHER COLLATERAL AS FURTHER DESCRIBED HEREIN AND SUBJECT TO THE TERMS OF THE COLLATERAL AGENCY AGREEMENT.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF,

PREMIUM, IF ANY, OR INTEREST ON THE 2020 SENIOR BONDS. THE AUTHORITY HAS NO TAXING POWER.

2017 Senior Bonds

On June 14, 2017, the Authority issued \$228,165,000 aggregate principal amount of the 2017 Senior Bonds, pursuant to the Senior Indenture. Currently, the full amount of the 2017 Senior Bonds remains outstanding. The 2017 Senior Bonds are Senior Bonds and are payable from Revenues on parity with the 2020 Senior Bonds and secured *pari passu* with the 2017 Senior Bonds by the deed of trust lien on the Site and the Plant, the membership interest in the Borrower and the other collateral securing the 2020 Senior Bonds. See. “—Collateral” below.

2019 Subordinate Bonds

On August 7, 2019, the Authority issued \$73,685,000 aggregate principal amount of the 2019 Subordinate Bonds. The 2019 Subordinate Bonds were issued pursuant to the Subordinate Indenture. Currently, the full amount of the 2019 Subordinate Bonds remains outstanding. The 2019 Subordinate Bonds are secured by certain collateral on a subordinate basis to the Senior Bonds as provided in the Collateral Agency Agreement.

Collateral

The payment of the Senior Bonds (including the 2020 Senior Bonds) is secured by certain funds and accounts held by the Bond Trustee under the Senior Indenture, including a Reserve Fund (see “– Reserve Fund” below).

In addition, the payment of the Senior Bonds is secured by the following as provided in the Collateral Agency Agreement:

(i) the pledge and collateral assignment of and a grant by the Borrower to the Collateral Agent of a security interest in and a lien on all of the Borrower’s right, title and interest in and to all of its assets (including, without limitation, the Site and all improvements owned by the Borrower and located thereon, including, once constructed, the Plant), whether now owned or in the future acquired, all general intangibles, instruments, equipment, goods, inventory, agreements, contracts, and proceeds of property insurance policies, all as further provided in the Deed of Trust and the Security Agreement;

(ii) all funds and accounts held by, or under the control of the Collateral Agent pursuant to and subject to the Collateral Agency Agreement, and all funds deposited therein, including the Borrower Revenues; and

(iv) the pledge by Holdco to the Collateral Agent of all right, title and interest of Holdco in and to all of Holdco’s membership interests, securities, shares, units, options, warrants, interests, participations, or other equivalents, regardless of how designated, in the Borrower and all of Holdco’s other legal and beneficial right, all title and interest in and to the Borrower, all right, title and interest of Holdco in and to all present and future payments, proceeds, dividends, distributions, instruments, compensation, property, assets, interests and rights in respect of or in exchange for limited liability company interests in the Borrower, and all proceeds thereof.

Except that any pledged collateral described in clause (i) and pledged under the Security Agreement shall not include Excluded Property, including any assets sold to a person (other than the Borrower or any of its affiliates) in compliance with the Debt Documents, any collateral as to which the Borrower has determined in its good faith that the collateral value is less than \$50,000 and is therefore insufficient to justify the difficulty, time or expense of obtaining a perfected security interest therein, and any property to the extent that such grant of a security interest is prohibited by a governmental authority, or requires consent not obtained of any governmental authority, among others, as more provided for in the Security Agreement. Such collateral also does not include the funds and accounts under the Senior Indenture, which secure only the Senior Bonds, or the collateral described below that secures only the Subordinate Bonds.

The payment of the 2019 Subordinate Bonds is also secured, on a first lien basis, by the following separate collateral, which does not secure the Senior Bonds:

(i) certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture, including a Reserve Fund (as defined in the Subordinate Indenture) and the Capitalized Interest Account (as defined in the Subordinate Indenture); and

(ii) the pledge by certain of the investors (representing more than 75% of the membership interests in Holdco and referred to as the “Designated Investors”) to the Subordinate Trustee of all right, title and interest of the Designated Investors in and to all of the Designated Investors’ membership interests, securities, shares, units, options, warrants, interests, participations, or other equivalents, regardless of how designated, in Holdco, all of the Designated Investors’ other legal and beneficial right, all title and interest in and to Holdco, all right, title and interest of the Designated Investors in and to all present and future payments, proceeds, dividends, distributions, instruments, compensation, property, assets, interests and rights in respect of or in exchange for limited liability company interests in Holdco, and all proceeds thereof.

The Collateral Agency Agreement

The following description of the Collateral Agency Agreement constitutes a summary of selected provisions thereof and should not be considered to be a full statement of the terms of such document. This description is qualified in its entirety by reference to the complete document. The Collateral Agency Agreement (together with a draft form of the amendment to the Collateral Agency Agreement) is attached as APPENDIX D.

The Collateral Agent holds, at the direction of the Indenture Trustees, for the benefit of the owners of the Secured Obligations (including the obligation to pay debt service on the Senior Bonds), all of the Collateral, in order to secure the payment and performance of the Secured Obligations existing at the time of execution of the Collateral Agency Agreement or thereafter existing, in the manner and to the extent set forth in the Collateral Instruments. Pursuant to the Collateral Agency Agreement, the Collateral Agent, as agent of the Indenture Trustees for the exclusive benefit of the registered owners of the Secured Obligations, among other things, shall (i) receive, accept, enter into, hold, maintain, administer and enforce all Collateral Instruments, (ii) take all lawful action and commercially reasonable actions that it may deem necessary or desirable to protect or preserve its interest in the Collateral and such interests, rights, powers and remedies; and (iii) sell, assign, collect, assemble, foreclose on, institute legal proceedings with

respect to, or otherwise exercise or enforce the rights and remedies of a secured party (including as a deed of trust beneficiary and insurance beneficiary or loss payee) with respect to, any of the Collateral or any of its interests, rights, powers and remedies granted or available to it under, pursuant to, or in connection with, any or all of the Collateral Instruments.

The Collateral Agent shall make withdrawals and transfers (by wire transfer or otherwise in the reasonable discretion of the Borrower) of amounts from the Revenue and Operating Account, to the extent then available in the Revenue and Operating Account, on the dates, in the amounts, under the circumstances, and for the purposes and in the order of priority set forth below:

First, with respect to any calendar month, on any Business Day from time to time as directed by the Borrower in an Account Transfer Certificate, but not earlier than the tenth Business Day before the first day of such calendar month, transfer all or any portion of the funds in the Revenue and Operating Account to the Local Bank Account as specified in the Account Transfer Certificate, *provided* that (a) for any calendar month the amount directed to be transferred to the Local Bank Account is no greater than the Operating Expenses of the Borrower for such calendar month, as estimated by the Borrower, and set forth in the Account Transfer Certificate, to be incurred or become due and payable during such calendar month, less such amounts as may at the time be on deposit in the Local Bank Account and not accounted for by (1) checks that have not yet cleared or (2) Operating Expenses incurred by the Borrower in prior periods but remaining unpaid, and (b) for any calendar year, the Borrower shall not cause the aggregate of all amounts transferred in accordance with this clause First to exceed 110% of the Operating Expenses as shown on the Operating Budget then in effect for such calendar year, and, in the case of both clauses (a) and (b) of this proviso, not taking into account the Operating Expenses for the relevant period that are or would be funded by operation of the transfers described in clauses Second through Twelfth of Section 4.02 of the Collateral Agency Agreement;

Second, on any Business Day from time to time as directed by the Borrower in an Account Transfer Certificate, transfer all or any portion of the funds in the Revenue and Operating Account to the Local Bank Account as specified in the Account Transfer Certificate in the amount of any Extraordinary Expenses not provided for in any prior Account Transfer Certificate;

Third, on any Business Day from time to time as directed by the Borrower in an Account Transfer Certificate, after the application of clauses First and Second on such Business Day, transfer all or any portion of the funds in the Revenue and Operating Account to the Collateral Agent for the fees and expenses payable to the Collateral Agent under Section 7.03 of the Collateral Agency Agreement and due and payable (or reasonably expected to become due and payable) during the monthly period following the date of the Account Transfer Certificate;

Fourth, on any Business Day from time to time as directed by the Borrower in an Account Transfer Certificate, after the application of clauses First through Third above on such Business Day, transfer from the Revenue and Operating Account to (a) the Senior Bond Indenture Revenue Fund an amount (as set forth in the Account Transfer Certificate) equal to all administrative fees, costs and charges due and payable under the Loan Agreement or under the Senior Indenture, less any amounts already transferred to the Senior Bond Indenture Revenue Fund for such purpose, and (b) the Subordinate Loan Representative an amount (as set forth in the Account Transfer Certificate) equal to all administrative fees, costs and charges due and payable under the

Subordinate Loan Documents, less any amounts already transferred to the Subordinate Loan Representative for such purpose, *provided* that such amounts transferred to the Subordinate Loan Representative under this clause (b) shall not exceed (i) \$10,000 in the aggregate in any calendar year if no Senior Bonds Event of Default exists, and (ii) \$50,000 in the aggregate during the existence of a Senior Bonds Event of Default;

Fifth, on each Transfer Date, after the application of clauses First through Fourth above on such Transfer Date, transfer from the Revenue and Operating Account to the Rebate Fund established and maintained by the Senior Indenture Trustee pursuant to the Senior Indenture, an amount equal to the applicable Rebate Requirement, less any amounts already on deposit in the Rebate Fund (as set forth in an Account Transfer Certificate);

Sixth, on each Transfer Date beginning with the Transfer Date immediately preceding June 1, 2019, after the application of clauses First through Fifth above on such Transfer Date, transfer from the Revenue and Operating Account to the Senior Bond Indenture Revenue Fund an amount (as set forth in an Account Transfer Certificate) equal to one-sixth of the amount of the interest payable on the Senior Bonds on the next succeeding Interest Payment Date together with any amounts that on prior Transfer Dates were not transferred as otherwise required by this clause Sixth due to lack of funds in the Revenue and Operating Account, *provided* that in no event will any amounts be required to be transferred under this clause Sixth to any extent greater than necessary for the Interest Account to have sufficient funds as of the Transfer Date to pay the interest payable on the Senior Bonds on the next succeeding Interest Payment Date;

Seventh, on each Transfer Date beginning with the Transfer Date immediately preceding June 1, 2020, after the application of clauses First through Sixth above on such Transfer Date, transfer from the Revenue and Operating Account to the Senior Bond Indenture Revenue Fund an amount (as set forth in an Account Transfer Certificate) equal to one-sixth of the amount of the principal payable on the Senior Bonds on the next succeeding Senior Bond Principal Payment Date together with any amounts that on prior Transfer Dates were not transferred as otherwise required by this clause Seventh due to lack of funds in the Revenue and Operating Account, *provided* that in no event will any amounts be required to be transferred under this clause Seventh to any extent greater than necessary for the Principal Account to have sufficient funds as of the Transfer Date to pay the principal payable on the Senior Bonds on the next succeeding Senior Bond Principal Payment Date;

Eighth, on each Transfer Date, after the application of clauses First through Seventh above on such Transfer Date, transfer from the Revenue and Operating Account to the Senior Bond Debt Service Reserve Account an amount (as set forth in an Account Transfer Certificate) which is sufficient to cause the balance in the Senior Bond Debt Service Reserve Account, to equal the required balance as set forth in the Senior Indenture as of such Transfer Date;

Ninth, on each Transfer Date, after the application of clauses First through Eighth above on such Transfer Date, transfer from the Revenue and Operating Account to the Operating Expense Reserve Account an amount (as set forth in an Account Transfer Certificate) sufficient to cause the balance in the Operating Expense Reserve Account (including any portion of the balance that represents drawings under the Revolving Credit Facility) to at least equal the Operating Expense Reserve Requirement;

Tenth, on each Transfer Date following the Commercial Operations Date, but only during the First Semiannual Period of each calendar year (and after the application of clauses First through Ninth above on such Transfer Date), transfer from the Revenue and Operating Account to the Feedstock Expense Reserve Account the amounts specified in the Account Transfer Certificate;

Eleventh, following the Commercial Operations Date, on the Transfer Date that immediately precedes the end of the First Semiannual Period in each calendar year and on each Transfer Date during the balance of the Second Semiannual Period (and after the application of clauses First through Tenth above on such Transfer Date) transfer from the Revenue and Operating Account to the Feedstock Expense Reserve Account an amount (as set forth in an Account Transfer Certificate) sufficient to cause the balance in the Feedstock Expense Reserve Account to at least equal the Feedstock Expense Reserve Requirement as of such Transfer Date;

Twelfth, on each Transfer Date, after the application of clauses First through Eleventh above on such Transfer Date, transfer from the Revenue and Operating Account to the Major Maintenance Reserve Account an amount (as set forth in an Account Transfer Certificate) sufficient to cause the balance in the Major Maintenance Reserve Account to equal the Major Maintenance Reserve Requirement; and

Thirteenth, on each Transfer Date, after the application of clauses First through Twelfth above on such Transfer Date, transfer from the Revenue and Operating Account to the Suspension Account the balance of the amount then remaining in the Revenue and Operating Account.

If on any Transfer Date there are insufficient funds in the Revenue and Operating Account to make the transfers set forth in clauses First through Seventh, the Collateral Agent shall transfer amounts to the Revenue and Operating Account sufficient for such purposes from any available amounts in the following order: *first*, from the Suspension Account, *second*, from the from the Major Maintenance Reserve Account, but only to the extent of 50% of the amounts described in clause (b) of the definition of Major Maintenance Reserve Requirement (which amounts are to be determined by the Borrower), *third*, from the Operating Expense Reserve Account, *fourth*, from the Feedstock Expense Reserve Account, and *fifth*, from the balance of the Major Maintenance Reserve Account.

2020 Project Fund

The Bond Trustee shall establish and maintain the 2020 Project Fund, separate and apart from all other funds, which shall be funded by proceeds of the 2020 Senior Bonds. Amounts in the 2020 Project Fund shall only be used to pay Costs of the Tax-Exempt Project, as provided in the Senior Indenture.

Reserve Fund

Pursuant to the Senior Indenture, the Bond Trustee established a Reserve Fund in which the Bond Trustee will deposit an amount equal to the Reserve Fund Requirement. The “Reserve Fund Requirement” means, (1) prior to the Commercial Operations Date, an amount equal to \$25,490,000, and (2) on or after the Commercial Operations Date, the least of (i) Maximum Annual Debt Service on the Senior Bonds then Outstanding, (ii) one hundred twenty-five percent (125%)

of the average Annual Debt Service on the Senior Bonds then Outstanding, or (iii) ten percent (10%) of the initial principal amount of the Senior Bonds.

A portion of the proceeds of the 2020 Senior Bonds will be deposited into the Reserve Fund. After the deposit of the portion of the proceeds of the 2020 Senior Bonds, the balance in the Reserve Fund will be approximately \$7,546,483.91.

If on the Business Day immediately preceding an Interest Payment Date, or any other date on which the principal or redemption price of, or interest on, the Senior Bonds, is due, the amount in the Principal Account, the Interest Account, the Redemption Account, the Capitalized Interest Account, the 2020 Capitalized Interest Account or the Revenue Fund available for such payment is less than the principal amount or redemption price of, or interest on, the Senior Bonds due on such date, the Bond Trustee shall apply amounts from the Reserve Fund to the extent necessary to make good such deficiency. Amounts in the Reserve Fund also may be used to make transfers to the Principal Account or Interest Account on any Transfer Date if certain conditions are met and Required Bondholders may direct the Trustee to refrain from transferring funds from the Reserve Fund in some circumstances.

The Bond Trustee shall value the Reserve Fund on the first Business Day after each Bond Payment Date at the market value thereof. Except as provided under this heading, and subject to specific provisions of the Senior Indenture relating to the application of interest earnings, if on the Business Day after any Bond Payment Date the amount on deposit in the Reserve Fund shall exceed the Reserve Fund Requirement based on such valuation, such excess shall be deposited in the Project Fund until the Final Tax-Exempt Project Completion Date, and thereafter such amounts shall be deposited in the Principal Account and applied to the payment of the principal on the Senior Bonds. If the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement based on such valuation, the Borrower shall be required to make payments in accordance with the Loan Agreement. The Reserve Fund shall also be valued at the market value thereof prior to any Distribution and at any time requested by the Authority or the Borrower.

2020 Capitalized Interest Account

Pursuant to the Senior Indenture, the Bond Trustee will establish the 2020 Capitalized Interest Account that will be used to pay interest on the 2020 Senior Bonds. In connection with the issuance of the 2020 Senior Bonds, an amount sufficient to pay interest on the 2020 Senior Bonds through the Interest Payment Date of January 1, 2022 will be deposited in the newly established 2020 Capitalized Interest Account.

Contingency Fund

Pursuant to the Senior Indenture, the Bond Trustee will establish a contingency fund that will be used to pay Project costs and operating expenses. Amounts in the Contingency Fund not to exceed \$7,500,000 in the aggregate may be requisitioned by the Borrower to pay Costs of the Tax-Exempt Project set forth in the Contingency Fund Capital Budget, in an amount for any item set forth therein not to exceed the amount set forth therein for such line item on or prior to the date set forth in the Contingency Fund Capital Budget. If amounts for a particular line item are not expended prior to the date set forth in the Contingency Fund Capital Budget for such line item, or

in an amount less than the amount set forth therein for such line item, such amount or excess amount may only be requisitioned and expended with the prior consent of the Required Bondholders. The remaining balance of the Contingency Fund may be used to pay for expenses set forth in an Operating Budget which has been approved by the Required Bondholders in accordance with the Loan Agreement; provided however, such amounts for expenses may only be requisitioned and used if (i) no other moneys are available for such purpose under the Collateral Agency Agreement or the 2020 Project Fund or the Borrower's operating accounts, and (ii) the Borrower has used all other contingency amounts set forth in the Operating Budget. If the foregoing conditions cannot be met, such amounts may only be requisitioned with the prior consent of the Required Bondholders.

Collateral Instruments

The following documents will constitute collateral for the 2020 Senior Bonds. The descriptions of the following documents constitute a summary of selected provisions thereof and should not be considered to be a full statement of the terms of such documents. These descriptions are qualified in their entirety by reference to the complete documents.

The Deed of Trust. Pursuant to the Deed of Trust, the Borrower has assigned and transferred to a title company, as trustee under the Deed of Trust, in favor of the Collateral Agent, as beneficiary under the Deed of Trust, for the benefit of the Holders of the Secured Obligations, with the power of sale and right of entry and possession, the Site, all improvements owned by the Borrower and located on the Site, and certain related property and interests owned by the Borrower, to secure the payment and performance of the Secured Obligations, as described more fully in, and subject to limitations in (or as otherwise imposed by applicable law), the Deed of Trust.

The Pledge Agreement. Pursuant to the Pledge Agreement, Holdco has pledged to the Collateral Agent, and granted the Collateral Agent a first priority security interest in Holdco's membership interests in the Borrower and all other legal and beneficial right, title and interest in and to the Borrower, as collateral security for the payment and performance in full of all of the Secured Obligations, for the benefit of Holders of the Secured Obligations, as described more fully in, and subject to limitations in (or as otherwise imposed by applicable law) the Pledge Agreement.

The Security Agreement. Pursuant to the Security Agreement, the Borrower has granted to the Collateral Agent a lien on and security interest in all of the right, title and interest of the Borrower in, to and under the following property, as collateral security for the payment and performance in full of all the Secured Obligations: (a) all accounts, (b) equipment, goods and inventory, (c) all documents, instruments and chattel paper, (d) all letters of credit and letter-of-credit rights, (e) all securities collateral, (f) all investment property, (g) all intellectual property collateral, (h) all general intangibles, (i) all money and all deposit accounts, (j) all supporting obligations, (k) all commercial tort claims, (l) the contracts as provided for in the Security Agreement, (m) all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records relating to the collateral pledged by the Security Agreement and any general intangibles at any time evidencing or relating to any of the foregoing, (n) all other contract rights, assets, personal property, fixtures and rights of the Borrower of every kind and nature, whether tangible or intangible, all Proceeds and products of

each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Borrower from time to time with respect to any of the foregoing, as described more fully in, and subject to limitations in (or as otherwise imposed by applicable law), the Security Agreement.

Environmental Indemnity Agreement. To assure the Collateral Agent of the value of the property encumbered by the Deed of Trust to the extent necessary for repayment of the Secured Obligations, the Borrower, pursuant to the Environmental Indemnity Agreement, assumes liability for and has agreed to indemnify the Collateral Agent, the Bond Trustee, the Subordinate Trustee and the Holders of the Secured Obligations for any and all costs incurred by or awarded against any of them and arising from (i) a violation of any local, state or federal law, rule or regulation pertaining to environmental regulation, contamination, health, safety or clean-up relating to or affecting the property, (ii) the actual or alleged presence, release or threat of release of any Hazardous Substances on, in, under or affecting all or any portion of the property, and others as set forth more fully in the Environmental Indemnity Agreement.

Licensor's and Investors' Undertaking. Pursuant to the Licensor's and Investors' Undertaking, Siempelkamp Germany has agreed to make capital contributions to Holdco (the "SICO Capital Contributions"), subject to the terms of the Holdco Unit Purchase Agreement and the Holdco Operating Agreement.

Additional agreements in the Licensor's and Investors' Undertaking include, among other things, (i) the agreement of Holdco to direct Siempelkamp Germany to make the SICO Capital Contributions and (ii) the agreement of the Licensor not to license or otherwise grant any Person any rights to practice or use the Patent for purpose of making medium density fiberboard in any of the following states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.

Direct Agreements. Siempelkamp Germany has entered into an agreement with the Borrower and the Collateral Agent (the "SICO Direct Agreement") consenting and agreeing to the Borrower's pledge and assignment of the Borrower's rights under the Siempelkamp Equipment Supply Contract. In the SICO Direct Agreement, Siempelkamp Germany will agree that the Collateral Agent may enforce the Borrower's rights under the Siempelkamp Equipment Supply Contract with Siempelkamp Germany, in accordance with the terms and conditions of the SICO Direct Agreement.

Siempelkamp Germany has also entered into an agreement with the Borrower and the Collateral Agent (the "SICO Additional Direct Agreement") consenting and agreeing to the Borrower's pledge and assignment of the Borrower's rights under the Additional Supply Agreement. In the SICO Additional Direct Agreement, Siempelkamp Germany agreed that the Collateral Agent may enforce the Borrower's rights under the Additional Supply Agreement with Siempelkamp Germany, in accordance with the terms and conditions of the SICO Additional Direct Agreement.

THE SENIOR INDENTURE AND THE LOAN AGREEMENT

The Senior Indenture

The following description of the Senior Indenture constitutes a summary of selected provisions thereof and should not be considered to be a full statement of the terms of such document. This description is qualified in its entirety by reference to the complete document. The Senior Indenture (together with a draft form of the Third Supplemental Indenture) is attached as APPENDIX B.

Events of Default. The following shall constitute Events of Default under the Senior Indenture:

- *Failure to Pay Principal or Premium.* A default in the due and punctual payment of the principal of, or premium (if any) on, any Senior Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise.
- *Failure to Pay Interest.* A default in the due and punctual payment of any installment of interest on any Senior Bond, when and as the same shall become due and payable.
- *Failure to Observe Covenants.* Failure by the Authority to perform or observe any of the covenants, agreements or conditions on its part in the Senior Indenture or in the Senior Bonds, and the continuation of such failure for 30 days after written notice thereof, provided that the Bond Trustee, the Holders and Beneficial Owners will not unreasonably withhold an agreement to extend such period beyond 30 days if the default cannot be corrected within such period and corrective action is instituted within such period and diligently pursued until corrected.
- *Loan Default Event.* The occurrence and continuance of a Loan Default Event.

See “—Loan Agreement” for a description of the Loan Default Events.

Remedies. During the continuance of an Event of Default under the Senior Indenture, unless the principal of all of the Senior Bonds has already become due and payable, the Bond Trustee may, and upon written request of the Holders or Beneficial Owners of not less than a majority in aggregate principal of the Outstanding Senior Bonds, promptly upon such occurrence, by notice in writing to the Authority and the Borrower, declare the principal of all the Senior Bonds then Outstanding, and the interest accrued thereon, due and payable, immediately, anything in the Senior Indenture or the Senior Bonds contained to the contrary notwithstanding.

Loan Agreement

The following description of the Loan Agreement constitutes a summary of selected provisions thereof, should not be considered to be a full statement of the terms thereof and is subject to, and qualified in its entirety by reference to, all of the provisions thereof, including the

definitions therein of certain terms. The Loan Agreement (together with a draft form of the Third Amendment to Loan Agreement) is attached as APPENDIX C.

Payment Obligations. Payments under the Loan Agreement are the primary source of funds to pay debt service on the Senior Bonds, including the 2020 Senior Bonds. Until the principal of, premium, if any, and interest on the Senior Bonds have been fully paid or provision for such payment has been made as provided in the Senior Indenture, the Borrower is obligated to pay the following amounts to the Bond Trustee as repayment of the indebtedness under the Loan Agreement: (a) on or before the third Business Day prior to each Bond Payment Date, an amount equal to the sum of the following: (x) the aggregate amount of interest coming due on the Senior Bonds on such Bond Payment Date (net of amounts in the Capitalized Interest Account, the 2020 Capitalized Interest Account or already held in the Interest Account to be applied to such interest), (y) the aggregate amount of scheduled principal becoming due (whether at maturity or as a Mandatory Sinking Fund Payment) on all Senior Bonds on such Bond Payment Date or Mandatory Sinking Fund Payment Date, if any and as applicable in such Bond Year and (z) any additional amounts necessary to ensure that there are sufficient funds in the Interest Account to pay interest coming due on the Senior Bonds on such Bond Payment Date and sufficient funds in the Principal Account to pay principal of (whether at maturity or upon redemption or acceleration), and premium, if any, coming due on such Bond Payment Date as provided in the Senior Indenture; and (b) on or before one Business Day before each Bond Payment Date, any amount needed to restore the Reserve Fund to the applicable Reserve Fund Requirement. *See* “THE 2020 SENIOR BONDS – Redemption.”

The obligations of the Borrower to make such payments pursuant to the Loan Agreement and to perform and observe the other agreements contained therein will be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim it might otherwise have against the Authority, and during the term of the Loan Agreement, the Borrower will pay all payments required to be made under the Loan Agreement free of any deductions and without abatement, diminution or set-off. Until such time as the principal of, premium, if any, and interest on, the Senior Bonds has been fully paid, or provision for the payment thereof has been made as required by the Senior Indenture, the Borrower (i) will not suspend or discontinue any payments provided for in the Loan Agreement; (ii) will perform and observe all of its other covenants contained in the Loan Agreement; and (iii) except as provided therein, will not terminate the Loan Agreement for any cause.

Covenants. The Loan Agreement includes numerous covenants, including, among others:

- *Cash Distribution Covenant.* The Borrower will not, without the prior written consent of the Required Bondholders, declare, pay or make any Distribution unless the Distribution Requirements are satisfied on the date of declaration, payment or making of the Distribution.
- *No Assignment.* The rights and obligations of the Borrower under the Loan Agreement may not be assigned in whole or in part.
- *Enforcement of Project Documents.* The Borrower will use commercially reasonable efforts to enforce material covenants or obligations in Project

Documents to which the Borrower is a party and will comply with its obligations under the Transaction Documents except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

Events of Default. The following shall constitute events of default under the Loan Agreement (each, a “Loan Default Event”):

- *Failure to Pay Principal or Interest.* A failure of the Borrower to make any payment of interest or principal or a mandatory sinking fund redemption payment, as required by the Loan Agreement.
- *Failure to Pay Certain Other Amounts.* A failure of the Borrower to pay certain fees, expenses or other costs under the Loan Agreement within 5 Business Days after written notice delivered to the Borrower of such failure.
- *Failure to Comply with Insurance.* A failure of the Borrower to observe and perform its obligations with respect to the insurance required by the Loan Agreement, which failures continues for a period of 10 Business Days after any Authorized Representative of the Borrower obtains actual knowledge of such failure.
- *Failure to Comply with Covenants.* A failure by any Borrower Party to perform or observe any covenants, agreements or conditions in the Loan Agreement or the other Bond Financing Documents to which it is a party, which continues for a period of 30 days after written notice; provided that if the failure cannot be corrected within such period and would not be reasonably likely to result in a Material Adverse Effect, such period will be extended if corrective action is instituted within such period and diligently pursued until the default is corrected, but such period shall in any event terminate before the earlier of any Material Adverse Effect shall have occurred and 180 days.
- *Inaccuracy of Representation or Warranty.* Any representation or warranty made by the Borrower in any Bond Financing Document or in any certificate or document delivered by the Borrower to the Bond Trustee or the Authority proves to have been incorrect in any material respect as of the date when made or deemed to be made.
- *Default on Other Financial Indebtedness.* The Borrower defaults in the performance of any obligation under or any payment when due of principal of or interest on any Financial Indebtedness (other than under the Senior Bond Obligations but inclusive of the Subordinate Loan Obligations) under agreements or instruments involving in the aggregate in excess of \$1,000,000 (as adjusted pursuant to the Loan Agreement) beyond the grace period, if any, provided in the instrument or agreement under which such Financial Indebtedness was created and as a result thereof the maturity of such Financial Indebtedness has been accelerated.
- *Act of Bankruptcy.* An Act of Bankruptcy occurs with respect to the Borrower, provided, however, that an Act of Bankruptcy not commenced by the Borrower will

only result in a Loan Default Event if the same remains undismissed, undischarged or unbonded for a period of 90 days;

- *Abandonment of Plant.* The Borrower abandons all or a substantial part of the Plant or otherwise ceases to develop, construct, operate or maintain the Plant, which abandonment or cessation will be deemed to have occurred if the Borrower fails, without reasonable cause, for 90 consecutive days to take any action to develop, construct, operate or maintain, as applicable, the Tax-Exempt Project;
- *Judgments.* A final judgment is entered against the Borrower for the payment of money in excess of \$1,000,000 (as adjusted pursuant to the Loan Agreement), or any non-monetary final judgment is entered against the Borrower which is reasonably likely to result in a Material Adverse Effect, and, in each case, if such judgment remains unsatisfied without any procurement of a stay of execution within 30 calendar days after the date of entry of judgment or at any time thereafter becomes unsatisfied and unstayed.
- *Ineffectiveness of Collateral Instrument.* Except in accordance with its terms or as permitted pursuant to the terms of the Bond Financing Documents, any Collateral Instrument is not or ceases to be effective to grant a lien on the Collateral described therein (other than on an immaterial portion thereof) or any lien on the Collateral is not or ceases to be perfected, in each case, as set forth in the Bond Financing Documents, or any Bond Financing Document to which the Borrower is a party or any material provision therein ceases to be in full force and effect, and such event continues for 30 days after the earlier of notice from the Bond Trustee to the Borrower and the Borrower having actual knowledge of such event.
- *ERISA Event.* An ERISA Event has occurred which, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.
- *Failure to Meet Deadlines.* Failure to reach the Commercial Operations Date by June 14, 2022 (unless a Force Majeure Event has occurred, in which case before the Force Majeure Adjusted Date).
- *Unauthorized Uses of Funds.* Funds on deposit in any funds and accounts established under the Senior Indenture are used or withdrawn by or at the instruction of the Borrower other than for the purposes specified or as expressly permitted in the Bond Financing Documents, unless such occurrence is caused by an administrative error and is remedied within five Business Days after the Borrower obtains knowledge of the error.
- *Failure to Obtain Governmental Approvals.* Any Governmental Approval necessary for the execution, delivery and performance by the Borrower of the Bond Financing Documents and the other Transaction Documents or the ownership and operation of the Tax-Exempt Project by the Borrower is not obtained, maintained, or complied with, in each case, as and when required, and such failure would

reasonably be expected to have a Material Adverse Effect, unless in each case such failure is remedied within 30 days after notice to the Borrower, or such longer period as is reasonably necessary under the circumstances to remedy such failure, but in any event before any Material Adverse Effect shall have occurred.

- *Events Affecting Material Contracts or Finance Documents.* (i) A Material Contract ceases to be valid and binding and in full force and effect (except in accordance with its terms) or is terminated prior to its expiration date, (ii) any material provision of a Material Contract is declared null and void in a legal proceeding, or (iii) the Borrower or any counterparty to a Material Contract denies in writing further liability or obligation under such Material Contract (unless such Material Contract has expired or otherwise terminated in accordance with its terms); provided, however, that there will be no Loan Default Event under this clause if, within 90 days of the effective date of any of the events described in (i), (ii) or (iii), the Borrower satisfies certain replacement provisions set forth in the Loan Agreement with respect to such Material Contract.
- *Material Company Act of Bankruptcy.* An Act of Bankruptcy occurs and is continuing with respect to a Material Company; provided, however, that there will be no Loan Event of Default if, with respect to the Material Contract as to which the Material Company is the counterparty, within ninety (90) days of the Act of Bankruptcy, the Borrower satisfies certain replacement provisions set forth in the Loan Agreement with respect to such Material Contract.
- *Breach of Licensor's and Investors' Undertaking.* Failure of any party to the Licensor's and Investors' Undertaking (other than the Collateral Agent) to observe any covenant required to be observed by it under the terms of the Licensor's and Investors' Undertaking beyond any applicable notice or cure period, which continues for a period of 30 days after written notice; provided that if the failure cannot be corrected within such period and would not be reasonably likely to result in a Material Adverse Effect, such period will be extended if corrective action is instituted within such period and diligently pursued until the default is corrected, but such period shall in any event terminate before the earlier of any Material Adverse Effect shall have occurred and 180 days.
- *Indenture Event of Default.* An occurrence of an Event of Default under the Senior Indenture.
- *Construction Surety.* A failure of (i) any Construction Surety to pay any valid claim under its respective Construction Bond, within the time period permitted under the terms of the applicable Construction Bond, after due presentation to the applicable Construction Surety of all documentation required under the terms of the applicable Construction Bond or (ii) any of the SICO Guarantors to pay any valid claim under its respective SICO Guarantee, within the time period permitted under the terms of the applicable SICO Guarantee, after due presentation to the applicable SICO Guarantor of all documentation required under the applicable SICO Guarantee.

Remedies. If a Loan Default Event occurs and is continuing as a result of an Act of Bankruptcy the unpaid balance of principal and interest required under the Loan Agreement shall be due and payable immediately. If any other Loan Default Event occurs and is continuing the Bond Trustee may declare the unpaid balance of principal and interest required under the Loan Agreement due and payable immediately and may instruct the Collateral Agent, in accordance with the Collateral Agency Agreement, to take any action necessary to exercise its rights, remedies, powers and discretions under the Bond Financing Documents.

INVESTMENT CONSIDERATIONS AND RISK FACTORS

Although the Borrower believes that the risks and uncertainties described below are the most material risks and uncertainties, they are not the only risks and uncertainties the Borrower or investors may face. Additional risks and uncertainties not presently known to the Borrower or that it currently deems immaterial may also have a material adverse effect on its business, results of operations or financial condition and may negatively affect the market value of the 2020 Senior Bonds. The sequence in which these risks are presented in no way reflects any order of importance, chance or materiality.

Project in Financial Distress

As described above, the Project is currently in financial distress. Although the Borrower anticipates that the net proceeds of the 2020 Senior Bonds will provide sufficient capital for the Borrower to complete the commissioning and ramp-up of the Plant, events currently unanticipated by the Borrower could occur, with material adverse consequences for the Borrower's financial position or the federal tax status of the 2020 Senior Bonds, and therefore its ability to generate sufficient revenue to pay its financial obligations, including its obligations under the 2020 Senior Bonds, as the same become due.

In addition, as described above, an Event of Default currently exists under the Senior Indenture. Although the non-acceleration agreement between the Borrower and the Bond Trustee will be in effect at the time of delivery of the 2020 Senior Bonds, and the terms of the non-acceleration agreement will restrict the Bond Trustee from accelerating the Senior Bonds as a result of the Senior Payment Default (and certain other defaults), the Bond Trustee and the holders of the 2017 Senior Bonds have other potential remedies they may pursue. These include the right of the Bond Trustee (potentially without the direction of the Required Bondholders), upon the occurrence and continuance of an Event of Default, to apply any Revenues or amounts in the funds and accounts under the Senior Indenture that are within the control of the Bond Trustee to payment of debt service and for other permitted purposes pursuant to the terms of the Senior Indenture.

Also as described above, prior to the delivery of the 2020 Senior Bonds, the holders of at least a majority in principal amount of the 2019 Subordinate Bonds are expected to have provided their consent to the execution and delivery by the Subordinate Trustee of a non-acceleration agreement under which the Subordinate Trustee will agree to refrain from accelerating the maturity of the 2019 Subordinate Bonds for a period of twelve months after the issuance of the 2020 Senior Bonds (unless earlier terminated pursuant to certain events described in the non-acceleration agreement). If the non-acceleration agreement of the Subordinate Trustee is earlier terminated, or if it is not extended upon its initial expiration, the Subordinate Trustee may be instructed by the

holders of the 2019 Subordinate Bonds to exercise remedies against the Borrower or Holdco, or both, in which case it is possible that the Borrower may declare bankruptcy. See “INVESTMENT CONSIDERATIONS AND RISK FACTORS – *Enforcement of Remedies, Bankruptcy of the Borrower*” and “– *Risks Related to Tax Exemption*”.

Risks to Commissioning the Plant

No independent party is providing any report or opinion in connection with the issuance of the 2020 Senior Bonds concerning an evaluation or assessment of the Borrower’s commissioning schedule, the costs associated with commissioning the Plant or the Borrower’s anticipated operational ramp-up of the Plant.

The commissioning of the Plant and its ramp-up to its targeted production, as with any complex manufacturing facility primarily depends on (a) Siempelkamp Germany successfully automating the Plant such that the Plant can successfully and efficiently operate with minimal unscheduled downtime and (b) Siempelkamp Germany and the Borrower making adjustments to the use of rice straw as the feedstock for MDF for the first time, including calibrating the resin dosage and temperature of the rice straw processing to produce a high quality MDF product at assumed levels of operating expenses. The commissioning of the Plant also includes other risks such as the possibility of cost increases, delays and other adverse effects resulting from, among other things, (a) design or construction problems, including design defects or omissions, (b) permitting and governmental approval issues, including the inability to obtain or renew necessary permits; (c) inclement or severe weather conditions; (d) occurrence of a casualty, or damage or destruction of feedstock or completed or partially completed work; (e) changes in laws; and (f) other *force majeure* events, including the effects of the COVID-19 pandemic. Additionally, the COVID-19 pandemic could also create a Force Majeure Event that could extend the date by which a Commercial Operations Date causes an Event of Default.

The Borrower is relying for the commissioning of the Plant on supervision experts provided by Siempelkamp Germany, whose participation in the commissioning of the Plant is necessary to achieve Siempelkamp Germany’s performance guaranties under the Siempelkamp Equipment Supply Contract, as well as in starting up the Plant and achieving Plant Acceptance. These experts are not residents of the United States, and their presence at the Plant is dependent on their continuing willingness to travel to the United States notwithstanding the COVID-19 pandemic, as well as the continuing availability of exemptions obtained by the Borrower from an Executive Order issued by the President of the United States on March 11, 2020, that would otherwise bar these experts from travel to the United States. Other regulations that may be imposed by the United States or other countries could interfere with the ability of the Siempelkamp Germany experts to remain at the Plant, which would further delay the commissioning of the Plant.

More generally, the Borrower will depend on Siempelkamp Germany to make its experts available for supervisions of the commissioning and start-up of the Plant. The commissioning of the Plant and the achievement of these other milestones could be materially disrupted if Siempelkamp Germany does not or cannot perform its obligations under the Equipment Supply Agreement. This could include the following circumstances:

- Siempelkamp Germany could encounter bankruptcy, insolvency or financial difficulties that could impact its ability to perform its obligations under the Siempelkamp Equipment Supply Contract.
- Siempelkamp Germany could fail to perform its obligations under the Siempelkamp Equipment Supply Contract.
- The process equipment could not perform as expected and there is no adequate remedy to the Borrower. If the process equipment does not work as expected, the Borrower would be limited to the liquidated damages and other remedies set forth in the Siempelkamp Equipment Supply Contract, which may not be sufficient to meet the Borrower's financial needs.

Siempelkamp Germany has delivered bank guarantees intended to provide limited support for certain obligations of Siempelkamp Germany pursuant to the Siempelkamp Equipment Supply Contract. Such bank guarantees are of limited value because (a) the potential liability of the bank is limited to a small percentage of the agreement's contract price, and (b) the guarantees only relate to specific limited obligations of Siempelkamp Germany and do not provide a broad guaranty of performance by Siempelkamp Germany. In addition, the banks providing the support are located in Germany and the guarantees specifically provide that they are governed by German law and any enforcement of the guarantees must be accomplished in Germany. No party to the transaction is providing an enforceability opinion on the guarantees.

Additionally, if any significant cost increases or delays in the commissioning and ramp-up of the Plant occur, the Borrower will depend on the availability of its sources of funds for cost overruns. The Borrower anticipates having available contingency funds under the terms of the Senior Indenture of not less than \$15 million. In the event cost overruns exceed contingent financial resources, sufficient funds may not be available to complete the commissioning and ramp-up of the Plant. Neither Holdco nor any of its members is obligated to contribute additional equity to the Borrower for these (or any other) purposes.

Operating Risk

The Borrower has no operating history with the Project and is not expected to have any material assets or revenues, other than the Project and revenues derived therefrom. The projected results cannot be validated by historical results. Accordingly, timely payment of debt service of the 2020 Senior Bonds depends on projected and assumed results which may not materialize. As with any plants of similar size and nature, the Plant's operations could be affected by many factors, including start-up problems, the breakdown or failure of equipment or processes, the performance of the Plant below expected levels of output or efficiency, market conditions, and labor disputes. Here are some of the risks that the Borrower may encounter in its operations.

- ***Uncontrollable and unpredictable macroeconomic developments may place downward pressure on demand for and prices of MDF.*** Many unforeseeable events, including fluctuations in unemployment, consumer confidence, economic growth, exchange rates, and other domestic, regional, and international economic and political developments, as well as international terrorism and actions by various government

agencies in response to terrorism, may cause sharp changes in housing starts, consumer purchasing patterns, and revenue generated by MDF manufacturers.

- ***The Borrower may not produce the expected quality or quantity of MDF using rice straw as its feedstock.*** The Borrower believes that rice straw has never before been used to produce MDF on commercial scale and the Plant will be the first in the world to do so. While various components of the rice straw process technology have been tested in a research and development facility assembled by Siempelkamp Germany and other testing facilities to evaluate whether it is capable of producing an amount and quality of MDF consistent with the Borrower's expectation, there is no certainty that the technology will work on a large scale, which could have a material impact on the Borrower.
- ***MDF produced from rice straw is a new product in the market.*** The Borrower believes that rice straw has never before been used to produce MDF on a commercial scale and the Plant will be the first in the world to do so. The Borrower has consulted with many potential customers and expects the market to quickly accept the new product as equal or superior to MDF produced from wood fiber. However, there is no certainty that the market will accept large volumes of MDF produced from rice straw, and, if the market does not, it would have a material impact on the Borrower.
- ***The Borrower's access to rice straw or resin at expected prices may become limited.*** The ability of the Borrower to operate depends on its ability to obtain rice straw and MDI resin at expected prices. The Borrower has entered into rice straw supply contracts with local and regional baling and transportation companies that the Borrower expects will meet its rice straw needs during the duration of such contracts, which expire in 2034. However, the Borrower will depend on the financial solvency of those companies, the performance by those companies under those contracts and the general availability of rice straw near the Plant in order to secure rice straw at expected prices. The supply of rice straw may be reduced or the demand may be increased by many factors, including poor rice harvests, water supply disruptions, farmers' crop selection and planting decisions, farmers' perception of the costs and benefits of alternative methods of crop disposal, inclement weather that makes it difficult or impossible to bale rice straw, and crop disease, discovery of new uses for the straw, and changes in regulation. Low allocations of water as a result of the current or future California droughts could result in reduction of the California rice crop. The Borrower would consume rice straw from approximately 20% of the currently annually planted rice acreage in the Sacramento Valley to meet its maximum annual design production capacity requirement, and there is no assurance that the Borrower would be able to find a suitable replacement source for its supply of rice straw if the supply of rice straw in Sacramento Valley declined, if rice farmers determine that other means of disposing of their rice straw were more economically favorable.

The Borrower has executed a resin supply contract with Huntsman that expires in December 31, 2023 under which the price of MDI is calculated using a fixed formula. The resin supply contract is automatically renewed for successive calendar year periods unless notice of non-renewal is delivered by either the Borrower or Huntsman on or

before September 30 of the calendar year prior to the year of the renewal term. After the expiration of the resin supply contract, the Borrower will be subject to volatility in the market price for MDI resin. After expiration of the contract with Huntsman, there is a risk that the Borrower may not be able to obtain MDI resin in amounts and at prices sufficient to permit the Plant's profitable operation.

- ***Competitors use the Borrower's technology to compete with the Project.*** When the Patent expires in December 2021 or if it is earlier determined to be invalid or is not enforced effectively, then the Borrower may face increased competition from other MDF manufacturers. Much of the Project's competitive advantage is its ability to manufacture MDF with low feedstock costs in a location much closer to California MDF markets than its competitors. If the Borrower's protections under the Patent are no longer available to it, a competitor may build a competing plant that attempts to take advantage of the same opportunity, which could harm the Borrower's financial opportunity. This competition could result in: an increased demand for rice straw; an increase in the price of rice straw supply; and increased number of competing products on the market that are priced lower than the Borrower's other wood-based MDF competitors. Each of these outcomes could challenge the Borrower's ability to generate the revenues it has forecasted. In addition, competitors might avoid infringement by designing around the Borrower's intellectual property rights or by developing non-infringing competing technologies.

In addition, Licensor will license the Patent to the Borrower on a non-exclusive basis under the License Agreement, and in the License Agreement and Licensor's and Investors' Undertaking will agree to not grant any third party a license under the Patent to make medium density fiberboard within the Licensed Territory. Any plant that Licensor licenses outside of those states could also compete against the Borrower using the technology protected by the Patent.

- ***The Borrower may become subject to a claim that it infringes a third party's intellectual property rights.*** A third party could allege that the Borrower is infringing or misappropriating its intellectual property. Any dispute or litigation regarding intellectual property could be costly and time-consuming due to the uncertainty of intellectual property litigation. The Borrower's intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of infringement or misappropriation. In addition, as a result of such claims of infringement or misappropriation, the Borrower could lose its rights to critical technology, be unable to license critical technology or sell critical products, be required to pay substantial damages or license fees with respect to the infringed rights or be required to redesign its products or processes at substantial cost, any of which could adversely impact the Borrower's competitive position and financial statements.
- ***The Borrower has limited control of energy costs.*** Energy (electricity and natural gas) will be a significant factor in the production process from preparing rice straw to operating finishing equipment. While the Borrower's state-of-the-art machinery is the most energy-efficient equipment that is available, electricity prices and gas prices have

been volatile in recent years and, if energy prices were to exceed those forecasted, operating margins would be adversely affected.

- ***The Borrower may have difficulties in maintaining its machinery and equipment.*** The Plant relies extensively upon machinery and equipment to produce MDF. Parts and components will need to be replaced or repaired from time to time. The Borrower plans to keep spare parts on site in an effort to expedite repair and replacement. However, major damage or breakdowns caused by unforeseen conditions or events could result in cessation of production, which in turn could adversely affect the Borrower's ability to produce its MDF product and generate revenues.
- ***The Borrower may have difficulties in attracting and retaining skilled production, maintenance, supervisory, and administrative personnel.*** While the Borrower intends to offer wages, benefits, and working conditions that are very competitive for industrial jobs in rural northern California, it is possible that the mill will experience difficulties in attracting and retaining sufficient skilled production, maintenance, supervisory, and administrative personnel to operate the plant at peak efficiency. It is possible that certain employees could choose to organize collective bargaining units and that work stoppages or other industrial actions could eventually result.
- ***The Borrower may have difficulties in attracting and retaining necessary senior executives.*** The operation of the Borrower's business depends on the ability to attract and retain senior executives who have the necessary experience and expertise to manage and operate the business. The Borrower has entered into employment agreements with certain key executives who have worked together for many years for CalAg, LLC. The background of the current key executives of the Borrower is described below under "Ownership and Management—Borrower Management Team." The loss of any one of the key executives could have a material adverse effect on the Borrower's operations and financial performance. The Borrower does not maintain key man life insurance on the management team.
- ***The Plant can suffer damage from a casualty event and not have sufficient insurance.*** The occurrence of natural disasters and other casualty events, such as damaging storms, floods, lightning, fires, explosions, droughts or earthquakes, among other events, could damage the Borrower's facilities, affect raw material and energy supplies, interrupt services and distribution of product or otherwise impair operations and the ability of the Borrower to produce revenues. The Borrower intends to maintain property and casualty insurance insuring the Plant against certain events of casualty. In the event of such a casualty, the Collateral Agent will have the first claim on and the ability to control the disbursement of available insurance proceeds pursuant to the Collateral Agency Agreement. It is possible that insurance meeting the requirements of the Loan Agreement may not be obtainable due to moratoria on coverage, particularly in periods perceived by insurers to pose a high risk of wildfires, or due to other factors in the insurance markets. It is also possible that, in the event of casualty, such insurance proceeds will be insufficient to either cause the Plant to be rebuilt or repay the 2020 Senior Bonds. The Borrower expects to have business interruption insurance covering a period of twelve months, but if production is halted for an

extended period of time or for a reason not covered by such insurance, or if this insurance is unavailable or inadequate, there may be a material adverse effect on the operations, cash flows and financial performance of the Borrower. See “THE PROJECT – Source of Feedstock”.

Market for MDF

The Borrower does not have any current third-party analyses of the MDF market, and has relied on publicly available information and the research of its own staff in order to project MDF prices.

If the MDF industry significantly declines, the Borrower’s ability to generate revenues may be materially impaired because the Borrower will depend on only the production and sale of MDF to generate revenues. The demand for consumer goods, including MDF, is affected by the general economic conditions of the nation as a whole and by the economic conditions in the region where they are marketed. During times of depression or recession, the demand for and prices of consumer goods generally decline. While MDF prices held up reasonably well through the most recent economic downturn starting in 2008, this may not be true with future economic declines. Any material decline in the MDF market will likely materially adversely affect the financial condition of the Borrower. In particular, the effect of the current COVID-19 pandemic on demand for, and the price of, MDF is unknown.

The Borrower has terminated the agreement that it previously had in place with CFP, under the terms of which CFP was to act as a sales agent for the Borrower’s MDF. The Borrower intends to rely upon its own sales and marketing staff to market and sell the Borrower’s MDF. The Borrower’s financial performance will therefore depend in large part upon the success and competence of its sales and marketing staff.

Competition

The Borrower’s business model depends on using its perceived competitive advantages over other competing MDF plants. These include the use of rice straw as a less expensive feedstock, its proximity to the California markets, and its capacity to produce thin MDF, which sells at a premium price. If other MDF producers develop competitive advantages that undermine these perceived advantages, the Borrower’s ability to compete in the MDF market and to generate revenues may be adversely affected. This could include the construction of an MDF plant with comparable proximity to the California MDF market, the development of technology that allows other MDF producers to use less expensive feedstocks, a reduction in the cost or increase in availability of wood-based feedstocks, or the development of other products that compete with the MDF products of the Borrower.

Limitations on Recourse

Satisfaction of all obligations of the Borrower under the Loan Agreement will be solely from the Borrower and the Collateral. There is no recourse whatsoever for any liability or claim for a Loan Default Event or any failure of the Borrower to perform its obligations under the Bond Financing Documents to or against any assets or properties of any affiliate of the Borrower (other

than the membership interests in the Borrower that constitute a portion of the Collateral) or any of their respective officers, directors, employees, incorporators or stockholders, partners or members.

THE 2020 SENIOR BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM CERTAIN REVENUES, CONSISTING OF LOAN REPAYMENTS MADE BY THE BORROWER UNDER THE LOAN AGREEMENT, AND ANY OTHER AMOUNTS HELD IN ANY FUND OR ACCOUNT ESTABLISHED PURSUANT TO THE SENIOR INDENTURE (OTHER THAN THE REBATE FUND AND EXCLUDED MONEYS). THE 2020 SENIOR BONDS ALSO ARE SECURED BY A PLEDGE AND LIEN ON THE SITE, THE PLANT AND THE OTHER COLLATERAL.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2020 SENIOR BONDS. THE AUTHORITY HAS NO TAXING POWER.

Enforcement of Remedies

The obligation of the Borrower to make payments under the Loan Agreement in amounts sufficient to pay the Senior Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws and by equitable principles affecting the enforcement of creditors' rights.

Limitations under Bankruptcy and Other Laws. The obligations of the Borrower under the Loan Agreement with respect to the Senior Bonds, including the 2020 Senior Bonds, are secured only by liens on the Borrower's real estate, equipment, membership interests in the Borrower and other assets and subject to certain permitted liens. Enforcement of the remedies available to Bondholders, through the Bond Trustee or Collateral Agent, either under the Collateral Instruments under the terms of the Collateral Agency Agreement or under applicable law may be limited, delayed or eliminated altogether in the event the Borrower were to become a debtor in a case filed pursuant to Title 11 of the United States Code (the "Bankruptcy Code"), or pursuant to other state or federal laws affecting creditors' rights. Those rights might also be substantially delayed and subject to judicial discretion in the event of litigation or the required use of statutory remedial procedures.

The various legal opinions to be delivered concurrently with the delivery of the 2020 Senior Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal law, rulings and decisions affecting equitable remedies and by bankruptcy, reorganization, insolvency or other similar laws, whether general or specific in nature, affecting the enforcement of creditors rights.

Bankruptcy of the Borrower. The filing by, or against, the Borrower for relief under the Bankruptcy Code could cause delays or reductions in payments to the holders of the 2020 Senior Bonds. The filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Borrower and any interest it has in property. The effect of the automatic stay could delay payments to Bondholders.

If a bankruptcy court so ordered, the Borrower's property, including its revenues, could be used for the benefit of the Borrower despite the rights granted to the Bond Trustee for the benefit of the Bondholders under the Deed of Trust or any other Collateral Instrument, the Loan Agreement or the Senior Indenture, or other documents executed in respect of the 2020 Senior Bonds, subject to the rights available to secured creditors, if any, to "adequate protection" for diminution of relevant collateral (discussed below in this section). If the Borrower were to be liquidated in a chapter 7 or 11 case under the Bankruptcy Code, either piecemeal or by the sale of all of its assets under the Bankruptcy Code's Section 363, then Bondholders could realize less than payment in full of the 2020 Senior Bonds because the assets so liquidated could produce net proceeds that are less than sufficient to pay in full all of the obligations secured by those assets.

In a case under chapter 11 of the current Bankruptcy Code, the Borrower and, in certain circumstances another party, could file and seek to confirm a plan of reorganization. The plan is the vehicle for satisfying, and provides for the comprehensive treatment of, all claims against the Borrower, and could result in the modification of rights of Bondholders. To confirm a plan of reorganization, with one exception discussed below, it must be approved by the vote of each class of impaired claims and interests. A class approves a plan if, of those who vote, those holding more than one-half in number and two-thirds in amount vote in favor of the plan. Approval by classes of interests, such as equity interests or member interests, requires a vote in favor of the plan by two-thirds in amount of the interests. If these levels of votes are attained, those voting against the plan or not voting at all are nonetheless bound by the terms thereof. Other than as provided in the confirmed plan, all claims and interests against or in the Borrower are discharged and extinguished. If less than all of the impaired classes accept the plan, the plan may nevertheless be confirmed by the bankruptcy court, and the dissenting claims and interests would be bound thereby. For this to occur, one of the impaired classes must vote to accept the plan and the bankruptcy court must determine that the plan does not "discriminate unfairly" and is "fair and equitable" with respect to the nonconsenting class. A plan is fair and equitable if each class is treated in accordance with its credit priority and no class receives a distribution until classes senior to it are paid in full. The Bankruptcy Code establishes different fair and equitable tests for secured claims and interest holders. To be confirmed, the bankruptcy court must also determine that the plan, among other requirements, provides creditors with more than would be received in the event of liquidation, is proposed in good faith, and the debtor's future projected performance is feasible. Therefore, it is possible that a plan of reorganization could be confirmed without acceptance by the class that contains the claims of Bondholders, and such a plan could delay or reduce payments to Bondholders.

In a Borrower chapter 11 bankruptcy proceeding, a plan of reorganization could be confirmed that modifies the rights of creditors generally, or any class of creditors, secured (such as the Bond Trustee and, therefore, the Bondholders) or unsecured. In addition, if a bankruptcy court concludes that the holders of the 2020 Senior Bonds are "adequately protected," it may (1) substitute other security for the property presently pledged to secure payment of the 2020 Senior Bonds, and (2) subordinate the liens of the Deed of Trust and any other Collateral Instrument to: (a) claims by persons supplying goods and services to the Borrower after its filing in bankruptcy, (b) other such "administrative expenses" of the bankruptcy proceeding, and (c) a lien that under certain circumstances may be granted to a lender that provides funds to the Borrower during the pendency of the bankruptcy case. A bankruptcy court also has the power to invalidate or otherwise not enforce certain provisions of, among other instruments, the Collateral Agency Agreement, the

Deed of Trust and any other Collateral Instrument. Furthermore, it is possible that a plan of reorganization could be confirmed that does not adhere to the provisions of the Collateral Agency Agreement.

Also, in a bankruptcy proceeding where the Borrower is the debtor, the Bond Trustee, the Collateral Agent and the holders of the 2020 Senior Bonds may only receive post-petition interest on their claims to the extent the value of their security exceeds the amount of their claims or to the extent the Borrower is solvent.

Bankruptcy of Licensor. Should the Licensor become a debtor in a bankruptcy case, it is possible that the License Agreement could be considered an executory contract and subject to rejection. Should rejection of the license agreement take place, under the Section 365(n) of the Bankruptcy Code, as it is presently composed, the Borrower will have the right to (a) elect to treat the License Agreement as terminated or (b) retain its rights under the License Agreement as they existed immediately before the bankruptcy filing with respect to U.S. patents, but arguably such rights will not extend to non-U.S. patents nor to any trademarks. If the Borrower elects under Section 365 of the Bankruptcy Code to retain its rights under the License Agreement, those rights will be limited to those that existed immediately before the date of the bankruptcy filing, and the Borrower will have to perform its obligations under the License Agreement, but the Licensor will not be required to continue performing its future obligations as set forth in the License Agreement, such as maintenance, technology updates or similar services. In addition, under Sections 363(b) and (f) of the Bankruptcy Code, the Licensor could potentially seek to sell its intellectual property free and clear of any interest in such intellectual property, including the License Agreement and Borrower's rights under Section 365(n) of the Bankruptcy Code, after notice and a hearing (with the U.S. bankruptcy court's approval). The ability of a debtor in a bankruptcy case to sell intellectual property assets free and clear of a licensee's rights under Section 365(n) of the Bankruptcy Code, and real property under an analogous provision of the Bankruptcy Code free and clear of leases in the real property, remains the subject of debate among the courts and commentators. A few recent decisions suggest that the debtor does not have the right to sell free and clear of the licensee's rights under Section 365(n) over the objection of the non-debtor licensee. However, given the current state of the law, it is difficult to predict how any bankruptcy court would rule on this issue and, given the uncertainty, the limited decisions of the bankruptcy courts on this topic are often the subject of appeals. In addition, the Licensor will agree in the License Agreement and in the Licensor's and Investors' Undertaking not to grant any third party a license under the Patent to make medium density fiberboard within the Licensed Territory. If the Licensor becomes a debtor in a bankruptcy case, it is possible that this undertaking by the Licensor and the restrictions noted above could be rejected or deemed to be unenforceable in bankruptcy and thereafter relieve the Licensor of any of these restrictions.

Limited Value of Collateral. If the Collateral Agent were to foreclose on the collateral held by the Collateral Agent and securing the Senior Bonds, the proceeds from any such foreclosure might be insufficient to retire the Senior Bonds in full. The facilities of the Borrower will not be general purpose facilities, will be specifically constructed to suit the specific production needs of the Borrower and would be of limited utility for purposes other than those for which they are intended and will likely be unsuitable for other industrial or commercial uses. As a result, in the event of a default by the Borrower under the Deed of Trust, the number of entities that could be expected to purchase or lease the Site and the Plant in the event of foreclosure may be limited.

The ability of the Collateral Agent to realize funds from the sale or rental of the Site and the Plant following an event of default may be limited, and such proceeds will likely be less than the amount of the Senior Bonds then outstanding. Foreclosure proceedings may also be subject to substantial delays. Attempts to foreclose on commercial property are frequently met with defensive measures such as protracted litigation and bankruptcy proceedings, and such defensive measures will greatly increase the expense and time involved in achieving such foreclosure or other realization. The net proceeds received by the Collateral Agent at foreclosure may thus be further reduced as a result of such procedural difficulties and delay and may be less than the principal amount of the Senior Bonds then outstanding. In addition, in the event of a taking (A) of the Plant, or (B) of all or part of the Site utilized by the Plant but not the Plant itself, there can be no assurance that the proceeds or damages, as the case may be, of such taking will be adequate to pay the principal of, premium, if any, or interest on the Senior Bonds.

Site Conditions. While a Phase I Environmental Site Assessment was conducted by the Borrower in January 2014, which identified no recognized environmental conditions expected to have a significant environmental impact, and an Environmental Impact Statement was prepared in July 2000, which contained a negative declaration, indicating there is no substantial evidence that the Project or any of its aspects could result in significant adverse environmental impacts, the Borrower has not allocated any money for any environmental investigation or remediation of any environmental conditions at the Site. Any environmental problems at the Site could adversely affect the value of the Collateral Agent's security interest in the Plant. While the Borrower has entered into an Environmental Indemnity Agreement in favor of the Collateral Agent, there can be no assurance that the Borrower will have the resources to honor its obligations under the Environmental Indemnity Agreement in the event of a substantial claim thereunder.

Risks Related to Governmental Regulation, Approvals and Permits. While the Borrower has secured all permits necessary for the Plant in its current state of completion and expects that it, or its contractors, can obtain any further permits necessary for the Plant without material cost or delay, the Borrower has not yet obtained all permits necessary to operate the Plant, nor undergone regulatory inspections to allow for such operation, and there is no guarantee that there will not be a cost or time delay associated with such. Additionally, legislative, regulatory, administrative or enforcement actions, including, without limitation, a change in law or technology that imposes more comprehensive or stringent requirements or redefines what satisfies the Maximum Achievable Control Technology standard under the Clean Air Act, 42 U.S.C. § 7401, et. seq., could adversely affect the operation of the Plant.

Risks Related to Tax Exemption

Under certain circumstances, interest on the 2020 Senior Bonds could become includable in gross income for federal income tax purposes. See "TAX MATTERS." Furthermore, the occurrence of certain events, including the exercise of creditor remedies under the Senior Indenture by the owners of the 2017 Senior Bonds, or the failure of the Borrower to comply with certain covenants contained in the Loan Agreement, may result in the interest on the 2020 Senior Bonds being includable in gross income for federal income tax purposes from the date the 2020 Senior Bonds were first issued.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2020 Senior Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2020 Senior Bonds. If the tax-exempt status of the 2020 Senior Bonds is affected by any future change of law, it will have no impact on the interest rate on the 2020 Senior Bonds and there will be no increase in the interest rate on the 2020 Senior Bonds as a result of any such change.

The Internal Revenue Service (“IRS”) has an active enforcement program which examines tax-exempt bonds. No assurance can be given that the IRS will not examine a Bondholder, the Borrower or the 2020 Senior Bonds. If such an examination were to occur, it could have an adverse impact on the marketability and price of the 2020 Senior Bonds and could lead to claims by the IRS for payment of substantial amounts to resolve any issue.

Risks Related to Lack of Liquidity and Restrictions on Transferability

The 2020 Senior Bonds are a new issue of securities for which there is currently no public market. Because of the lack of credit rating and the lack of probability that an active or sustained trading market for the 2020 Senior Bonds. The Underwriters are not obligated to make any market with respect to the 2020 Senior Bonds. Accordingly, there can be no assurance that a secondary market for the 2020 Senior Bonds will develop. If a secondary market for the 2020 Senior Bonds does not develop, Holders of the 2020 Senior Bonds may be unable to resell the 2020 Senior Bonds for an extended period of time.

As described in “Notice to Investors,” during the Restricted Period, 2020 Senior Bonds may only be resold to Qualified Purchasers, provided that the Bond Trustee and the Initial Purchasers of the 2020 Senior Bonds shall have no obligation to independently establish or confirm that any transferee meets the definition of Qualified Purchaser, which restriction will limit the ability of investors to transfer 2020 Senior Bonds subsequent to their purchase. Consequently, such holders may not be able to liquidate their investments readily. The 2020 Senior Bonds should therefore be considered long-term investments in which funds are committed to maturity or until earlier mandatory sinking fund redemption. The forms of the Authority Investor Letter and Borrower/Underwriters Investor Letter that will be required of all initial purchasers of the 2020 Senior Bonds from the Underwriters are included in Appendix G hereto.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Senior Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “**Code**”), except that no opinion is expressed as to the status of interest on any 2020 Senior Bond for any period that such 2020 Senior Bond is held by a “substantial user” of the facilities

financed or refinanced by the 2020 Senior Bonds or by a “related person” within the meaning of Section 147(a) of the Code. Bond Counsel observes, however, that interest on the 2020 Senior Bonds is a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the 2020 Senior Bonds is exempt from State of California personal income taxes. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix H hereto.

To the extent the issue price of any maturity of the 2020 Senior Bonds is less than the amount to be paid at maturity of such 2020 Senior Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2020 Senior Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2020 Senior Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the 2020 Senior Bonds is the first price at which a substantial amount of such maturity of the 2020 Senior Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2020 Senior Bonds accrues daily over the term to maturity of such 2020 Senior Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2020 Senior Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2020 Senior Bonds. Beneficial Owners of the 2020 Senior Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2020 Senior Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2020 Senior Bonds in the original offering to the public at the first price at which a substantial amount of such 2020 Senior Bonds is sold to the public.

2020 Senior Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium 2020 Senior Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium 2020 Senior Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium 2020 Senior Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium 2020 Senior Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2020 Senior Bonds. The Authority and the Borrower have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2020 Senior Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2020 Senior Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2020 Senior Bonds. The exercise of creditor remedies under the Indenture may also result in interest on the 2020 Senior Bonds being included in gross income

for federal income tax purposes, possibly from the date of original issuance of the 2020 Senior Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants by the Authority and the Borrower and also assumes that creditor remedies will not be exercised in a manner that adversely affects the exclusion of interest on the 2020 Senior Bonds from gross income for federal income tax purposes. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the 2020 Senior Bonds may adversely affect the value of, or the tax status of interest on, the 2020 Senior Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2020 Senior Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2020 Senior Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2020 Senior Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2020 Senior Bonds. Prospective purchasers of the 2020 Senior Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2020 Senior Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the Borrower, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the Borrower have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2020 Senior Bonds ends with the issuance of the 2020 Senior Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the Borrower or the Beneficial Owners regarding the tax-exempt status of the 2020 Senior Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the Borrower and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the

Borrower legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2020 Senior Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2020 Senior Bonds, and may cause the Authority, the Borrower or the Beneficial Owners to incur significant expense.

LITIGATION

The Authority

There is no litigation of any nature now pending against the Authority with service of process having been completed or, to the knowledge of its officers, threatened, restraining or enjoining the issuance, sale, execution or delivery of the 2020 Senior Bonds, or in any way contesting or affecting the validity of the 2020 Senior Bonds, the validity or enforceability of the Loan Agreement or the Senior Indenture or any proceedings or transactions relating to the issuance, sale or delivery of the 2020 Senior Bonds, the pledge and application of any money or security provided for the payment of the 2020 Senior Bonds, the use of proceeds of the 2020 Senior Bonds, or the existence or powers of the Authority relating to issuance, sale and delivery of the 2020 Senior Bonds.

Borrower

There is no controversy of any nature now pending against the Borrower, Holdco or their respective members or, to their knowledge, threatened, which would contest or affect the validity or enforceability of the Loan Agreement, the Senior Indenture, the Collateral Agency Agreement, the Deed of Trust, the Security Agreement, the Environmental Indemnity Agreement, the Licensor's and Investors' Undertaking, the Pledge Agreement, the other Collateral Instruments or the tax exempt status of the 2020 Senior Bonds or which, if successful, would in the view of the Borrower or Holdco, be reasonably likely to materially adversely affect the Project or the operation or financial condition of the Borrower or the construction or operation of the Plant.

CONTINUING DISCLOSURE

No financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the 2020 Senior Bonds and the Authority will not provide any such information. The Borrower has undertaken all responsibilities for any continuing disclosure to Bondholders of the 2020 Senior Bonds as described below, and the Authority will have no liability to the Bondholders or any other person with respect to such disclosures.

The Borrower has covenanted for the benefit of the 2020 Senior Bondholders to provide certain financial information and operating data relating to the Borrower by not later than 120 days following the end of the Borrower's fiscal year beginning with the fiscal year ending December 31, 2020 (the "Annual Report"), to provide certain monthly and quarterly financial and operating data relating to the Borrower and to provide notices of the occurrence of certain specified events. The Annual Report and notices of certain specified events, if any, will be filed by the Borrower with the Municipal Securities Rulemaking Board ("MSRB") in an electronic format as prescribed by the MSRB. The specific nature of the information to be contained in the Annual Report and

the events of which notice is to be provided as set forth in “APPENDIX I – CONTINUING DISCLOSURE UNDERTAKING.”

The Borrower entered into a continuing disclosure undertaking for the benefit of the bondholders of the 2017 Senior Bonds. The Borrower posted on EMMA the Fiscal Year 2018 fourth quarter report twenty-seven days after the filing deadline. The Borrower should have provided a comparative form of the figures for the corresponding period in the previous year in the quarterly reports, but did not include such comparative figures. Additionally, in two instances certain information was posted without the certification of the Borrower. The Borrower has enhanced its continuing disclosure filing procedures to help ensure that information that is filed on EMMA in the future contains all required information. Also, the Borrower posted the February 2020 construction report approximately two weeks late and did not file construction report updates for March through July.

UNDERWRITING

Citigroup Global Markets Inc. and Stifel, Nicolaus & Company, Incorporated (collectively, the “Underwriters”), have agreed to use best efforts to place the 2020 Senior Bonds pursuant to a Bond Purchase Agreement, among the Underwriters, the State Treasurer, as agent for sale, and the Authority and agreed to by the Borrower. The Underwriters will purchase the 2020 Senior Bonds at a price equal to \$39,254,480.56 (representing the par amount of the 2020 Senior Bonds, less original issue discount equal to \$2,100,000.00 and less an underwriters’ discount equal to \$645,519.44). The Borrower has agreed to indemnify the Authority, the State Treasurer, and the Underwriters against certain liabilities or to contribute to any payments required to be made by the Underwriters relating to such liabilities, including certain liabilities under federal securities laws relating to the 2020 Senior Bonds.

NO RATINGS

No rating has been sought, or is expected to be sought in the future (other than under the circumstances described in “NOTICE TO INVESTORS”), with respect to the 2020 Senior Bonds.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of 2020 Senior Bonds are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the Authority. A complete copy of the proposed form of the opinion of Bond Counsel for the 2020 Senior Bonds is set forth as APPENDIX H hereto. Certain legal matters will be passed upon for the Authority by the Office of Honorable Xavier Becerra, Attorney General of the State of California, Sacramento, California; for the Borrower by its special counsel, Morrison & Foerster LLP and Hepner & Myers LLP; and for the Underwriters by Nixon Peabody LLP, Los Angeles, California.

Underwriters’ Counsel, Bond Counsel, Authority Counsel and Borrower’s Counsel undertake no responsibility for the accuracy, completeness or fairness of this Limited Offering Memorandum.

MISCELLANEOUS

The attached Appendices are an integral part of this Limited Offering Memorandum and must be read together with the balance of this Limited Offering Memorandum. The foregoing and subsequent summaries or descriptions of provisions of the 2020 Senior Bonds, the Senior Indenture, the Loan Agreement and other agreements and documents and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof, and statements herein are qualified in their entirety by reference to said documents for full and complete statements of their provisions.

The Borrower believes that the information contained in this Limited Offering Memorandum is correct and complete in all material respects and has no knowledge of any inaccuracy or incompleteness as to any of the information herein contained. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the Borrower, Holdco or any other party since the date hereof.

No quotations from or summaries or explanations of provisions of laws and documents herein purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. This Limited Offering Memorandum is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any of the 2020 Senior Bonds. Any statements made in this Limited Offering Memorandum involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover page hereof and the appendices attached hereto are part of this Limited Offering Memorandum.

The Authority has not provided any of the information in this Limited Offering Memorandum except for the information under the caption "AUTHORITY" and the information under the caption "LITIGATION–The Authority," solely as it pertains to the Authority, and makes no representation or warranty, express or implied, as to the accuracy of any other information in this Limited Offering Memorandum or as to the completeness of any information in this Limited Offering Memorandum.

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

By: /s/ Nancee Robles

Name: Nancee Robles

Title: Executive Director

APPROVED:

CALPLANT I, LLC

By: /s/ Jerry Uhland_____

Name: Jerry Uhland

Title: Chief Executive Officer

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APPENDIX A

GLOSSARY

Following are descriptions of certain terms used in the Limited Offering Memorandum. The descriptions do not purport to be complete or definitive and are subject in all respects to the provisions of, and each is qualified in its entirety by reference to, the respective documents to which they relate, including the Senior Indenture, the Loan Agreement, and the Collateral Agency Agreement.

“Account” and “Fund” means, respectively, an account or fund established pursuant to the Senior Indenture.

“Account Transfer Certificate” means a certificate, substantially in the form provided in the Collateral Agency Agreement, duly executed by an Authorized Representative of the Borrower, and delivered to the Collateral Agent, directing the transfer of funds from a Collateral Agent Account.

“Act” means the California Pollution Control Financing Authority Act, constituting Division 27 (commencing at 44500) of the Health and Safety Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Act of Bankruptcy” means with respect to any entity (i) the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) by or against such entity under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect; or (ii) the consent by it to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for a substantial part of such entity’s property; or (iii) the making by it of a general assignment of substantially all of its assets for the benefit of creditors; or (iv) the failure of it generally to pay its debts as they become due, or the admission by it in writing of such failure, within the meaning of the Bankruptcy Code of 1978, as amended, and judicial interpretations thereof.

“Additional Bonds” means all revenue bonds of the Authority authorized by and at any time Outstanding pursuant to, and executed, issued and delivered in accordance with Sections 2.10 and 2.11 of the Senior Indenture.

“Additional Equity Agreement” means the Additional Equity Contribution Agreement, dated as of November 1, 2018, made by Holdco and certain members of Holdco, in favor of the Collateral Agent.

“Additional Payments” means payments required to be made by the Borrower for fees and expenses pursuant to the Loan Agreement.

“Additional Supply Agreement” means the Supply Contract A0893.20, dated as of October 10, 2018, by and between the Borrower and Siempelkamp Germany, as amended.

“Administrative Fees and Expenses” means the reasonable and necessary expenses incurred by the Authority pursuant to the Loan Agreement, the Senior Indenture, or the Collateral Agency Agreement, and the reasonable and necessary compensation and expenses paid to or incurred by the Bond Trustee, the Bond Registrar, the Collateral Agent and/or any Paying Agent under the Loan Agreement, the Senior Indenture, or the Collateral Agency Agreement, which include but are not limited to printing of Bonds, accomplishing transfers or new registration of Bonds, or other charges and other disbursements including those of their respective

officers, directors, members, attorneys, agents and employees incurred in and about the administration and execution of the Loan Agreement, the Senior Indenture, and the Collateral Agency Agreement.

“Affiliate” in relation to any Person (the “relevant party”) means any other Person (i) that, directly or indirectly, Controls, is Controlled by or is under common Control with the relevant party, (ii) that beneficially owns or Controls more than fifty percent (50%) of the voting capital stock of the relevant party or (iii) of which more than fifty percent (50%) of the voting capital stock is owned or Controlled by the relevant party; where **“Control”**, **“Controls”** and **“Controlled”** mean, with respect to any Person, the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting capital stock, by contract or otherwise.

“Amortized Value” means with respect to the 2020 Senior Bonds issued on a discount basis, the principal amount of the 2020 Senior Bonds to be redeemed multiplied by the price of such 2020 Senior Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the date of redemption, a maturity date equal to the Par Call Date of such 2020 Senior Bonds and a yield equal to the original offering yield of such 2020 Senior Bonds.

“Annual Debt Service” means, for each Bond Year, the sum of (1) the interest becoming due on the Outstanding Bonds in such year, assuming that the Bonds are retired (whether at maturity or by Mandatory Sinking Fund Payments) as scheduled, and (2) the principal becoming due (whether at maturity or by Mandatory Sinking Fund Payments) with respect to the Outstanding Bonds due by their terms in such year.

“Authority” means the California Pollution Control Financing Authority created pursuant to, and as defined in, the Act.

“Authorized Denomination” means (i) during the Restricted Period, \$250,000 or any integral multiple of \$5,000 in excess thereof, or (ii) thereafter, \$5,000 or any integral multiple thereof; provided, however, that if it is not possible to deliver every Bond required or permitted to be Outstanding in the denominations permitted above following any optional or mandatory redemption pursuant to the terms of the Senior Indenture, one Bond of each maturity and Series may be delivered, but only to the extent necessary, in a different denomination.

“Authorized Representative of the Borrower” means, for purposes of the Senior Indenture and the Loan Agreement, the individual or individuals at the time designated to act on behalf of the Borrower by a written certificate signed by the Borrower, furnished to the Bond Trustee, the Technical Advisor, the Construction Monitor, the Collateral Agent and the Authority, containing the specimen signature of each such individual. For purposes of the Collateral Agency Agreement, “Authorized Representative of the Borrower” means any person specified as such in the Collateral Agency Agreement or in a notice to the Collateral Agency from the Borrower.

“Bankruptcy Code” means Title 11 of the United States Code, entitled “Bankruptcy”, as amended from time to time.

“BCM” means BCM Construction.

“Beneficial Owners” means, with respect to any Bond, a Person owning a Beneficial Ownership Interest therein.

“Beneficial Ownership Interest” means the right of the owners to receive for its own account, held directly or indirectly with a Direct Participant, payments made by the Bond Trustee, the Borrower or the Authority with respect to a specified principal amount of Bonds with a specified CUSIP held by DTC under the Book-Entry System.

“Board” means Holdco’s board of directors.

“Bond” or “Bonds” means the Senior Bonds.

“Bond Counsel” means any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, acceptable to the Authority, and duly admitted to practice law before the highest court of any state of the United States of America but shall not include counsel for the Borrower or any Participating Affiliate of the Borrower.

“Bond Financing Documents” means the Senior Indenture, the Bonds, the Loan Agreement, the Collateral Agency Agreement, the Collateral Instruments, the Tax Certificate, the Additional Equity Agreement, the Licensor’s and Investors’ Undertaking, and any other documents delivered to or for the benefit of the Bond Trustee or the Collateral Agent by any Borrower Party in connection with the Loan Agreement or the Senior Indenture, all as heretofore amended and as may be amended as permitted by the Senior Indenture and the Loan Agreement.

“Bondholder” See “Holder.”

“Bond Payment Date” means, collectively, any Interest Payment Date or Principal Payment Date.

“Bond Purchase Agreement” means the Bond Purchase Agreement for the 2020 Senior Bonds to be entered into by and, among the Underwriters, the Treasurer of the State of California, and the Authority and approved by the Borrower.

“Bond Registrar” or “Registrar” means the entity or entities performing the duties of the bond registrar pursuant to the Senior Indenture.

“Bond Trustee” or “Senior Indenture Trustee” means BOKF, N.A., a successor trustee, together with its successors from time to time in such capacity.

“Bond Year” means (1) with respect to the initial Bond Year, the period from the date the Bonds are originally delivered to and including the first succeeding July 1, and (2) thereafter, each twelve-month period from July 2 in any calendar year to and including July 1 in the following calendar year.

“Borrower” means CalPlant I, LLC, a limited liability company duly organized and existing under the laws of the State of California, but does not mean any Participating Affiliate of the Borrower.

“Borrower Funds Account” has the meaning specified in the Collateral Agency Agreement.

“Borrower Party” means each of Holdco, the Borrower, Licensor or any Subsidiary of Holdco that is party to any Bond Financing Documents, for purposes of the Senior Indenture and Loan Agreement. For purposes of the Collateral Agency Agreement, “Borrower Party” means Holdco and the Borrower.

“Borrower Revenues” means, in relation to any period, all amounts received by the Borrower in respect of:

- (a) all amounts received under the Project Documents or otherwise in respect of sales by the Borrower;
- (b) interest and income in respect of the Project Accounts;
- (c) insurance proceeds in relation to delay in start-up and business interruption insurances paid to the Borrower;

- (d) delay liquidated damages, performance liquidated damages and termination liquidated damages paid to the Borrower;
- (e) Tax refunds; and
- (f) any other amount as the Borrower may reasonably specify to constitute revenues from the Plant, in each case on a cash basis rather than an accrual basis and in any event does not include equity.

“Business Day” means a day of the year on which banks are not required or authorized by law to close in New York City, New York, San Francisco, California, or the city in which the Bond Trustee or the Collateral Agent maintains its principal offices.

“CalAg” means CalAg, LLC.

“Calculation Date” means each June 30 and December 31 of each year, provided that the first Calculation Date shall be December 31, 2019.

“Calculation Period” means, with respect to any Calculation Date, (a) for the purpose of calculating the Historic Debt Service Coverage Ratio, the one-year period ending with the Calculation Date, and (b) for the purpose of calculating the Forward Looking Debt Service Coverage Ratio, the one-year period beginning with the day immediately following the Calculation Date.

“Capital Expenditure” means any expenditure (including any reinvestment of proceeds but excluding any replacement of assets out of insurance proceeds) or obligations in respect of expenditure (but excluding payments of rent under any lease, whether under GAAP such lease is considered a finance lease, operating lease or capital lease) for the acquisition of equipment, fixed assets, real property, intangible assets and other assets of a capital nature, or for the replacements or substitutions therefor or additions or improvements thereto, in each case which would be treated as a capital asset in accordance with GAAP, together with costs incurred in connection therewith.

“CFP” means Columbia Forest Products, Inc.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means the interest of the beneficiary or secured party created under the terms of the Collateral Instruments, the security represented by the Pledged Parent Collateral, the Collateral Agent Accounts and all funds from time to time held in the Collateral Agent Accounts, and the Proceeds of each of the foregoing.

“Collateral Agency Agreement” means the Amended and Restated Collateral Agency and Intercreditor Agreement, entered into by and among the Borrower, the Bond Trustee, the Subordinate Bond Trustee and the Collateral Agent, dated August 7, 2019, as amended by the First Amendment to Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of the Third Supplement Effective Date, among the Borrower, the Bond Trustee, the Subordinate Bond Trustee and the Collateral Agent, and attached to this Limited Offering Memorandum as APPENDIX D.

“Collateral Agent” means BOKF, N.A., in its capacity as successor collateral agent under the Collateral Agency Agreement, or its successor as Collateral Agent thereunder.

“Collateral Agent Accounts” means the accounts required to be maintained by the Collateral Agent under the terms of Article III of the Collateral Agency Agreement.

“Collateral Instruments” means the Deed of Trust, the Pledge Agreement and other instruments described on Schedule 1 to the Collateral Agency Agreement, and all other security agreements, pledge agreements, control agreements, collateral assignments, mortgages, deeds of trust or other grants or transfers for security, or agreements related to any of the foregoing, executed and delivered by any Borrower Party and creating (or purporting to create) a Lien in favor of the Collateral Agent to secure any Secured Obligations, in each case as amended, modified, renewed, restated or replaced as permitted under the terms of the Collateral Agency Agreement. For purposes of the Senior Indenture and the Loan Agreement, Collateral Instruments also includes the Licensor’s and Investor’s Undertaking.

“Commercial Operations Date” means the first date on which both:

- (a) Plant Acceptance has occurred; and
- (b) the Technical Advisor has verified that the Post Acceptance Run has been achieved as set out in the PAR Certificate.

“Condemnation” means a temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Plant or the Site, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Plant or the Site or any part thereof.

“Construction Agreements” means (a) the Standard Form of Agreement Between Owner and Contractor dated as of August 23, 2018, between the Borrower, as owner, and Casey Industrial Inc., as contractor, (b) Construction Services Agreement, dated September 27, 2018, between the Borrower, as owner, and Phoenix Industrial, Inc., as contractor and (c) the Construction Services Agreement, dated as of September 27, 2018, by and between the Borrower and ILB, and (d) the Installation Contract, as each of the same may be (i) amended in accordance with its terms, but only as permitted by the Bond Financing Documents, and (ii) replaced as permitted by the Bond Financing Documents.

“Construction Bond” means the performance bonds issued in respect of the Contractors’ obligations under the Construction Agreements (but such term does not include the SICO Guarantee issued in connection with the Installation Contract).

“Construction Budget” means the construction budget for the development, construction, equipping and improvement of the Plant, in the form certified by the Borrower on the Delivery Date and attached to the Loan Agreement, as amended from time to time in accordance with the Bond Financing Documents.

“Construction Monitor” means Harris Group Inc., or such other construction management firm as may be appointed as the “Construction Monitor” (a) until the Senior Bonds Repayment Date under the terms of the Loan Agreement, and (b) thereafter, under the terms of the Subordinate Loan Documents.

“Construction Replacement Provisions” has the meaning provided in the Senior Indenture.

“Construction Surety” means the sureties that are the issuers of the Construction Bonds in respect of the Contractors’ obligations under the Construction Agreements.

“Contingency Fund” means the fund by that name created pursuant to the Senior Indenture.

“Contingency Fund Capital Budget” means the budget attached to the Third Supplemental Indenture.

“Contractors” means the contractors that are parties to the Construction Agreements.

“Costs of the Tax-Exempt Project” means the sum of the items, or any such item, authorized to be paid from the Project Fund, the 2020 Project Fund or the Contingency Fund pursuant to the Senior Indenture and the Tax Certificate, but shall not include any Costs of Issuance.

“COVID-19 pandemic” means the outbreak of SARS-Cov-2, a strain of coronavirus that can result in serious illness, which has been declared a pandemic by the World Health Organization.

“Debt Documents” means the Senior Bond Documents and Subordinate Loan Documents.

“Debt Representatives” means, with respect to the Senior Bond Documents and the Senior Bondholders, the Senior Indenture Trustee and, with respect to the Subordinate Loan Documents and the holders from time to time of the Subordinate Loan Obligations, the Subordinate Loan Representative.

“Debt Service” means, for any period, the aggregate of all amounts required to be paid by the Borrower to the Bond Trustee under the terms of the Bond Financing Documents during such period by way of:

- (a) repayments of principal in respect of the Bonds; and
- (b) interest, fees, commissions, costs, indemnity payments and expenses under the Bond Financing Documents, including any Additional Payments under the Loan Agreement and any other Excluded Moneys.

“Debt Service Fund” means the fund by that name established pursuant to the Senior Indenture.

“Deed of Trust” means the Line of Credit Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing entered into among the Borrower, as trustor, Fidelity National Title Company, as trustee under the deed of trust, and the Collateral Agent, as beneficiary, dated as of the June 14, 2017, and as subsequently amended in accordance with the terms of the Collateral Agency Agreement.

“Delivery Date” means the date of initial issuance and delivery of the 2020 Senior Bonds.

“Designated Investors” means the investors holding at least 75% of the membership interests in Holdco, pledged to secure the 2019 Subordinate Bonds.

“Direct Participants” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Bonds as securities depository.

“Distribution” means:

- (a) any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of the equity share capital of the Borrower (or any part or class thereof);
- (b) any redemption, reduction, repurchase, defeasance, retirement or repayment of share capital, share premium or other capital reserves of the Borrower;
- (c) any repayment of principal, payment of interest or payment of other amounts in respect of intragroup loans granted to the Borrower; or
- (d) any other payment of management, advisory or other fee or distribution of any kind by the Borrower, in each case to any of Holdco or any Participating Affiliate of Holdco; or

- (e) any repayment of principal, payment of interest or payment of other amounts in respect of the Subordinate Loan Obligations, other than from any reserve funds held under the terms of the Subordinate Loan Documents.

“Distribution Requirements” has the definition provided in the Senior Bond Indenture.

“DTC” means The Depository Trust Company, New York, New York, any successor thereto, or any successor securities depository for the Bonds.

“EMMA” means the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board as provided at <http://www.emma.msrb.org>.

“Environmental Indemnity Agreement” means the Environmental Indemnity Agreement entered into by and between the Collateral Agent and the Borrower, dated June 14, 2017, and as subsequently amended in accordance with the terms of the Collateral Agency Agreement.

“Environmental Permits” means any authorization, permit, right, consent, approval, resolution, license, exemption, waiver, filing, notarization or registration issued by any Governmental Authority and the filing of any notification, report or assessment with any Governmental Authority required under any Environmental Requirement for the operation of the Plant.

“Equipment” has the meaning provided to such term in the Equipment Supply Agreements.

“Equipment Performance Tests” means the test of the performance of the Siempelkamp Equipment following First Board to be performed to demonstrate that the Siempelkamp Equipment is capable of achieving the Minimum Performance Levels and, as applicable, the SICO Guaranteed Values in accordance with the Equipment Supply Agreements.

“Equipment Supply Agreements” means the Siempelkamp Equipment Supply Contract and the Additional Supply Agreement.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination, in each case including all voting rights and economic rights related thereto.

“ERISA” means the Employee Retirement Income Security Act of 1974, and any regulations issued pursuant thereto, as amended or replaced and as in effect from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 4001(a)(14)(B) of ERISA or Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or receipt by the Borrower or any ERISA

Affiliate of notification that that a Multiemployer Plan is in reorganization or insolvent; (d) the filing of a notice of intent to terminate, the treatment of a Multiemployer Plan amendment as a termination under Section 4041 or 4041A of ERISA or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (f) the incurrence of an accumulated funding deficiency, within the meaning of Section 412 of the Code or Section 302 of ERISA, or application for a waiver or modification of the minimum funding standard or an extension of any amortization period under Section 412 of the Code or Section 303 or 304 of ERISA with respect to a Pension Plan; or (g) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

“Event of Default” means any of the events specified in Section 7.01 of the Senior Indenture.

“Excess Proceeds Account” means the account by that name established pursuant to the Senior Indenture.

“Excluded Loss Proceeds” means any Loss Proceeds that are not required to be deposited in the Senior Bond Indenture Revenue Fund under the provisions of Section 7.08 of the Collateral Agency Agreement.

“Excluded Moneys” means Additional Payments to the extent payable to the Authority under the Loan Agreement and other specified payments under the Loan Agreement.

“Excluded Property” has the meaning ascribed to such term in the Security Agreement.

“Extraordinary Expenses” means expenses of the Borrower in connection with the Project that relate to any of the following:

- (a) unanticipated repairs to or replacement of equipment or improvements at the Project, in such estimated amounts as are certified to be reasonable by the Technical Advisor;
- (b) repairs and other expenses incurred as a result of uninsured casualty, or insured casualty but prior to the receipt of the related insurance proceeds, in such estimated amounts as are certified to be reasonable by the Technical Advisor;
- (c) prior to the Commercial Operations Date, any expenses of achieving the Post-Acceptance Run for which other funds are not available, at the time required to be paid, from the Borrower Funds Account, the Project Development Account, or otherwise under the Debt Documents, as certified to be appropriate by the Technical Advisor to achieving the Post Acceptance Run; or
- (d) emergencies involving the imminent risk of substantial personal injury or property damage, as reasonably determined by the Borrower.

If (i) the Technical Advisor is unavailable to certify to the reasonableness of such estimated amounts necessary for the repairs described in clauses (a) or (b) of this definition and (ii) such repairs are necessary (in the Borrower’s good faith opinion) for the Plant to continue to operate on a substantially continuous and commercially reasonable basis, then, in lieu of a certification from the Technical Advisor, the expenses of such repairs shall nevertheless be deemed Extraordinary Expenses upon Borrower’s delivery to the Collateral Agent of a certificate of an Authorized Representative of the Borrower, certifying to the foregoing.

“Feedstock” means rice straw or other appropriate feedstock for the operation of the Project.

“Feedstock Expense Reserve Account” means the account by that name as described in the Collateral Agency Agreement.

“Feedstock Expense Reserve Requirement” means, for each calendar year from and after the calendar year in which the Commercial Operations Date occurs and for any date of calculation, (a) as of the last day of the First Semiannual Period of the calendar year, an amount equal to 50% of the estimated amounts of the expenses for Feedstock provided for in the Operating Budget for the calendar year, and (b) as of the Transfer Date preceding each month in the Second Semiannual Period of the calendar year, an amount (but not less than zero) equal to (i) the amount described in clause (a) of this definition, plus (ii) one-twelfth of the estimated amounts of the expenses for Feedstock provided for in the Operating Budget for the calendar year (multiplied by the number of months in the Second Semiannual Period for which the Transfer Dates have occurred), less (iii) the amounts of expenditures for Feedstock that have been paid as of the date of calculation and in the calendar year in which the date of calculation occurs.

“Final Tax-Exempt Project Completion Date” means the date on which the Tax-Exempt Project is complete, as certified to the Bond Trustee, the Authority and the Collateral Agent by the Borrower and the Construction Monitor (after any consultation with the Technical Advisor required by the Construction Monitor), pursuant to the Loan Agreement.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) debit balances at banks or other financial institutions;
- (c) any amount raised by acceptance under any acceptance credit or bill discounting facility (or dematerialized equivalent);
- (d) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (other than the Bond Financing Documents);
- (e) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (g) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under GAAP;
- (h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (j) all unconditional obligations to purchase, redeem, retire, defease or otherwise acquire for value any of its capital stock or equity interests or any warrants, rights or options to acquire such capital stock or other equity interests and any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the final maturity of the Bonds or are otherwise classified as borrowings under GAAP);

- (k) all obligations to pay the deferred purchase price of property or services, except trade accounts payable for property or services and arising in the ordinary course of business;
- (l) all indebtedness of others secured by a Lien on any asset of the Person in question, whether or not such indebtedness is assumed by such Person; or
- (m) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (l) above.

“Financial Model” means the detailed cash flow model in Excel developed by the Borrower and provided to the Authority prior to the Initial Delivery Date, and any update prepared by the Borrower as reasonably determined by the Borrower from time to time.

“First Board” means the first solid board produced when raw material is run through the system to culminate in the production of such board. The First Board has no quality requirements.

“First Semiannual Period” means, for any calendar year, the period commencing on January 1 and ending on June 30 of the calendar year.

“Fiscal Year” means the period beginning on January 1 of each year and ending on the next succeeding December 31, or any other twelve-month, or fifty-two week, period hereafter selected and designated as the official fiscal year period of the Borrower.

“Fitch” means Fitch, Inc. a corporation organized and existing under the laws of the State of Delaware, doing business as Fitch Ratings, its successors and their assigns, or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a nationally recognized statistical rating organization, “Fitch” shall be deemed to refer to any other nationally recognized statistical rating organization (other than S&P or Moody’s) designated by the Authority, with the approval of the Borrower, by notice to the Bond Trustee.

“Force Majeure Adjusted Date” means the earlier to occur of (a) the fifth anniversary of the Initial Delivery Date, plus the amount of time that a Force Majeure Event has delayed the occurrence of the Commercial Operations Date as determined by the Construction Monitor (if the Force Majeure Event occurs before Plant Acceptance) or the Technical Advisor (if the Force Majeure Event occurs after Plant Acceptance) and (b) the sixth anniversary of the Initial Delivery Date.

“Force Majeure Event” means occurrences which are beyond the reasonable control of the applicable party (including its subcontractors), but only if, and to the extent:

- (a) such occurrence, despite the exercise of reasonable diligence and efforts, cannot be prevented, avoided or removed by the applicable party;
- (b) such occurrence materially adversely affects the ability of the applicable party to fulfill its contractual obligations relating to the Plant;
- (c) the applicable party has taken all reasonable precautions, due care and commercially reasonable alternative measures in order to avoid the effect of such occurrence on the applicable party’s ability to fulfill its contractual obligations relating to the Plant and to mitigate the consequences thereof;
- (d) such occurrence is not the result of any failure of the applicable party to perform any of its contractual obligations relating to the Plant or any negligence of the applicable party; and

- (e) where the applicable party is a Contractor or the Borrower, the applicable party has at all relevant times conducted itself in accordance with Prudent Operating Practice.

No Loan Event of Default due to the negligent or intentional acts of the Borrower, or acts or omissions of other parties (unless such acts or omissions of other parties are themselves caused by an occurrence that would otherwise constitute a Force Majeure Event) shall be deemed a Force Majeure Event. No Force Majeure Event shall excuse any failure of the Borrower to make any payment to the Bond Trustee or the Collateral Agent required by the terms of the Bond Financing Documents.

“Forward Looking Debt Service Coverage Ratio” means, for any Calculation Period, the ratio of (a) the Income Available for Debt Service for the Calculation Period, as projected by the Borrower in good faith and in a manner consistent with any relevant Operating Budget, divided by (b) the amount of the scheduled Debt Service on the Senior Bonds for the Calculation Period; provided that, for the first two Calculation Periods (notwithstanding the principal payments that are payable by the Borrower under the Loan Agreement, if any), scheduled principal payments for purposes of calculating Debt Service on the Senior Bonds for the Calculation Period shall be deemed to be equal to \$2,500,000.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination. If at any time any change in GAAP (from GAAP as in effect on the Delivery Date) would affect the computation of any financial ratio or requirement set forth in any Bond Financing Document, the Borrower may propose in good faith any amendment of the Bond Financing Documents necessary to preserve the original intent of such ratio or requirement in light of such change in GAAP, which amendment the Borrower must obtain the prior written consent of the Required Bondholders.

“Governmental Approval” means any approval, consent, waiver, exemption, variance, order, judgment, decree, permit, authorization, grant, lease, right, resolution, ruling, certification or license from or by a Governmental Authority, including any Environmental Permits.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, board, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government.

“Hazardous Substances” means any pollutant, contaminant, hazardous substance, hazardous waste, toxic substance, petroleum or petroleum-derived substance, asbestos, asbestos-containing materials, polychlorinated biphenyls, radioactive material, or other compound, element, chemical material or substance that is regulated by or under or for which liability may be imposed under any Environmental Requirement.

“Historic Debt Service Coverage Ratio” means, for any Calculation Period, the ratio of (a) Income Available for Debt Service for the Calculation Period, divided by (b) the amount of Debt Service for the Calculation Period, provided that, for the first two Calculation Periods (notwithstanding the principal payments that are payable by the Borrower under the Loan Agreement, if any), principal payments for purposes of calculating Debt Service for such Calculation Periods shall be deemed to be equal to \$2,500,000.

“Holdco” means CalPlant I Holdco, LLC, a Delaware limited liability company.

“Holdco Operating Agreement” means the Third Amended and Restated Operating Agreement of Holdco, dated as of August 7, 2019, and as amended, modified, renewed, restated or replaced as permitted under the Licensor’s and Investor’s Undertaking.

“Holdco Unit Purchase Agreement” has the meaning ascribed to such term in the Collateral Agency Agreement.

“Holder” or **“Bondholder,”** or **“Owner,”** whenever used with respect to a Bond, means the Person in whose name such Bond is registered.

“Huntsman” means Huntsman International, LLC.

“ILB” means International Line Builders, Inc.

“Income Available for Debt Service” means, for the purpose of calculating the Historic Debt Service Coverage Ratio or the Forward Looking Debt Service Coverage Ratio for any Calculation Period, the amount of (a) all Borrower Revenues for the Calculation Period, less (b) the sum of (i) all Operating Expenses paid (in the case of the Historic Debt Service Coverage Ratio) or projected to be paid (in the case of the Forward Looking Debt Service Coverage Ratio) during the Calculation Period, and (ii) any Capital Expenditures paid (in the case of the Historic Debt Service Coverage Ratio) or projected to be paid (in the case of the Forward Looking Debt Service Coverage Ratio) during the Calculation Period, other than Capital Expenditures paid (in the case of the Historic Debt Service Coverage Ratio) or projected to be paid (in the case of the Forward Looking Debt Service Coverage Ratio) from (X) the Major Maintenance Reserve Fund or (Y) Loss Proceeds, provided that for the purpose of this definition “Borrower Revenues” shall include the proceeds of business interruption insurance to the extent that such proceeds are received or projected to be received for a period not exceeding three (3) months in any consecutive twelve (12) –month period and shall be deemed allocated in equal one-twelfth (1/12) portions over each of the next succeeding twelve (12) months from the first day such insurance proceeds were received or are projected to be received.

“Indenture Trustees” means the Bond Trustee and the Subordinate Bond Trustee.

“Initial Delivery Date” means June 14, 2017, the date of the initial issuance and delivery of the 2017 Senior Bonds.

“Initial Purchasers” means each of the purchasers of the 2020 Senior Bonds identified in the Bond Purchase Agreement.

“Installation Contract” means Installation Contract A0893.80, dated as of October 10, 2018, by and between the Borrower and Siempelkamp USA.

“Institutional Accredited Investor” means any Person who falls within the categories defined in Rule 501(a)(1), (2), (3) or (7) adopted under the Securities Act of 1933, as in effect on the Delivery Date.

“Interest Account” means the account by that name in the Debt Service Fund established pursuant to the Senior Indenture.

“Interest Payment Date” means, with respect to the 2020 Senior Bonds, without duplication, each Principal Payment Date and each January 1 and July 1, commencing January 1, 2021.

“Invalidity Event” means the Senior Indenture or the Loan Agreement becoming void or unenforceable or impossible of performance in accordance with the intention and purposes of the parties thereto or being declared unlawful, in each case, as a result of any changes in the Constitution of the United States of America or the California Constitution or as a result of any legislative, judicial or administrative action.

“Investor Representation Letters” means the Authority Investor Letter and Borrower/Underwriters Investor Letter in the forms attached hereto as APPENDIX G.

“IRS” means the Internal Revenue Service.

“License Agreement” means the Intellectual Property Agreement, dated as of the Initial Delivery Date, initially between CalAg and the Borrower, and as assigned by CalAg to, and assumed by, the Licensor on the Initial Delivery Date.

“Licensed Territory” means Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.

“Licensor” means Agfiber IP, LLC.

“Licensor’s and Investors’ Undertaking” means the Licensor’s and Investors’ Undertaking, dated as of the Initial Delivery Date, entered into by the Borrower, Holdco, Licensor and certain members of Holdco, in favor of the Collateral Agent, as amended by the First Amendment to Licensor’s and Investors’ Undertaking, dated December 20, 2018, as amended by the Second Amendment to Licensor’s and Investors’ Undertaking, dated August 7, 2019, and as further amended, modified, renewed, restated or replaced as permitted by the Senior Bond Documents or, following the Senior Bonds Repayment Date, under the terms of the Subordinate Loan Documents.

“Lien” means, with respect to any asset, any deed of trust, mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of the asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement and any lease that constitutes a security interest.

“Loan Agreement” means the Loan Agreement, dated as of June 1, 2017, as amended, entered into by and between the Authority and the Borrower, and attached to this Limited Offering Memorandum as APPENDIX C, as further amended from time to time pursuant to its terms.

“Loan Default Event” means any one or more of the events specified in Section 7.1 of the Loan Agreement.

“Loan Repayments” means the payments required to be made by the Borrower pursuant to the Loan Agreement.

“Local Bank Account” means an account in the name of the Borrower at such banking institution as the Borrower may from time to time designate to the Collateral Agent, which account shall be subject to a security interest in favor of the Collateral Agent in accordance with the terms of the Security Agreement.

“Loss Proceeds” means (a) any proceeds under any property insurance coverages relating to the Plant and (b) any awards or similar payments made in connection with or in lieu of any Condemnation, in either case net of any attorneys’ fees or other costs of collection.

“Major Maintenance Reserve Account” means the account as specified in the Collateral Agency Agreement.

“Major Maintenance Reserve Requirement” means, as of any date of calculation from and after the first day of January first following the Commercial Operations Date, an amount equal to (a) the estimated amounts of Capital Expenditures scheduled to be paid in the calendar year in which the date of calculation occurs (as reflected in the Operating Budget for the calendar year in which the date of calculation occurs), *plus* (b) one-half of the estimated amounts of Capital Expenditures scheduled to be paid in the two calendar years following the calendar year in which the date of calculation occurs (as reflected in the Operating Budget for the calendar year in which the date of calculation occurs), *less* (c) the amounts of Capital Expenditures that have been paid as of the date of calculation and in the calendar year in which the date of calculation occurs.

“Mandatory Sinking Fund Payment” means the payments so designated and required to be made pursuant to the Senior Indenture.

“Mandatory Sinking Fund Payment Date” means any date on which a Mandatory Sinking Fund Payment is payable pursuant to the Senior Indenture.

“Material Adverse Effect” means a material adverse effect on (i) the business, financial condition, results of operations or properties of the Borrower, (ii) the ability of the Borrower to perform any of its material obligations under the Loan Agreement, the Collateral Agency Agreement, the Collateral Instruments, the other Transaction Documents or any other material related agreement to which the Borrower is a party (other than the Subordinate Loan Documents) or (iii) the legality, validity or enforceability of, or the rights and remedies of the Authority, the Bond Trustee, or the Holders, under the Bond Financing Documents or any other related agreement to which the Borrower is a party (other than the Subordinate Loan Documents), in each case described in the foregoing clauses (i) through (iii), that is reasonably expected to have a material adverse effect on the ability of the Borrower to make Loan Repayments as the same become due.

“Material Company” means each of (a) Siempelkamp Germany, but only until all its material obligations under the Equipment Supply Agreements have been discharged, and (b) each of the Contractors, but only until all their respective material obligations under the applicable Construction Agreement have been discharged. From and after any replacement of any Material Company pursuant to the Construction Replacement Provisions, then the replacement counterparty shall be deemed to be a Material Company and the counterparty it replaces shall be deemed to be no longer a Material Company.

“Material Contract” means each of the Construction Agreements, the Equipment Supply Agreements, and each other material contract in relation to the Plant entered into by the Borrower with a Material Company. From and after any replacement of any Material Contract pursuant to the provisions of the Senior Bond Indenture, then the replacement contract shall be deemed to be a Material Contract and the contract it replaces shall be deemed to be no longer a Material Contract.

“Maximum Annual Debt Service” means the amount of Annual Debt Service for that Bond Year during which the Annual Debt Service for the Bonds or, with respect to the calculation of the Reserve Fund Requirement for a Series, the Series of Bonds, is the largest, beginning with the next succeeding Bond Year.

“MDF” means medium density fiberboard.

“MDI” means Methylene Diphenyl Diisocyanate.

“Mechanical Completion” means the point at which the Plant is ready for start-up and testing but prior to the production of the First Board.

“Minimum Performance Levels” means those technical requirements of the Siempelkamp Equipment set forth in the Siempelkamp Equipment Supply Contract, as demonstrated by the Equipment Performance Tests, that, if not met, will entitle the Borrower to terminate the Siempelkamp Equipment Supply Contract as set forth in Section 7.4.2 of the Siempelkamp Equipment Supply Contract.

“MMsf” means million square feet.

“MMsf 3/4” means million square feet on a 3/4 inch thickness basis.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a nationally recognized statistical rating organization, “Moody’s”

shall be deemed to refer to any other nationally recognized statistical rating organization (other than S&P or Fitch) designated by the Authority, with the approval of the Borrower, by notice to the Bond Trustee.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA to which the Borrower or any of its ERISA Affiliates is or has been obligated to contribute.

“Obligations” means, with respect to any indebtedness, any principal, interest, premium, fees, expenses, indemnifications, reimbursements, prepayments, premium, damages and other liabilities payable and performance obligations under the documentation governing the applicable indebtedness.

“Occator” means Occator Agricultural Properties, LLC.

“Operating Budget” means, for any calendar year for which an operating budget of the Borrower is required under Section 5.16 of the Loan Agreement or, after the Senior Bonds Repayment Date, under the terms of the Subordinate Loan Documents, an operating budget of the Borrower for the Project for that calendar year, that

- (a) is prepared in good faith by the Borrower;
- (b) sets forth, among other things, the items of revenue and expense of the Borrower for the Project, including a line entitled “Operating Expenses”, which shall reflect the Operating Expenses as determined for the applicable calendar year, as determined in accordance with the definition of “Operating Expenses” contained in the Collateral Agency Agreement;
- (c) includes a budget for Capital Expenditures for the calendar year for which the operating budget is prepared and at least the two (2) calendar years following the calendar year for which the operating budget is prepared; and
- (d) (1) before the Senior Bonds Repayment Date, is not rejected by the provisions of Section 5.16 of the Loan Agreement and the related provisions of the Senior Bond Indenture, (2) after the Senior Bonds Repayment Date, is approved or deemed approved under the terms of the Subordinate Loan Documents, or (3) is otherwise approved by the Required Beneficiaries.

For all purposes of the Collateral Agency Agreement, an operating budget of the Borrower shall be deemed to be the current Operating Budget if certified by the Borrower to be in effect in accordance with the provisions of the Loan Agreement or, after the Senior Bonds Repayment Date, the Subordinate Loan Documents.

“Operating Expense Reserve Account” means the account by that name as defined in the Collateral Agency Agreement.

“Operating Expense Reserve Requirement” means, as of any date from and after Commercial Operations Date, an amount equal to one-sixth of the Operating Expenses provided for in the Operating Budget for the calendar year in which such date occurs, but excluding from Operating Expenses for this purposes any amounts budgeted for the purpose of paying for Feedstock.

“Operating Expenses” means, for any relevant period, the following items of cost and expense, to the extent actually paid or expected to be paid by the Borrower: (a) employee costs and compensation, (b) the cost of production, including the cost of Feedstock and other raw materials and payments due under any supply agreement, (c) insurance premiums, (d) utility costs and other costs of operating and maintaining the Project, (e) real and personal property, use, sales and similar taxes, (f) fees paid for professional services provided to the Borrower, (g) general and administrative expenses, (h) interest, fees and costs (but not outstanding principal balances) payable under the Revolving Credit Facility, and (i) all other costs relating to operating and maintaining the Project, *provided* that there shall be excluded from the foregoing any amounts paid or expected

to be paid for (x) federal, state and local income taxes, (y) interest on or principal of, or other charges with respect to, the Secured Obligations, (z) Capital Expenditures, and *provided further* that in no event shall Operating Expenses include management fees, profit or mark-up (other than (1) salaries and other employment benefits paid to employees of the Borrower for services to the Borrower and (2) reasonable overhead) payable to the Borrower or its Affiliates.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of the Senior Indenture) all Bonds theretofore, or thereupon being, authenticated and delivered by the Bond Trustee under the Senior Indenture except (1) Bonds theretofore canceled by the Bond Trustee or surrendered to the Bond Trustee for cancellation; (2) Bonds with respect to which liability of the Authority shall have been discharged in accordance with the Senior Indenture, including Bonds (or portions of Bonds) referred to in the Senior Indenture; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Bond Trustee pursuant to the Senior Indenture.

“Owner” see “Holder.”

“Par Call Date” means for each maturity of Senior Bonds, means the applicable date, if any, on which such maturity of Senior Bonds is first callable at par or if such maturity of Senior Bonds is not callable at par, the maturity date.

“PAR Certificate” means the certificate delivered in connection with the Post Acceptance Run in accordance with the Loan Agreement.

“Participating Affiliate” means, with respect to any Person, each Person that directly or indirectly, through one or more intermediaries or other Persons, controls, or is controlled by, or is under common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person (i) possesses, directly or indirectly, power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise, or (ii) owns at least fifty percent (50%) of the Equity Interests in such Person. For purposes of this definition, a “Person” who is an individual includes the spouse, children or parents of such Person (collectively, “relatives”), and includes any trust of which such Person or his or her relatives is the trustee or a beneficiary. For the purpose of this definition, the “control” of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of a majority of voting securities or membership interests, as trustee, by contract or otherwise. A Participating Affiliate shall also be a “participating party” within the meaning of the Act.

“Patent” means United States patent no. 6,596,209 (“Production of Particle Board from Agricultural Waste”) issued on July 22, 2003.

“Paying Agent” means the Paying Agent as described in the Senior Indenture.

“PBGC” means the Pension Benefit Guaranty Corporation or any successor thereto established under ERISA.

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, which is subject to Title IV of ERISA or Section 412 of the Code, and is maintained by the Borrower or any of its ERISA Affiliates or to which the Borrower or any of its ERISA Affiliates contributes or has an obligation to contribute or, in the case of a multiple employer plan (as described in Section 4064(a) of ERISA), has made contributions at any time during the immediately preceding five plan years.

“Person” means an individual, corporation, firm, association, limited liability company, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Phoenix” means Phoenix Industrial, Inc.

“Phoenix Contract” means the Construction Services Agreement, dated as of September 27, 2018, by and between the Borrower and Phoenix.

“Plans and Specifications” means the plans and specifications for the development, construction, equipping and improvement of the Plant, in the forms included in the Construction Agreements and the Equipment Supply Agreements, as amended from time to time in accordance with the Bond Financing Documents.

“Plant” means the medium density fiberboard plant using rice straw or other agricultural waste materials as its feedstock constructed and owned by the Borrower and located in Glenn County, California, including the Tax-Exempt Project and all other portions of the Site, buildings, structures, improvements, easements and other property related thereto, as described in the Plans and Specifications.

“Plant Acceptance” means the date on which the Final Acceptance Certificate as defined under the Siempelkamp Equipment Supply Contract is issued by the Borrower in accordance with such contract.

“Plant Substantial Completion Date” means the date that is the date on which the following have all been achieved: (a) “Substantial Completion,” as that term is defined in the Construction Agreements with Casey, Phoenix, and ILB, (b) “First Board,” as that term is defined in the Equipment Supply Agreement, and (c) “Mechanical Completion,” as that term is defined in the Installation Agreement.

“Pledge Agreement” means the Pledge Agreement, dated the Initial Delivery Date, entered into by and between Holdco and the Collateral Agent, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms of the Collateral Agency Agreement, pursuant to which Holdco has pledged the Pledged Parent Collateral as collateral to the Collateral Agent.

“Pledged Parent Collateral” means the membership interests in the Borrower that have been pledged by Holdco to the Collateral Agent as collateral for the Secured Obligations under the terms of the Pledge Agreement.

“Post Acceptance Run” means the test run described in the Loan Agreement.

“Principal Account” means the account by that name in the Debt Service Fund established pursuant to the Senior Indenture.

“Principal Payment Date” means each date on which a 2020 Senior Bond matures, and each Mandatory Sinking Fund Payment Date, commencing July 1, 2023.

“Proceeds” means “proceeds” as defined in the UCC, together with (whether or not the following constitute proceeds as defined in the UCC): (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Borrower Party from time to time with respect to any of the Collateral, (ii) any and all other amounts from time to time paid or payable to any Borrower Party upon the sale, exchange, collection or other disposition of any part of the Collateral, and (iii) any and all interest or dividends paid or distributed with respect to the Collateral.

“Project” means the Borrower’s development, construction, financing and operation of the Plant.

“Project Costs” means the costs and expenses reflected in the Construction Budget.

“Project Development Account” has the meaning specified in the Collateral Agency Agreement.

“Project Documents” means the Construction Agreements, the Equipment Supply Agreements, each Rice Straw Supply Agreement, the Resin Supply Agreement, the License Agreement, each other material agreement in relation to the Plant entered into by the Borrower with a Material Company and any guarantees, and any alternate or replacement agreements therefor or amendments, supplements or successor agreements thereto, and in any event not including purchase orders and similar agreements entered into in the ordinary course of business. Project Documents shall include (a) any agreement, other than a purchase order or similar agreement entered into in the ordinary course of business, under which the Borrower is expected to pay or receive an amount in excess of 15% of its Borrower Revenues for the prior Fiscal Year and (b) any other agreement that the Borrower, acting reasonably, determines is material to the construction, maintenance or operation of the Plant or to its financial condition. For the avoidance of doubt, Project Documents shall not include the Subordinate Loan Documents.

“Prudent Operating Practice” means the exercise of that degree of skill, diligence, prudence, foresight and operating practice which would reasonably and ordinarily be expected from a reasonable and prudent operator of the same type of undertaking as the Plant, consistent in all material respects with safety standards, applicable Laws, manufacturers’ warranties, manufacturers’ recommendations and the Project Documents. Prudent Operating Practice does not necessarily mean one or the “best” particular practice, method, equipment specification or standard in all cases, but is instead intended to encompass a broad range of acceptable practices, methods, equipment specifications and standards.

“Qualified Institutional Buyer” has the meaning ascribed to that term in Securities and Exchange Commission Rule 144A adopted under the Securities Act of 1933, as in effect on the Delivery Date.

“Qualified Purchaser” means any Qualified Institutional Buyer or Institutional Accredited Investor.

“Rebate Fund” means the fund by that name created pursuant to the Senior Indenture.

“Rebate Requirement” means the Rebate Requirement defined in the Tax Certificate.

“Record Date” means the day, whether or not a Business Day, which is the fifteenth day of the month prior to an Interest Payment Date.

“Reportable Event” means an event described in Section 4043(c) of ERISA other than those events as to which the 30-day notice period is waived.

“Required Beneficiaries” means (a) until the Senior Bonds Repayment Date, the Required Bondholders and (b) thereafter, the “Required Bondholders” as that term is defined in the Subordinate Indenture or, if the Subordinate Indenture is no longer in effect, the “Required Beneficiaries” as that term is from time to time defined in the Subordinate Loan Documents. For all purposes of the Collateral Agency Agreement, in any circumstance in which a consent, approval or waiver by the Required Beneficiaries is required or permitted for any purpose, such consent, approval or waiver may be evidenced by (a) until the Senior Bonds Repayment Date, a Required Bondholders Approval Certificate given in accordance with the Senior Bond Indenture and (b) thereafter, by (i) a Required Bondholders Approval Certificate (as defined in the Subordinate Indenture) given in accordance with the corresponding provision of the Subordinate Indenture or (ii) as otherwise provided in the Subordinate Loan Documents.

“Required Bondholders” means the Holders or Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of Outstanding Senior Bonds.

“Required Bondholders Approval Certificate” means, with respect to (and to the extent required in connection with) any Requisition or any other matter for which a consent, approval or waiver by the Required Bondholders is required or permitted under the Bond Financing Documents, a certificate executed by a Borrower Representative, certifying that (A) the Borrower has received written instruments, attached to the certificate and

executed on behalf of the applicable Beneficial Owners as identified by the Borrower based on information believed by the Borrower in good faith to be reliable, (B) in such instruments, the signers have represented that the Beneficial Owner on whose behalf the instrument has been signed has approved the Requisition or other such matter requiring or permitting a consent, approval or waiver, and (C) the Beneficial Owners with respect to which such instruments have been executed constitute, in the Borrower's good faith determination, the Required Bondholders.

"Required Subordinate Bondholders" has the definition provided for "Required Bondholders" in the Subordinate Indenture.

"Requisition" has the meaning provided in the Senior Indenture.

"Reserve Fund" means the fund by that name established pursuant to the Senior Indenture.

"Reserve Fund Requirement" means (1) prior to the Commercial Operations Date, an amount equal to \$25,490,000, and (2) on or after the Commercial Operations Date, the least of (i) Maximum Annual Debt Service on the Bonds then Outstanding, (ii) one hundred twenty-five percent (125%) of the average Annual Debt Service on the Bonds then Outstanding, or (iii) ten percent (10%) of the initial principal amount of the Bonds.

"Reserved Rights" means the rights of the Authority to receive and enforce the receipt of any Excluded Moneys and the Authority's express rights of indemnification, inspection and consent and receipt of certificates, notices and opinions.

"Resin Supply Agreement" means the agreement dated October 1, 2009, as subsequently amended, pursuant to which the Borrower acquires resin from Huntsman International, LLC and any other agreement pursuant to which the Borrower acquires resin.

"Restricted Period" means any time other than a time that the Borrower has received approval from the Authority pursuant to Section 2.04(b) of the Senior Indenture.

"Revenue and Operating Account" means the account by that name described in the Collateral Agency Agreement.

"Revenues" means all amounts received by the Authority or the Bond Trustee for the account of the Authority pursuant or with respect to the Loan Agreement, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments, any late charges, and paid from whatever source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Senior Indenture, but not including Excluded Moneys, including without limitation any Administrative Fees and Expenses or any moneys, paid for deposit into the Rebate Fund and any investment earnings on moneys held in such funds or subaccounts.

"Revolving Credit Facility" means a credit facility established by the Borrower at a commercial banking institution located in the United States for the purpose of providing working capital for the Borrower's business operations, *provided* that:

- (a) such credit facility is not secured by any assets of the Borrower or any Collateral;
- (b) such credit facility provides for credit in an amount not exceeding the amount of the Operating Expense Reserve Requirement; and
- (c) the Borrower shall have delivered to the Collateral Agent and the Debt Representatives accurate and complete copies of the documents evidencing the Revolving Credit Facility.

“Rice Straw Supply Agreements” means each agreement governing the supply of rice straw for the Plant entered into by the Borrower.

“S&P” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc., its successors and their assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a nationally recognized statistical rating organization, “S&P” shall be deemed to refer to any other nationally recognized statistical rating organization (other than Moody’s or Fitch) designated by the Authority, with the approval of the Borrower, by notice to the Bond Trustee.

“Second Semiannual Period” means, for any calendar year, the period commencing on July 1 and ending on December 31 of the calendar year.

“Secured Obligations” means the Senior Bond Obligations and the Subordinate Loan Obligations.

“Securities Act” means the Securities Act of 1933, as amended.

“Security Agreement” means the Security Agreement entered into by and between the Collateral Agent as secured party, and the Borrower, as debtor, entered into as of the Initial Delivery Date, and as subsequently amended in accordance with the terms of the Collateral Agency Agreement.

“Senior Bond Debt Service Reserve Account” means the “Reserve Fund” established by the Senior Indenture Trustee pursuant to the Senior Bond Indenture.

“Senior Bond Documents” means the Senior Indenture, the Loan Agreement, and each other agreement, document or instrument (other than the Collateral Agency Agreement) delivered to or for the benefit of the Senior Indenture Trustee by any Borrower Party in connection with the Loan Agreement or the Senior Bond Indenture. The term “Senior Bond Documents” does not include the Collateral Instruments or the Licensor’s and Investors’ Undertaking.

“Senior Bondholders” means the owners of record from time to time of the Senior Bonds.

“Senior Bond Indenture” or **“Senior Indenture”** means the Indenture, entered into by and between the Authority and the Bond Trustee, dated as of June 1, 2017, as amended and supplemented, including as supplemented by the Third Supplemental Indenture relating to the 2020 Senior Bonds, and attached to this Limited Offering Memorandum as APPENDIX B, as it may from time to time be amended and supplemented pursuant to its terms.

“Senior Bond Indenture Revenue Fund” means the “Revenue Fund” established by the Senior Indenture Trustee pursuant to the Senior Bond Indenture.

“Senior Bond Obligations” means all Obligations of the Borrower Parties under the Senior Bond Documents, including Obligations for the principal of, and interest and premium on, the Senior Bonds.

“Senior Bond Principal Payment Date” means each Mandatory Sinking Fund Date and Principal Payment Date.

“Senior Bonds” collectively, the 2017 Senior Bonds, the 2020 Senior Bonds and any Additional Bonds issued under the Senior Indenture.

“Senior Bonds Repayment Date” means the date on which all of the Senior Bond Obligations have been paid in full in cash or deemed paid in full under the terms of the Senior Bond Indenture.

“Senior Existing Default” has the meaning provided to such term in the Third Supplemental Indenture.

“Senior Forbearance Agreement” means the Forbearance Agreement, dated as of June 30, 2020, by and between the Senior Bond Trustee and the Borrower, as amended and restated.

“Senior Indenture Trustee” or **“Bond Trustee”** means BOKF, N.A., a successor trustee, together with its successors from time to time in such capacity.

“Senior Payment Default” has the meaning provided to such term under “PROJECT STATUS – Project in Financial Distress” herein.

“Series” whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as provided in the Senior Indenture.

“SICO Capital Contributions” means the Siempelkamp Germany capital contributions to Holdco as described in the Licensor’s and Investors’ Undertaking.

“SICO Guaranteed Values” means those functions of the Siempelkamp Equipment that, when placed into operation, as demonstrated by the Equipment Performance Tests, are warranted by Siempelkamp Germany in accordance with the processes and prerequisites specified in Appendix 6 of the Siempelkamp Equipment Supply Contract.

“SICO Guarantees” means the advance payment bank guarantees and performance bank guarantees delivered by Siempelkamp Germany and Siempelkamp USA in respect of their obligations under the Equipment Supply Agreements and the Installation Contract.

“SICO Guarantor” means each of the banks issuing the SICO Guarantees.

“Siempelkamp Contract Price” means the base lump sum contract price for the Siempelkamp Equipment. The Siempelkamp Contract Price includes \$84,138,178 for the Siempelkamp Equipment.

“Siempelkamp Equipment” means the process equipment for the Plant supplied by Siempelkamp Germany pursuant to the Siempelkamp Equipment Supply Contract.

“Siempelkamp Equipment Price” means \$84,138,178, which is the portion of the Siempelkamp Contract Price payable to Siempelkamp Germany for the Siempelkamp Equipment pursuant to the Siempelkamp Equipment Supply Contract.

“Siempelkamp Equipment Supply Contract” means the Restated and Amended Contract A0893.00, dated as of June 2, 2017, by and between the Borrower and Siempelkamp Germany, as amended.

“Siempelkamp Germany” means Siempelkamp Maschinen- und Anlagenbau GmbH, a limited liability company organized and registered under the laws of Germany.

“Siempelkamp USA” means Siempelkamp Contracting, LLC.

“Site” means those certain parcels of land described on Exhibit A to the Deed of Trust.

“State” means the State of California.

“Subordinate Bonds” means those bonds issued pursuant to the Subordinate Indenture.

“Subordinate Bond Documents” means the Subordinate Indenture, the Subordinate Loan Agreement, and each other agreement, document, or instrument (other than the Collateral Agency Agreement) delivered to or for the benefit of the Subordinate Bond Trustee by any Borrower Party in connection with the Subordinate Loan Agreement or the Subordinate Indenture. The term “Subordinate Bond Documents” does not include the Collateral Instruments or the Licensor’s and Investors’ Undertaking.

“Subordinate Bond Financing Documents” has the meaning provided in the Subordinate Indenture.

“Subordinate Bond Trustee” or ***“Subordinate Trustee”*** means UMB Bank, N.A., a national banking association duly organized and existing under the laws of the United States of America, together with its successors from time to time in such capacity.

“Subordinate Forbearance Agreement” means the Forbearance Agreement, dated as of June 1, 2020, by and among the Borrower, the Subordinate Bond Trustee and certain beneficial holders of the 2019 Subordinate Bonds, as the same may be amended.

“Subordinate Indenture” means the Indenture, dated as of August 1, 2019, by and between the Authority and the Subordinate Bond Trustee, as the same may be amended and supplemented pursuant to its terms.

“Subordinate Loan Agreement” means the Loan Agreement, dated as of August 1, 2019, by and between the Authority and the Borrower, as the same may be amended and supplemented pursuant to its terms.

“Subordinate Loan Documents” means the Subordinate Bond Documents and each other agreement, document, or instrument (other than the Collateral Agency Agreement) from time to time delivered to or for the benefit of any lender (or agent for any lender) and evidencing or securing the then-outstanding Subordinate Loan Obligations. The term “Subordinate Loan Documents” does not include the Collateral Instruments or the Licensor’s and Investors’ Undertaking.

“Subordinate Loan Obligations” means the Obligations for the principal of, and interest and premium on, the 2019 Subordinate Bonds and all other Obligations of the Borrower Parties that by their terms are expressly described as “Subordinate Loan Obligations” within the meaning of the Collateral Agency Agreement.

“Subordinate Loan Representative” means the Subordinate Bond Trustee or, after the refinancing of the Obligations originally represented by the Subordinate Bond Documents, any other Person from time to time acting as the exclusive representative of the holders from time to time of the Subordinate Loan Obligations.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person.

“Suspension Account” has the meaning given to such term in the Collateral Agency Agreement.

“SVC” means Stephen Vajda Consulting.

“Tax” or ***“Taxes”*** means any present or future taxes (including income, gross receipts, license, payroll, employment, excise, severance, stamp, documentary, occupation, premium, windfall profits, environmental, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value-added, ad valorem, alternative or add-on minimum, estimated, or other tax of any kind whatsoever), levies, imposts, duties, fees or charges (including any interest,

penalty, or addition thereof) imposed by any government or any governmental agency or instrumentality or any international or multinational agency or commission.

“Tax Certificate” means each Tax Certificate and Agreement of the Borrower and the Authority relating to the Senior Bonds.

“Tax-Exempt” means with respect to interest on any Bond that such interest is excluded from gross income for federal income tax purposes (other than in the case of a Holder of any Bonds who is a substantial user of the Tax-Exempt Project or a related person within the meaning of Section 147(a) of the Code) whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

“Tax-Exempt Bonds” means the Senior Bonds that are Tax-Exempt.

“Tax-Exempt Project” means the project described in Exhibit A to the Loan Agreement, as it may be amended pursuant to the terms of the Loan Agreement.

“Technical Advisor” means Stephen Vajda Consulting, or such other consulting engineering firm as may be appointed as the “Technical Advisor” (a) until the Senior Bonds Repayment Date, under the terms of the Senior Bond Indenture, and (b) thereafter, under the terms of the Subordinate Loan Documents.

“Third Supplemental Indenture” means the Third Supplemental Indenture, dated as of the Third Supplement Effective Date, by and between the Authority and the Senior Indenture Trustee.

“Third Amendment to Loan Agreement” means the Third Amendment to Loan Agreement, dated as of the Third Supplement Effective Date, by and between the Authority and the Borrower.

“Third Supplement Effective Date” means October 13, 2020, the date of the execution and delivery of the Third Supplemental Indenture.

“Transaction Documents” means the Bond Financing Documents and the Project Documents.

“Transfer Date” means, with respect to any calendar month, the third Business Day preceding the first day of the calendar month.

“UCC” means the Uniform Commercial Code as in effect in the State of New York.

“Underwriters” means, collectively, Citigroup Global Markets Inc. and Stifel, Nicolaus & Company, Incorporated, as underwriters for the 2020 Senior Bonds pursuant to the Bond Purchase Agreement.

“ZC” means ZC CalAg LLC, an Ohio limited liability company.

“2019 Subordinate Bonds” means the California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2019 Subordinate Bonds (AMT) authorized by and at the time outstanding pursuant to the Subordinate Indenture and executed, issued and delivered in accordance with the Subordinate Indenture.

“2017 Senior Bonds” means the California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT) authorized by and at the time Outstanding pursuant to the Senior Bond Indenture.

“2020 Applicable Tax-Exempt Bond Rate” means the “Interpolated AAA Yields” rate for the Par Call Date as published by the Municipal Market Data (“MMD”) at least five calendar days, but no more than forty-five (45) calendar days, prior to the redemption date of the 2020 Senior Bonds to be redeemed. If no such date is established for the applicable year, the “Interpolated AAA Yields” rate for the published maturities most closely corresponding to the applicable year will be determined, and the 2020 Applicable Tax-Exempt Bond Rate will be interpolated from those rates on a straight-line basis. Should MMD no longer publish the “Interpolated AAA Yields” rate, then the 2020 Applicable Tax-Exempt Bond Rate will equal the “Consensus Scale” rate for the applicable year as published by Municipal Market Advisors (“MMA”). Should MMD no longer publish the “Interpolated AAA Yields” rate and MMA no longer publish the “Consensus Scale” rate, then the Borrower will select another comparable index or if in the Borrower’s determination no comparable index is available, the 2020 Applicable Tax-Exempt Bond Rate will be determined by a nationally recognized securities firm, as the quotation agent, based upon the rate per annum equal to the semiannual equivalent yield to maturity for those tax-exempt general obligation bonds rated in the highest rating category by Moody’s and S&Ps, with a maturity date equal to the Par Call Date of such Tax-Exempt Bonds having characteristics (other than the ratings) most comparable to those of such Tax-Exempt Bonds in the judgment of the quotation agent. The quotation agent’s determination of the 2020 Applicable Tax-Exempt Bond Rate shall be final and binding in the absence of manifest error.

“2020 Capitalized Interest Account” means the account by that name established pursuant to the Senior Indenture.

“2020 Project Fund” means the fund by that name established pursuant to the Senior Indenture.

“2020 Senior Bonds” means the California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2020 (AMT) authorized by and at the time Outstanding pursuant to the Senior Bond Indenture.

APPENDIX B

SENIOR INDENTURE

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CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

and

UMB BANK, N.A.,
TRUSTEE

INDENTURE

Dated as of June 1, 2017

Relating to

\$228,165,000
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
SOLID WASTE DISPOSAL REVENUE BONDS
(CalPlant I Project)
SERIES 2017 (AMT)

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS	2
SECTION 1.01. Definitions.....	2
SECTION 1.02. Content of Certificates and Opinions.....	39
SECTION 1.03. Interpretation.....	40
ARTICLE II THE BONDS.....	41
SECTION 2.01. Authorization of Bonds.....	41
SECTION 2.02. Terms of the 2017 Bonds.....	41
SECTION 2.03. Execution of Bonds.....	42
SECTION 2.04. Transfer of Bonds	43
SECTION 2.05. Exchange of Bonds	45
SECTION 2.06. Bond Register.....	45
SECTION 2.07. Temporary Bonds.....	45
SECTION 2.08. Bonds Mutilated, Lost, Destroyed or Stolen.....	45
SECTION 2.09. Book-Entry Only System.....	46
SECTION 2.10. Conditions for the Issuance of Additional Bonds.....	48
SECTION 2.11. Procedure for the Issuance of Additional Bonds	49
ARTICLE III ISSUANCE OF 2017 BONDS; APPLICATION OF PROCEEDS	50
SECTION 3.01. Issuance of the 2017 Bonds	50
SECTION 3.02. Application of Proceeds of the 2017 Bonds	50
SECTION 3.03. Project Fund.....	50
SECTION 3.04. Costs of Issuance Fund	54
SECTION 3.05. Validity of Bonds.....	54
ARTICLE IV REDEMPTION OF BONDS	54
SECTION 4.01. Terms of Redemption of 2017 Bonds.....	54
SECTION 4.02. Selection of 2017 Bonds for Redemption.....	57
SECTION 4.03. Notice of Redemption.....	58
SECTION 4.04. Partial Redemption of Bonds.....	58
SECTION 4.05. Effect of Redemption.....	58
SECTION 4.06. Redemption of Additional Bonds	59
ARTICLE V REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST	59
SECTION 5.01. Pledge and Assignment; Revenue Fund	59
SECTION 5.02. Use of Moneys in Revenue Fund.....	60
SECTION 5.03. Investment of Moneys.....	64
ARTICLE VI PARTICULAR COVENANTS	65
SECTION 6.01. Punctual Payment.....	65

TABLE OF CONTENTS

(continued)

	Page
SECTION 6.02.	Extension of Payment of Bonds..... 65
SECTION 6.03.	Against Liens 65
SECTION 6.04.	Power to Issue Bonds and Make Pledge and Assignment 66
SECTION 6.05.	Accounting Records and Reports..... 66
SECTION 6.06.	Arbitrage Covenants 66
SECTION 6.07.	Other Covenants..... 67
SECTION 6.08.	Information to Beneficial Owners; Approvals and Veto Rights of Required Bondholders..... 68
SECTION 6.09.	Waiver of Laws..... 71
SECTION 6.10.	Further Assurances..... 71
ARTICLE VII EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS; MEETINGS AND ACTIONS BY HOLDERS OR BENEFICIAL OWNERS..... 71	
SECTION 7.01.	Events of Default; Acceleration; Waiver of Default..... 71
SECTION 7.02.	Institution of Legal Proceedings by Trustee 72
SECTION 7.03.	Application of Revenues and Other Funds After Event of Default..... 72
SECTION 7.04.	Trustee to Represent Bondholders 73
SECTION 7.05.	Bondholders' Direction of Proceedings..... 74
SECTION 7.06.	Limitation on Bondholders' Right to Sue..... 74
SECTION 7.07.	Absolute Obligation of Authority 75
SECTION 7.08.	Termination of Proceedings..... 75
SECTION 7.09.	Remedies Not Exclusive 75
SECTION 7.10.	No Waiver of Default..... 75
ARTICLE VIII THE TRUSTEE, THE PAYING AGENT, THE BOND REGISTRAR AND COLLATERAL AGENT 75	
SECTION 8.01.	Duties, Immunities and Liabilities of Trustee..... 75
SECTION 8.02.	Merger or Consolidation 78
SECTION 8.03.	Liability of Trustee 79
SECTION 8.04.	Right of Trustee to Rely on Documents 80
SECTION 8.05.	Preservation and Inspection of Documents..... 81
SECTION 8.06.	Compensation and Indemnification 81
SECTION 8.07.	Paying Agent..... 81
SECTION 8.08.	Notices to the Authority..... 81
SECTION 8.09.	Appointment and Duties of Bond Registrar..... 82
SECTION 8.10.	Eligibility of Bond Registrar..... 82
SECTION 8.11.	Bond Registrar's Performance of Duties 82
SECTION 8.12.	Replacement of Bond Registrar 83
SECTION 8.13.	Appointment and Direction of Collateral Agent..... 83

TABLE OF CONTENTS

(continued)

	Page
ARTICLE IX MODIFICATION OR AMENDMENT OF THE INDENTURE.....	83
SECTION 9.01. Amendments Permitted.....	83
SECTION 9.02. Effect of Supplemental Indenture	85
SECTION 9.03. Endorsement of Bonds; Preparation of New Bonds	85
SECTION 9.04. Amendment of Particular Bonds.....	85
ARTICLE X DEFEASANCE.....	85
SECTION 10.01. Discharge of Indenture.....	85
SECTION 10.02. Discharge of Liability on Bonds	86
SECTION 10.03. Deposit of Money or Securities With Trustee	86
SECTION 10.04. Payment of Bonds After Discharge of Indenture Obligation.....	87
ARTICLE XI MISCELLANEOUS	87
SECTION 11.01. Liability of Authority Limited to Revenues.....	87
SECTION 11.02. Successor Is Deemed Included in All References to Predecessor	88
SECTION 11.03. Limitation of Rights to Parties and Bondholders.....	88
SECTION 11.04. Waiver of Notice.....	88
SECTION 11.05. Destruction of Bonds	88
SECTION 11.06. Severability of Invalid Provisions.....	88
SECTION 11.07. Governing Law; Venue.....	89
SECTION 11.08. Notices	89
SECTION 11.09. Evidence of Rights of Bondholders	90
SECTION 11.10. Disqualified Bonds.....	91
SECTION 11.11. Money Held for Particular Bonds	92
SECTION 11.12. Funds and Accounts; Business Day.....	92
SECTION 11.13. Waiver of Personal Liability.....	92
SECTION 11.14. Opinion of Bond Counsel	92
SECTION 11.15. Compliance With Collateral Agency Agreement	93
SECTION 11.16. Complete Agreement	93
SECTION 11.17. Execution in Several Counterparts.....	93

TABLE OF CONTENTS

	Page
EXHIBIT A	FORM OF BOND A-1
EXHIBIT B	TRUSTEE AUDIT LETTER (TRUSTEE COMPLETES)..... B-1
EXHIBIT C-1	FORM OF PROJECT FUND UNCONDITIONAL REQUISITION C-1-1
EXHIBIT C-2	FORM OF PROJECT FUND CONDITIONAL REQUISITION C-2-1
EXHIBIT D	FORM OF COSTS OF ISSUANCE FUND REQUISITION D-1
EXHIBIT E	TRANSFER RESTRICTION GUIDELINESE-1
EXHIBIT F	PERMITTED LIENSF-1
EXHIBIT G	DSCR CERTIFICATE G-1

THIS INDENTURE, made and entered into as of June 1, 2017, by and between the CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the “Authority”), and UMB BANK, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America, having a Corporate Trust Office in Minneapolis, Minnesota, and being qualified to accept and administer the trusts hereby created (the “Trustee”);

W I T N E S S E T H:

WHEREAS, the Authority is a public instrumentality and political subdivision of the State of California, created by the California Pollution Control Financing Authority Act (commencing with Section 44500 of Division 27 of the Health and Safety Code of the State of California), as supplemented and amended (the “Act”), and authorized to finance the acquisition, construction, improvement, installation and equipping of solid waste pollution control facilities constituting a “project” within the meaning of the Act; and

WHEREAS, CalPlant I, LLC (herein called the “Borrower”), a California limited liability company, has duly caused an application to be filed with the Authority by its affiliate, CalAg LLC, for financial assistance to acquire, construct, rehabilitate, improve, install and equip certain solid waste disposal facilities for the recycling of waste rice straw located in Glenn County California, as more particularly described in Exhibit A to the Loan Agreement (defined herein) (the “Tax-Exempt Project”), which activities qualify as a “project” under the Act; and

WHEREAS, the Authority has adopted a resolution approving the issuance of bonds to finance, or reimburse the financing of, a portion of the costs of the Tax-Exempt Project for the Borrower; and

WHEREAS, pursuant to and in accordance with the Act, the Authority has authorized and undertaken to issue its Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT) (the “2017 Bonds” and, together with any Additional Bonds (as defined herein), the “Bonds”) pursuant to this Indenture in order to provide funds to finance a portion of the costs of the Tax-Exempt Project, to fund a reserve fund for the 2017 Bonds, to fund capitalized interest on the 2017 Bonds and to pay certain costs related to the authorization, issuance, sale and delivery of the 2017 Bonds; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority has undertaken to finance a portion of the cost of acquisition, construction, rehabilitation, improvement, installation and equipping of the Tax-Exempt Project by loaning the proceeds derived from the sale of the 2017 Bonds to the Borrower pursuant to the Loan Agreement (as defined herein) between the Authority and the Borrower, under which the Borrower is required to make loan payments sufficient to pay when due the principal of, premium, if any, and interest on, the Bonds and related expenses; and

WHEREAS, the Borrower has determined that the estimated amount necessary to finance, or reimburse the financing of the cost of the Tax-Exempt Project will require the issuance, sale and delivery of the 2017 Bonds in the aggregate amount of \$228,165,000; and

WHEREAS, all acts and proceedings required by law necessary to make the 2017 Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized; and

WHEREAS, all Bonds issued under this Indenture will be secured by a pledge and assignment of certain rights under the Loan Agreement (as defined herein); and

WHEREAS, the Borrower, the Trustee and the Collateral Agent will enter into a Collateral Agency Agreement, dated the Delivery Date (the “Collateral Agency Agreement”), securing payments to be made by the Borrower thereunder;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on, all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Holders (as defined herein) thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Article shall, for all purposes of this Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Unless otherwise defined in this Indenture, all terms used herein shall have the meanings assigned to such terms in the Act.

Account; Fund

“Account” and “Fund” mean, respectively, an account or fund established pursuant to this Indenture.

Act

“Act” means the California Pollution Control Financing Authority Act, constituting Division 27 of the Health and Safety Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

Act of Bankruptcy

“Act of Bankruptcy” means with respect to any entity (i) the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) by or against such entity under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect; or (ii) the consent by it to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for a substantial part of such entity’s property; or (iii) the making by it of a general assignment of substantially all of its assets for the benefit of creditors; or (iv) the failure of it generally to pay its debts as they become due, or the admission by it in writing of such failure, within the meaning of the Bankruptcy Code of 1978, as amended, and judicial interpretations thereof.

Additional Bonds

“Additional Bonds” means all revenue bonds of the Authority authorized by and at any time Outstanding pursuant to, and executed, issued and delivered in accordance with Sections 2.10 and 2.11 of this Indenture.

Additional Payments

“Additional Payments” means the payments required to be made by the Borrower pursuant to Sections 4.2(b), (c) and (d) and 9.2 and 9.3 of the Loan Agreement.

Administrative Costs Fund

“Administrative Costs Fund” means the fund by that name established pursuant to Section 5.02.

Administrative Fees and Expenses

“Administrative Fees and Expenses” means the reasonable and necessary expenses incurred by the Authority pursuant to the Loan Agreement, this Indenture, or the Collateral Agency Agreement, and the reasonable and necessary compensation and expenses paid to or incurred by the Trustee, the Bond Registrar, the Collateral Agent and/or any Paying Agent under the Loan Agreement, this Indenture, or the Collateral Agency Agreement, which include but are not limited to printing of Bonds, accomplishing transfers or new registration of Bonds, or other charges and other disbursements including those of their respective officers, directors, members, attorneys, agents and employees incurred in and about the administration and execution of the Loan Agreement, this Indenture, and the Collateral Agency Agreement.

Amortized Value

“Amortized Value” means the principal amount of the 2017 Bonds to be redeemed multiplied by the price of such 2017 Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the date of redemption, a maturity date equal to the Par Call Date of such 2017 Bonds and a yield equal to the original offering yield of such 2017 Bonds.

Annual Debt Service

“Annual Debt Service” means, for each Bond Year, the sum of (1) the interest becoming due on the Outstanding Bonds in such year, assuming that the Bonds are retired (whether at maturity or by mandatory sinking fund payments) as scheduled, and (2) the principal becoming due (whether at maturity or by mandatory sinking fund payments) with respect to the Outstanding Bonds due by their terms in such year.

Applicable Tax-Exempt Bond Rate

“Applicable Tax-Exempt Bond Rate” means the “Interpolated AAA Yields” rate for the Par Call Date as published by the Municipal Market Data (“MMD”) at least five calendar days, but no more than forty-five (45) calendar days, prior to the redemption date of the 2017 Bonds to be redeemed. If no such date is established for the applicable year, the “Interpolated AAA Yields” rate for the published maturities most closely corresponding to the applicable year will be determined, and the Applicable Tax-Exempt Bond Rate will be interpolated from those rates on a straight-line basis. Should MMD no longer publish the “Interpolated AAA Yields” rate, then the Applicable Tax-Exempt Bond Rate will equal the “Consensus Scale” rate for the applicable year as published by Municipal Market Advisors (“MMA”). Should MMD no longer publish the “Interpolated AAA Yields” rate and MMA no longer publish the “Consensus Scale” rate, then the Borrower will select another comparable index or if in the Borrower’s determination no comparable index is available, the Applicable Tax-Exempt Bond Rate will be determined by a nationally recognized securities firm, as the quotation agent, based upon the rate per annum equal to the semiannual equivalent yield to maturity for those tax-exempt general obligation bonds rated in the highest rating category by Moody’s and S&Ps, with a maturity date equal to the Par Call Date of such Tax-Exempt Bonds having characteristics (other than the ratings) most comparable to those of such Tax-Exempt Bonds in the judgment of the quotation agent. The quotation agent’s determination of the Applicable Tax-Exempt Bond Rate shall be final and binding in the absence of manifest error.

Auditors

“Auditors” means those nationally recognized independent auditors selected by the Borrower.

Authority

“Authority” means the California Pollution Control Financing Authority created pursuant to, and as defined in, the Act.

Authorized Denomination

“Authorized Denomination” means (i) during the Restricted Period, \$250,000 or any integral multiple of \$5,000 in excess thereof, or (ii) thereafter, \$5,000 or any integral multiple thereof; provided, however, that if it is not possible to deliver every Bond required or permitted to be Outstanding in the denominations permitted above following any optional or mandatory redemption pursuant to the terms of this Indenture, one Bond of each maturity and Series may be delivered, but only to the extent necessary, in a different denomination.

Authorized Representative

“Authorized Representative” means with respect to the Borrower, the individual or individuals at the time designated to act on behalf of the Borrower by a written certificate signed by the Borrower, furnished to the Trustee, the Technical Advisor, the Construction Monitor, the Collateral Agent and the Authority, containing the specimen signature of each such individual. With respect to the Authority, “Authorized Representative” shall mean the Executive Director of the Authority and any individual or individuals at the time designated to act on behalf of the Authority by a written certificate signed by the Executive Director of the Authority, furnished to the Trustee, the Borrower, the Technical Advisor, the Construction Monitor and the Collateral Agent and containing the specimen signature of each such individual. With respect to the Technical Advisor, “Authorized Representative” shall mean any individual or individuals designated by a written certificate signed by the Technical Advisor, furnished to the Trustee, the Borrower, the Construction Monitor, the Collateral Agent and the Authority and containing the specimen signature of each such individual. With respect to the Construction Monitor, “Authorized Representative” shall mean any individual or individuals designated by a written certificate signed by the Construction Monitor, furnished to the Trustee, the Borrower, the Technical Advisor, the Collateral Agent and the Authority and containing the specimen signature of each such individual. With respect to the Trustee, “Authorized Representative” shall mean any individual or individuals at the time designated to act on behalf of the Trustee by a written certificate signed by the Trustee, furnished to the Borrower, the Technical Advisor, the Construction Monitor, the Collateral Agent and the Authority and containing the specimen signature of each such individual. With respect to the Collateral Agent, “Authorized Representative” shall mean any individual or individuals at the time designated to act on behalf of the Collateral Agent by a written certificate signed by the Collateral Agent, furnished to the Trustee, the Borrower, the Technical Advisor, the Construction Monitor and the Authority and containing the specimen signature of each such individual.

Beneficial Owners

“Beneficial Owners” means, with respect to any Bond, a Person owning a Beneficial Ownership Interest therein.

Beneficial Ownership Interest

“Beneficial Ownership Interest” means the right of the owners to receive for its own account, held directly or indirectly with a Direct Participant, payments made by the Trustee,

the Borrower or the Authority with respect to a specified principal amount of Bonds with a specified CUSIP held by DTC under the Book-Entry System.

Bond, Bonds

“Bonds” or “Bond” means the 2017 Bonds and all Additional Bonds.

Bond Counsel

“Bond Counsel” means any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, acceptable to the Authority, and duly admitted to practice law before the highest court of any state of the United States of America but shall not include counsel for the Borrower or any Participating Affiliate of the Borrower.

Bond Financing Documents

“Bond Financing Documents” means this Indenture, the Bonds, the Loan Agreement, the Collateral Agency Agreement, the Collateral Instruments, the Licensor’s and Investors’ Undertaking, the Tax Certificate and any other documents delivered to or for the benefit of the Trustee by any Borrower Party in connection with the Loan Agreement or this Indenture.

Bond Payment Date

“Bond Payment Date” means, collectively, any Interest Payment Date or Principal Payment Date.

Bond Purchase Agreement

“Bond Purchase Agreement” means a Bond Purchase Agreement among one or more underwriters, the Treasurer of the State of California, and the Authority and approved by the Borrower. With respect to the 2017 Bonds, “Bond Purchase Agreement” means the Bond Purchase Agreement, dated May 24, 2017, among the Underwriters, the Treasurer of the State of California, and the Authority and approved by the Borrower.

Bond Registrar or Registrar

“Bond Registrar” or “Registrar” means the entity or entities performing the duties of the bond registrar pursuant to Section 2.06 hereof.

Bond Year

“Bond Year” means (1) with respect to the initial Bond Year, the period from the date the Bonds are originally delivered to and including the first succeeding July 1, and (2) thereafter, each twelve-month period from July 2 in any calendar year to and including July 1 in the following calendar year.

Bondholder

See “Holder.”

Borrower

“Borrower” means CalPlant I, LLC, a limited liability company duly organized and existing under the laws of the State of California, but does not mean any Participating Affiliate of the Borrower.

Borrower Party

“Borrower Party” means Holdco, the Borrower, Licensor or any Subsidiary of Holdco that is a party to any of the Bond Financing Documents.

Borrower Revenues

“Borrower Revenues” means, in relation to any period, all amounts received by the Borrower in respect of:

- (a) all amounts received under the Project Documents or otherwise in respect of sales by the Borrower;
- (b) interest and income in respect of the Project Accounts;
- (c) insurance proceeds in relation to delay in start-up and business interruption insurance paid to the Borrower;
- (d) delay liquidated damages, performance liquidated damages and termination liquidated damages paid to the Borrower; and
- (e) Tax refunds; and
- (f) any other amount as the Borrower may reasonably specify to constitute revenues from the Plant, in each case on a cash basis rather than an accrual basis and in any event does not include equity.

Business Day

“Business Day” means a day of the year on which banks are not required or authorized by law to close in New York City, New York, San Francisco, California, or the city in which the Trustee or the Collateral Agent maintains its principal offices.

Calculation Date

“Calculation Date” means each June 30 and December 31 of each year, *provided* that the first Calculation Date shall be December 31, 2019.

Calculation Period

“Calculation Period” means, with respect to any Calculation Date, (a) for the purpose of calculating the Historic Debt Service Coverage Ratio, the one-year period ending with the Calculation Date, and (b) for the purpose of calculating the Forward Looking Debt Service Coverage Ratio, the one-year period beginning with the day immediately following the Calculation Date.

Capital Expenditure

“Capital Expenditure” means any expenditure (including any reinvestment of proceeds but excluding any replacement of assets out of insurance proceeds) or obligations in respect of expenditure (but excluding payments of rent under any lease, whether under GAAP such lease is considered a finance lease, operating lease or capital lease) for the acquisition of equipment, fixed assets, real property, intangible assets and other assets of a capital nature, or for the replacements or substitutions therefor or additions or improvements thereto in each case which would be treated as a capital asset in accordance with GAAP, together with costs incurred in connection therewith.

Capitalized Interest Account

“Capitalized Interest Account” means the account by that name established within the Debt Service Fund pursuant to Section 5.02.

Certificate, Request or Requisition of the Authority or the Borrower

“Certificate,” “Request,” or “Requisition” of the Authority or the Borrower mean, respectively, a written certificate, request or requisition signed in the name of the Authority by its Chairman, Executive Director or such other individual as may be designated and authorized to sign for the Authority, or in the name of the Borrower by an Authorized Representative of the Borrower. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02 hereof, each such instrument shall include the statements provided for in Section 1.02 hereof.

CFP

“CFP” means Columbia Forest Products, Inc., an Oregon corporation.

CFP Agreement

“CFP Agreement” means the agreement entered into by the Borrower with CFP to secure the sales of the production output of the Plant on a long-term basis originally dated July 24, 2013, as amended and restated on March 11, 2016, and as further amended by an amendment dated April 28, 2017.

CFP Replacement Provisions

“CFP Replacement Provisions” has the meaning set forth in Section 5.39(b)(iii) of the Loan Agreement.

Code

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

Collateral

“Collateral” means the interest of the beneficiary or secured party created under the terms of the Collateral Instruments, the security represented by the Pledged Parent Collateral, the Collateral Agent Accounts and all funds from time to time held in the Collateral Agent Accounts, and the Proceeds of each of the foregoing.

Collateral Agent

“Collateral Agent” means UMB Bank, N.A., in its capacity as collateral agent under the Collateral Agency Agreement, or its successor as Collateral Agent thereunder.

Collateral Agent Accounts

“Collateral Agent Accounts” means the accounts required to be maintained by the Collateral Agent under the terms of Article III of the Collateral Agency Agreement.

Collateral Agency Agreement

“Collateral Agency Agreement” means the agreement by such name, dated the Delivery Date, among the Borrower, the Trustee and the Collateral Agent.

Collateral Instruments

“Collateral Instruments” means (a) the Licensor’s and Investors’ Undertaking and (b) the Deed of Trust, the Pledge Agreement and other instruments described on Schedule 1 to the Collateral Agency Agreement, and all other security agreements, pledge agreements, control agreements, collateral assignments, mortgages, deeds of trust or other grants or transfers for security, or agreements related to any of the foregoing, executed and delivered by any Borrower Party and creating (or purporting to create) a Lien in favor of the Collateral Agent to secure any Secured Debt, in each case as amended, modified, renewed, restated or replaced as permitted under the terms of the Collateral Agency Agreement.

Commercial Operations Date

“Commercial Operations Date” means the first date on which both:

- (a) Plant Acceptance has occurred; and

(b) the Technical Advisor has verified that the Post Acceptance Run has been achieved as set out in the PAR Certificate.

Committed Equity

“Committed Equity” means, collectively, the TIAA Additional Capital Contributions and the SICO Capital Contributions.

Comptroller of the Currency

“Comptroller of the Currency” means the Office of the Comptroller of the Currency within the United States Department of the Treasury.

Condemnation

“Condemnation” means a temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Plant or the Site, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Plant or the Site or any part thereof.

Conditional Requisition

“Conditional Requisition” means a written request, in the form attached hereto as Exhibit C-2, by the Borrower for payment or transfer from the Project Fund under this Indenture.

Construction Agreement

“Construction Agreement” means the EPC Balance of Plant Contract dated June 5, 2017, between the Borrower and the Contractor, as the same may be amended in accordance with its terms, but only as permitted by the Bond Financing Documents.

Construction Bond

“Construction Bond” means the Performance Bond, dated on or about the Delivery Date, issued by the Construction Surety in respect of the Contractor’s obligations under the Construction Agreement.

Construction Budget

“Construction Budget” means the construction budget for the development, construction, equipping and improvement of the Plant, in the form certified by the Borrower on the Delivery Date and attached to the Loan Agreement as Exhibit M, as amended from time to time in accordance with the Bond Financing Documents.

Construction Monitor

“Construction Monitor” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Construction Replacement Provisions

“Construction Replacement Provisions” has the meaning set forth in Section 5.39(b)(ii) of the Loan Agreement.

Construction Surety

“Construction Surety” means Continental Casualty Company, in its capacity as surety under the Construction Bond.

Contractor

“Contractor” means Casey Industrial, Inc., an Oregon corporation.

Corporate Trust Office

“Corporate Trust Office” means with respect to the Trustee, the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the date hereof is located in Minneapolis, Minnesota; provided, however, that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

Costs of Issuance

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority or the Borrower and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee, initial fees and charges of the Collateral Agent, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds which constitutes a “cost of issuance” within the meaning of Section 147(g) of the Code.

Costs of Issuance Account

“Costs of Issuance Account” means each account by that name established in the Costs of Issuance Fund pursuant to Section 3.04 hereof.

Costs of Issuance Fund

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.04 hereof.

Costs of the Tax-Exempt Project

“Costs of the Tax-Exempt Project” means the sum of the items, or any such item, authorized to be paid from the Project Fund pursuant to the provisions of Section 3.03 hereof and the Tax Certificate, but shall not include any Costs of Issuance.

Debt Service

“Debt Service” means, for any period, the aggregate of all amounts required to be paid by the Borrower to the Trustee under the terms of the Bond Financing Documents during such period by way of:

- (a) repayments of principal in respect of the Bonds; and
- (b) interest, fees, commissions, costs, indemnity payments and expenses under the Bond Financing Documents, including any Additional Payments under the Loan Agreement and any other Excluded Moneys.

Debt Service Coverage Ratio

“Debt Service Coverage Ratio” means each of the Historic Debt Service Coverage Ratio and the Forward Looking Debt Service Coverage Ratio.

Debt Service Fund

“Debt Service Fund” means the fund by that name established pursuant to Section 5.02.

Deed of Trust

“Deed of Trust” has the meaning ascribed to such term in the Collateral Agency Agreement.

Default Rate

“Default Rate” means interest rate plus 2.00%.

Delivery Date

“Delivery Date” means the date of initial issuance and delivery of a Series of the Bonds. The Delivery Date for the 2017 Bonds is June 14, 2017.

Direct Participants

“Direct Participants” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Bonds as securities depository.

Disqualified Requisition Exceptions

“Disqualified Requisition Exceptions” mean the following exceptions to the requirements of Section 3.03(a):

(a) The Borrower is unable to certify to the certifications contained in Section 3.03(a)(xi), Section 3.03(a)(xiv), Section 3.03(a)(xviii)(3) or Section 3.03(a)(xx), except to the extent such certifications are waived by the Bondholders; or

(b) The Construction Monitor is unable to deliver the certification described in Section 3.03(a)(xviii)(5) as it relates to its certification of Section 3.03(a)(xiv).

Distribution

“Distribution” means:

(a) any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of the equity share capital of the Borrower (or any part or class thereof);

(b) any redemption, reduction, repurchase, defeasance, retirement or repayment of share capital, share premium or other capital reserves of the Borrower;

(c) any repayment of principal, payment of interest or payment of other amounts in respect of intragroup loans granted to the Borrower;

(d) any other payment of management, advisory or other fee or distribution of any kind by the Borrower, in each case to any of the Holdco or any Participating Affiliate of Holdco.

Distribution Requirements

“Distribution Requirements” means:

(a) the Commercial Operations Date has occurred;

(b) no Incipient Default or Event of Default has occurred and is continuing nor would occur as a result of such Distribution;

(c) the Forward Looking Debt Service Coverage Ratio as of the most recent Calculation Date is equal or greater than 1.3;

(d) the Historic Debt Service Coverage Ratio as of the most recent Calculation Date is equal or greater than 1.3;

(e) the amount held in the Reserve Fund is at least equal to the then relevant Reserve Fund Requirement based on a valuation as of a date not more than ten (10) Business Days prior to the proposed Distribution;

(f) the amount held in the Major Maintenance Reserve Account established under the Collateral Agency Agreement is at least equal to the Major Maintenance Reserve Requirement (as defined in the Collateral Agency Agreement);

(g) the amount held in the Operating Expense Reserve Account established under the Collateral Agency Agreement is at least equal to the Operating Expense Reserve Requirement (as defined in the Collateral Agency Agreement);

(h) the amount held in the Feedstock Expense Reserve Account established under the Collateral Agency Agreement is at least equal to the Feedstock Expense Reserve Requirement (as defined in the Collateral Agency Agreement);

(i) (1) with respect to the first two Calculation Dates (i.e., December 31, 2019 and June 30, 2020), an amount equal to at least \$2,500,000 is retained in the Suspension Account after the proposed Distribution following and with respect to the first Calculation Date and an amount equal to at least \$5,000,000 is retained in the Suspension Account after the proposed Distribution following and with respect to the second Calculation Date, and (2) with respect to the third Calculation Date (i.e., December 31, 2020) and each Calculation Date thereafter, the first payment of principal due under Section 4.2(a)(i) of the Loan Agreement shall have been made;

(j) the Borrower does not owe (A) incentive compensation to the Contractor under the provisions of Section 6.5 of the Construction Agreement or (B) sales commissions to CFP that have been accrued and remain unpaid (or interest thereon) under the provisions of Section 12.19 of the CFP Sales Agreement; and

(k) the conditions to Distribution set forth in Sections 3.09(d) and 3.09(e) of the Collateral Agency Agreement are satisfied.

DSCR Certificate

“DSCR Certificate” means a certificate in the form of Exhibit G attached hereto.

DTC

“DTC” means The Depository Trust Company, New York, New York, any successor thereto, or any successor securities depository for the Bonds.

DTC Letter of Representations

“DTC Letter of Representations” has the meaning set forth in Section 2.09(e) hereto.

Effective Waiver Notice

“Effective Waiver Notice” has the meaning set forth in Section 3.03 hereto.

EMMA

“EMMA” means the Electronic Municipal Market Access system of the MSRB as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be prescribed by the MSRB for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, and approved by the Securities and Exchange Commission from time to time.

Environmental Claim

“Environmental Claim” means any notice, claim, administrative, regulatory or judicial action, suit, judgment, demand, proceeding or investigation alleging or asserting liability by any person or Governmental Authority or private entity for any remedial or removal costs, response costs, natural resource damages or other costs, fines, penalties, expenses or damages under any Environmental Requirement arising from or relating to any personal injury or property damage or any injury, harm to public health, safety or the environment.

Environmental Permits

“Environmental Permits” means any authorization, permit, right, consent, approval, resolution, license, exemption, waiver, filing, notarization or registration issued by any Governmental Authority and the filing of any notification, report or assessment with any Governmental Authority required under any Environmental Requirement for the operation of the Plant.

Environmental Requirement

“Environmental Requirement” means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, or any other binding determination of any Governmental Authority relating to protection of the environment or health or safety relating to the release of or exposure to hazardous or toxic substances, materials or wastes. Environmental Requirements include, without limitation, regulations and requirements imposed pursuant to the Clean Air Act, 42 U.S.C. § 7401, et seq., the Clean Water Act, 33 U.S.C. § 1251, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, et seq., and any and all state law or local law counterparts, all as amended.

Equipment Supply Agreement

“Equipment Supply Agreement” means the Supply Contract, dated as of July 3, 2013, as amended and restated as of June 2, 2017, between the Borrower and SICO, as such agreement may be amended in accordance with its terms, and the Bond Financing Documents.

Equity Interests

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination, in each case including all voting rights and economic rights related thereto.

ERISA

“ERISA” means the Employee Retirement Income Security Act of 1974, and any regulations issued pursuant thereto, as amended or replaced and as in effect from time to time.

ERISA Affiliate

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 4001(a)(14)(B) of ERISA or Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

ERISA Event

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or receipt by the Borrower or any ERISA Affiliate of notification that that a Multiemployer Plan is in reorganization or insolvent; (d) the filing of a notice of intent to terminate, the treatment of a Multiemployer Plan amendment as a termination under Section 4041 or 4041A of ERISA or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (f) the incurrence of an accumulated funding deficiency, within the meaning of Section 412 of the Code or Section 302 of ERISA, or application for a waiver or modification of the minimum funding standard or an extension of any amortization period under Section 412 of the Code or Section 303 or 304 of

ERISA with respect to a Pension Plan; or (g) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

Event of Default

“Event of Default” means any of the events specified in Section 7.01 hereof.

Excess Proceeds Account

“Excess Proceeds Account” means the account by that name established pursuant to Section 3.03 hereof.

Excluded Loss Proceeds

“Excluded Loss Proceeds” means any Loss Proceeds that are not required to be deposited in the Revenue Fund under the provisions of Section 7.08 of the Collateral Agency Agreement.

Excluded Moneys

“Excluded Moneys” means Additional Payments to the extent payable to the Authority under Sections 4.2(b), (c) and (d) of the Loan Agreement and payments under Sections 7.3, 9.2 and 9.3 of the Loan Agreement.

Final Tax-Exempt Project Completion

“Final Tax-Exempt Project Completion” means the earlier of the date of completion of the Tax-Exempt Project or final disbursement from the Project Fund as that date shall be certified as provided in the Loan Agreement.

Final Tax-Exempt Project Completion Certificate

“Final Tax-Exempt Project Completion Certificate” means the Final Tax-Exempt Project Completion Certificate, delivered substantially in the form of Exhibit B to the Loan Agreement.

Final Tax-Exempt Project Completion Date

“Final Tax-Exempt Project Completion Date” means the date on which the Tax-Exempt Project is complete, as certified to the Trustee, the Authority and the Collateral Agent by the Borrower and the Construction Monitor (after any consultation with the Technical Advisor required by the Construction Monitor), pursuant to Section 3.3 of the Loan Agreement.

Financial Indebtedness

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed;

- (b) debit balances at banks or other financial institutions;
- (c) any amount raised by acceptance under any acceptance credit or bill discounting facility (or dematerialized equivalent);
- (d) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (other than the Bond Financing Documents);
- (e) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (g) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under GAAP;
- (h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (j) all unconditional obligations to purchase, redeem, retire, defease or otherwise acquire for value any of its capital stock or equity interests or any warrants, rights or options to acquire such capital stock or other equity interests and any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the final maturity of the Bonds or are otherwise classified as borrowings under GAAP;
- (k) all obligations to pay the deferred purchase price of property or services, except trade accounts payable for property or services and arising in the ordinary course of business;
- (l) all indebtedness of others secured by a Lien on any asset of the Person in question, whether or not such indebtedness is assumed by such Person, or
- (m) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (l) above.

Financial Model

“Financial Model” means the detailed cash flow model in Excel developed by the Borrower and provided to the Authority prior to the Delivery Date, and any update prepared by the Borrower as reasonably determined by the Borrower from time to time.

Financial Officer

“Financial Officer” means, with respect to any Person, the controller, treasurer or chief financial officer of such Person.

Fiscal Quarter

“Fiscal Quarter” means, initially, the quarterly periods (a) from and including January 1 to and including March 31, (b) from and including April 1 to and including June 30, (c) from and including July 1 to and including September 30, and (d) from and including October 1 to and including December 31, and, if the Borrower changes its Fiscal Year, quarterly periods reasonably determined by the Borrower.

Fiscal Year

“Fiscal Year” means the period beginning on January 1 of each year and ending on the next succeeding December 31, or any other twelve-month, or fifty-two week, period hereafter selected and designated as the official fiscal year period of the Borrower.

Fitch

“Fitch” means Fitch, Inc. a corporation organized and existing under the laws of the State of Delaware, doing business as Fitch Ratings, its successors and their assigns, or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a nationally recognized statistical rating organization, “Fitch” shall be deemed to refer to any other nationally recognized statistical rating organization (other than S&P or Moody’s) designated by the Authority, with the approval of the Borrower, by notice to the Trustee.

Force Majeure Adjusted Date

“Force Majeure Adjusted Date” means the earlier to occur of (a) the fourth anniversary of the Delivery Date plus the amount of time that a Force Majeure Event has delayed the occurrence of the Commercial Operations Date as determined by the Construction Monitor (if the Force Majeure Event occurs before Plant Acceptance) or the Technical Advisor (if the Force Majeure Event occurs after Plant Acceptance) and (b) the fifth anniversary of the Delivery Date.

Force Majeure Event

“Force Majeure Event” means occurrences which are beyond the reasonable control of the applicable party (including its subcontractors), but only if, and to the extent:

(a) such occurrence, despite the exercise of reasonable diligence and efforts, cannot be prevented, avoided or removed by the applicable party;

(b) such occurrence materially adversely affects the ability of the applicable party to fulfill its contractual obligations relating to the Plant;

(c) the applicable party has taken all reasonable precautions, due care and commercially reasonable alternative measures in order to avoid the effect of such occurrence on the applicable party's ability to fulfill its contractual obligations relating to the Plant and to mitigate the consequences thereof;

(d) such occurrence is not the result of any failure of the applicable party to perform any of its contractual obligations relating to the Plant or any negligence of the applicable party; and

(e) where the applicable party is the Contractor or the Borrower, the applicable party has at all relevant times conducted itself in accordance with Prudent Operating Practice.

No Loan Event of Default due to the negligent or intentional acts of the Borrower, or acts or omissions of other parties (unless such acts or omissions of other parties are themselves caused by an occurrence that would otherwise constitute a Force Majeure Event) shall be deemed a Force Majeure Event. No Force Majeure Event shall excuse any failure by the Borrower to make any payment to the Trustee or the Collateral Agent required by terms of the Bond Financing Documents.

Forward Looking Debt Service Coverage Ratio

“Forward Looking Debt Service Coverage Ratio” means, for any Calculation Period, the ratio of (a) the Income Available for Debt Service for the Calculation Period, as projected by the Borrower in good faith and in a manner consistent with any relevant Operating Budget, divided by (b) the amount of the scheduled Debt Service for the Calculation Period; provided that, for the first two Calculation Periods (notwithstanding the principal payments that are payable by the Borrower under the Loan Agreement, if any), scheduled principal payments for purposes of calculating Debt Service for the Calculation Period shall be deemed to be equal to \$2,500,000.

GAAP

The term “GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination. If at any time any change in GAAP (from GAAP as in effect on the Delivery Date) would affect the computation of any financial ratio or requirement set forth in any Bond Financing Document, the Borrower may propose in good faith any amendment of the Bond Financing Documents necessary to preserve the original intent of such ratio or requirement in light of such change in GAAP, as to which amendment the Required Bondholders will have a Veto Right, but in the absence of the exercise of the Veto Right the amendment will become binding.

Governmental Approval

“Governmental Approval” means any approval, consent, waiver, exemption, variance, order, judgment, decree, permit, authorization, grant, lease, right, resolution, ruling, certification or license from or by a Governmental Authority, including any Environmental Permits.

Governmental Authority

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, board, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government.

Group

“Group” means Holdco, the Borrower, the Licensor, any Subsidiary (direct or indirect) of Holdco or any of the direct owners of membership interests in Holdco.

Hazardous Materials

“Hazardous Materials” means any pollutant, contaminant, hazardous substance, hazardous waste, toxic substance, petroleum or petroleum-derived substance, asbestos, asbestos-containing materials, polychlorinated biphenyls, radioactive material, or other compound, element, chemical material or substance that is regulated by or under or for which liability may be imposed under any Environmental Requirement.

Historic Debt Service Coverage Ratio

“Historic Debt Service Coverage Ratio” means, for any Calculation Period, the ratio of (a) Income Available for Debt Service for the Calculation Period, divided by (b) the amount of Debt Service for the Calculation Period, provided that, for the first two Calculation Periods (notwithstanding the principal payments that are payable by the Borrower under the Loan Agreement, if any), principal payments for purposes of calculating Debt Service for such Calculation Periods shall be deemed to be equal to \$2,500,000.

Holdco

“Holdco” means CalPlant I Holdco, LLC, a limited liability company formed under the laws of Delaware, as sole member of the Borrower.

Holder or Bondholder or Owner

“Holder” or “Bondholder,” or “Owner,” whenever used herein with respect to a Bond, means the Person in whose name such Bond is registered.

Incipient Default

“Incipient Default” means any event that would, with the giving of notice or lapse of time, or both, constitute an Event of Default under this Indenture.

Income Available for Debt Service

“Income Available for Debt Service” means, for the purpose of calculating the Historic Debt Service Coverage Ratio or the Forward Looking Debt Service Coverage Ratio for any Calculation Period, the amount of (a) all Borrower Revenues for the Calculation Period, less (b) the sum of (i) all Operating Expenses paid (in the case of the Historic Debt Service Coverage Ratio) or projected to be paid (in the case of the Forward Looking Debt Service Coverage Ratio) during the Calculation Period, and (ii) any Capital Expenditures paid (in the case of the Historic Debt Service Coverage Ratio) or projected to be paid (in the case of the Forward Looking Debt Service Coverage Ratio) during the Calculation Period, other than Capital Expenditures paid (in the case of the Historic Debt Service Coverage Ratio) or projected to be paid (in the case of the Forward Looking Debt Service Coverage Ratio) from (X) the Major Maintenance Reserve Fund or (Y) Loss Proceeds, provided that for the purpose of this definition “Borrower Revenues” shall include the proceeds of business interruption insurance to the extent that such proceeds are received or projected to be received for a period not exceeding three (3) months in any consecutive twelve (12) –month period and shall be deemed allocated in equal one-twelfth (1/12) portions over each of the next succeeding twelve (12) months from the first day such insurance proceeds were received or are projected to be received.

Indenture

“Indenture” means this Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

Inflation Factor

“Inflation Factor” means, for any date of determination, the percentage change (but not less than zero) in the Producer Price Index for New Industrial Building Construction, as published from time to time by the U.S. Department of Labor, Bureau of Labor Statistics, using the year in which the Delivery Date occurs as a base year to the date of determination, or, if such index shall cease to be regularly published, such similar index (adjusted for any difference in base year and absolute amount) as shall from time to time be published by such Bureau. If the U.S. Department of Labor ceases to publish such an index, the Borrower shall, by notice to the Trustee, adopt in its place from time to time a comparable index published by a responsible financial periodical, and such comparable index shall for all purposes be used in determining the Inflation Factor.

Information Service

“Information Service” means the MSRB or, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds, or no such services, as the Authority may designate in a Certificate of

the Authority delivered to the Trustee in writing. Until otherwise designated by the MSRB, filings with the MSRB are to be made through EMMA.

Initial Purchasers

“Initial Purchasers” means each of the purchasers of the Bonds identified in the Bond Purchase Agreement.

Institutional Accredited Investor

“Institutional Accredited Investor” means any Person who falls within the categories defined in Rule 501(a)(1), (2), (3) or (7) adopted under the Securities Act of 1933, as in effect on the Delivery Date.

Intellectual Property Rights

“Intellectual Property Rights” means any and all rights in, arising out of, or associated with the following, whether now or hereafter existing, created, acquired or held: (i) all U.S., international and foreign patents and patent applications and all reissues, divisions, renewals, extensions, provisional, continuations and continuations-in-part thereof; (ii) all trade secret rights; (iii) all copyrights or other rights associated with works of authorship, including all copyright registrations and applications for copyright registration, renewals and extensions thereof, and all other rights corresponding thereto throughout the world; (iv) all mask work rights, mask work registrations and applications therefor, and any equivalent or similar rights in semiconductor masks, layouts, architectures or topology; (v) all rights in industrial designs and any registrations and applications therefor throughout the world; (vi) all rights to trade names, logos, trademarks and service marks, including registered trademarks and service marks and all applications to register trademarks and service marks throughout the world; (vii) all rights to any databases and data collections throughout the world; (viii) all moral and economic rights of authors and inventors, however denominated, throughout the world; and (ix) any similar or equivalent rights to any of the foregoing anywhere in the world.

Interest Account

“Interest Account” means the account by that name in the Debt Service Fund established pursuant to Section 5.02 hereof.

Interest Payment Date

“Interest Payment Date” means, without duplication, each Principal Payment Date and each January 1 and July 1, commencing January 1, 2018. If any Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day.

Invalidity Event

“Invalidity Event” means the Loan Agreement or this Indenture becoming void or unenforceable or impossible of performance in accordance with the intention and purposes of the parties thereto or being declared unlawful, in each case, as a result of any changes in the

Constitution of the United States of America or the California Constitution or as a result of any legislative, judicial or administrative action.

Investment Securities

“Investment Securities” means any of the following securities (other than those issued by the Authority or the Borrower):

(i) Commercial paper issued by corporations that are organized and operating within the United States and that at the time of investment are rated by Moody’s or S&P (a) “A-2” or “P-2” or higher if such commercial paper has a maturity of seven days or less, and (b) “A-1” or “P-1” if such commercial paper has a maturity of greater than seven days;

(ii) United States Treasury notes, bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the full and timely payment of principal and interest, not subject to prepayment or call;

(iii) Negotiable certificates of deposit issued by or deposit accounts with a nationally or state-chartered bank, including the Trustee, its parent company and their affiliates, or by a state-licensed branch of a foreign bank, provided that the senior debt issued by such bank and/or its holding company shall be rated at the time of purchase “A” by Moody’s and S&P, respectively, and the commercial paper issued by such holding company or branch of a foreign bank shall be rated at the time of purchase “P-1” and “A-1” by Moody’s and S&P, respectively;

(iv) Bonds, notes or other obligations of any state, municipality or political subdivision the interest on which is excluded from gross income for federal income tax purposes, which are rated at the time of purchase “A” or higher by Moody’s or S&P;

(v) Investments in or shares of any “regulated investment company” within the meaning of Section 851(a) of the Code, the assets of which are securities or investments described in (i) - (iv) above, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services; and

(vi) Money market funds invested solely in U.S. Treasury securities or fully secured by such securities described in paragraph (ii) of this definition, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services.

Law

“Law” means any constitutional provisions, law, statute, rule, regulation, ordinance, treaty, order, decree, judgment, decision, common law, holding, injunction, Governmental Approval or requirement of any Governmental Authority. Unless the context clearly requires otherwise, the term “Law” shall include each of the foregoing (and each provisions thereof) as in effect at the time in question, including any amendments, supplements, replacements, or other modifications thereto or thereof, and whether or not in effect as of the date of this Indenture.

License Agreement

“License Agreement” means the Intellectual Property Agreement, dated as of the Delivery Date, initially between the CalAg, LLC and the Borrower, and as assigned by CalAg, LLC to, and assumed by, the Licensor on the Delivery Date.

Licensor

“Licensor” means Agfiber IP, LLC, a Delaware limited liability company. The Licensor is a wholly owned subsidiary of Agfiber Technologies, LLC, a Delaware limited liability company all of the members of which are members of Holdco.

Licensor’s and Investors’ Undertaking

“Licensor’s and Investors’ Undertaking” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Lien

“Lien” means, with respect to any asset, any deed of trust, mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of the asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement and any lease that constitutes a security interest.

Loan Agreement

“Loan Agreement” means that certain loan agreement by and between the Authority and the Borrower, dated as of June 1, 2017 as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Indenture.

Loan Default Event

“Loan Default Event” means any one or more of the events specified in Section 7.1 of the Loan Agreement.

Loan Repayments

“Loan Repayments” means the payments required to be made by the Borrower pursuant to Section 4.2 of the Loan Agreement.

Loss Event

“Loss Event” has the meaning ascribed to such term in the Collateral Agency Agreement.

Loss Proceeds

“Loss Proceeds” has the meaning ascribed to such term in the Collateral Agency Agreement.

Mandatory Sinking Fund Payment

“Mandatory Sinking Fund Payment” means the payments so designated and required to be made pursuant to Section 4.01(a) of this Indenture.

Mandatory Sinking Fund Payment Date

“Mandatory Sinking Fund Payment Date” means, with respect to the 2017 Bonds, any date on which a Mandatory Sinking Fund Payment is payable pursuant to Section 4.01(a) of this Indenture.

Material Adverse Effect

“Material Adverse Effect” means a material adverse effect on (i) the business, financial condition, results of operations or properties of the Borrower, (ii) the ability of the Borrower to perform any of its material obligations under the Loan Agreement, the Collateral Agency Agreement, the Collateral Instruments, the other Transaction Documents or any other material related agreement to which the Borrower is a party or (iii) the legality, validity or enforceability of, or the rights and remedies of the Authority, the Trustee or the Holders under, the Bond Financing Documents or any other related agreement to which the Borrower is a party, in each case described in the foregoing clauses (i) through (iii), that is reasonably expected to have a material adverse effect on the ability of the Borrower to make Loan Repayments as the same become due.

Material Company

“Material Company” means each of (a) SICO, but only until all its material obligations under the Equipment Supply Agreement have been discharged, (b) CFP, and (c) the Contractor, but only until all its material obligations under the Construction Agreement have been discharged. From and after any replacement of any Material Company pursuant to the Construction Replacement Provisions and (if applicable) the CFP Replacement Provisions, then the replacement counterparty shall be deemed to a Material Company and the counterparty it replaces shall be deemed to be no longer a Material Company

Material Contract

“Material Contract” means each of the Construction Agreement, the Equipment Supply Agreement, the CFP Agreement, and each other material contract in relation to the Plant entered into by the Borrower with a Material Company. From and after any replacement of any Material Contract pursuant to the Construction Replacement Provisions and (if applicable) the CFP Replacement Provisions, then the replacement counterparty shall be deemed to a Material Company and the counterparty it replaces shall be deemed to be no longer a Material Company.

Maximum Annual Debt Service

“Maximum Annual Debt Service” means the amount of Annual Debt Service for that Bond Year during which the Annual Debt Service for the Bonds or, with respect to the calculation of the Reserve Fund Requirement for a Series, the Series of Bonds, is the largest, beginning with the next succeeding Bond Year.

Moody’s

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a nationally recognized statistical rating organization, “Moody’s” shall be deemed to refer to any other nationally recognized statistical rating organization (other than S&P or Fitch) designated by the Authority, with the approval of the Borrower, by notice to the Trustee.

MSRB

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15(B)(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor organization.

Multiemployer Plan

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA to which the Borrower or any of its ERISA Affiliates is or has been obligated to contribute.

Obligations

“Obligations” means, with respect to any indebtedness, any principal, interest, premium, fees, expenses, indemnifications, reimbursements, prepayments, premium, damages and other liabilities payable and performance obligations under the documentation governing the applicable indebtedness.

Offering Memorandum

“Offering Memorandum” means, with respect to the 2017 Bonds, the Limited Offering Memorandum dated May 24, 2017 relating to the 2017 Bonds, including all appendices attached thereto, and with respect to any other bonds means any disclosure document prepared in connection with such other Bonds.

Operating Budget

“Operating Budget” has the meaning given to such term in the Collateral Agency Agreement.

Operating Expenses

“Operating Expenses” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Opinion, Opinion of Counsel

“Opinion” or “Opinion of Counsel” means a written opinion (addressed and delivered to the Authority) of counsel (who may be counsel for the Authority) selected by the Borrower and acceptable to the Authority. If and to the extent required by the provisions of Section 1.02 hereof, each Opinion or Opinion of Counsel shall include the statements provided for in Section 1.02 hereof.

Outstanding

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.10 hereof) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except (1) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which liability of the Authority shall have been discharged in accordance with Section 10.02 hereof, including Bonds (or portions of Bonds) referred to in Section 11.10 hereof; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

Owner

See “Holder.”

Par Call Date

“Par Call Date” for each maturity of 2017 Bonds, means the applicable date, if any, on which such maturity of 2017 Bonds is first callable at par or if such maturity of 2017 Bonds is not callable at par, the maturity date.

PAR Certificate

“PAR Certificate” means the certificate delivered in connection with the Post Acceptance Run in accordance with Section 3.1(b) of the Loan Agreement.

Participating Affiliate

“Participating Affiliate” means, with respect to any Person, each Person that directly or indirectly, through one or more intermediaries or other Persons, controls, or is controlled by, or is under common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person (i) possesses, directly or indirectly, power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise, or (ii) owns at least fifty percent (50%) of the Equity Interests in such Person. For purposes of this definition, a “Person” who is an individual includes the spouse, children or parents

of such Person (collectively, “relatives”), and includes any trust of which such Person or his or her relatives is the trustee or a beneficiary. For the purpose of this definition, the “control” of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of a majority of voting securities or membership interests, as trustee, by contract or otherwise. A Participating Affiliate shall also be a “participating party” within the meaning of the Act.

Patent

“Patent” means United States patent no. 6,596,209 (“Production of Particle Board from Agricultural Waste”) issued on July 22, 2003.

Paying Agent

“Paying Agent” means any Paying Agent described in Section 8.07 hereof.

PBGC

“PBGC” means the Pension Benefit Guaranty Corporation or any successor thereto established under ERISA.

Pension Plan

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, which is subject to Title IV of ERISA or Section 412 of the Code, and is maintained by the Borrower or any of its ERISA Affiliates or to which the Borrower or any of its ERISA Affiliates contributes or has an obligation to contribute or, in the case of a multiple employer plan (as described in Section 4064(a) of ERISA), has made contributions at any time during the immediately preceding five plan years.

Permitted Liens

“Permitted Liens” means Liens of the types identified in Exhibit F hereto.

Person

“Person” means an individual, corporation, firm, association, limited liability company, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Plans and Specifications

“Plans and Specifications” means the plans and specifications for the development, construction, equipping and improvement of the Plant, in the forms included in the Construction Agreement and the Equipment Supply Agreement, as amended from time to time in accordance with the Bond Financing Documents.

Plant

“Plant” means the medium density fiberboard plant using rice straw or other agricultural waste materials as its feedstock to be constructed and owned by the Borrower and located in Glenn County, California, including the Tax-Exempt Project and all other portions of the Site, buildings, structures, improvements, easements and other property related thereto, as described in the Plans and Specifications.

Plant Acceptance

“Plant Acceptance” means the date on which the Final Acceptance Certificate as defined under the Equipment Supply Agreement is issued by the Borrower in accordance with such contract.

Plant Construction

“Plant Construction” means the construction and equipment supply of the Plant as described as set forth in the Construction Agreement, the Equipment Supply Agreement, the Plans and Specifications and the Construction Budget.

Plant Substantial Completion Date

“Plant Substantial Completion Date” means the date that is the date on which “Substantial Completion,” as that term is defined in the Construction Agreement, is achieved.

Pledge Agreement

“Pledge Agreement” means the Pledge Agreement, dated the Delivery Date, by and between the Holdco and the Collateral Agent, pursuant to which Holdco pledges the Pledged Parent Collateral.

Pledged Parent Collateral

“Pledged Parent Collateral” means the membership interests in the Borrower that have been pledged by Holdco to the Collateral Agent as collateral for the Secured Debt under the terms of the Pledge Agreement.

Post Acceptance Run

“Post Acceptance Run” means the test run described in Section 3.1(c) of the Loan Agreement.

Post-COD Reporting Period

“Post-COD Reporting Period” means in relation to each Operating Report, the period which such report shall cover according to Section 5.15(a)(xii) of the Loan Agreement.

Pre-COD Reporting Period

“Pre-COD Reporting Period” means in relation to each Construction Report, the period which such report shall cover according to Section 5.15(a)(x) of the Loan Agreement.

Principal Account

“Principal Account” means the account by that name in the Debt Service Fund established pursuant to Section 5.02.

Principal Payment Date

“Principal Payment Date” means each date on which a 2017 Bond matures, and each Mandatory Sinking Fund Payment Date commencing January 1, 2021. The Principal Payment Date for any Series of Additional Bonds will have the meaning set forth in the Supplemental Indenture for such Series.

Proceeds

“Proceeds” means “proceeds” as defined in the UCC, together with (whether or not the following constitute proceeds as defined in the UCC): (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Borrower Party from time to time with respect to any of the Collateral, (ii) any and all other amounts from time to time paid or payable to any Borrower Party upon the sale, exchange, collection or other disposition of any part of the Collateral, and (iii) any and all interest or dividends paid or distributed with respect to the Collateral.

Project Documents

“Project Documents” means the Construction Agreement, the Equipment Supply Agreement, each Rice Straw Supply Agreement, the Resin Supply Agreement, the CFP Agreement, the License Agreement, each other material agreement in relation to the Plant entered into by the Borrower with a Material Company and any guarantees, and any alternate or replacement agreements therefor or amendments, supplements or successor agreements thereto, and in any event not including purchase orders and similar agreements entered into in the ordinary course of business. Project Documents shall include (a) any agreement, other than a purchase order or similar agreement entered into in the ordinary course of business, under which the Borrower is expected to pay or receive an amount in excess of 15% of its Borrower Revenues for the prior Fiscal Year and (b) any other agreement that the Borrower, acting reasonably, determines is material to the construction, maintenance or operation of the Plant or to its financial condition.

Project Fund

“Project Fund” means the account by that name established by the Trustee pursuant to Section 3.03 of this Indenture.

Prudent Operating Practice

“Prudent Operating Practice” means the exercise of that degree of skill, diligence, prudence, foresight and operating practice which would reasonably and ordinarily be expected from a reasonable and prudent operator of the same type of undertaking as the Plant, consistent in all material respects with safety standards, applicable Laws, manufacturers’ warranties, manufacturers’ recommendations and the Project Documents. Prudent Operating Practice does not necessarily mean one or the “best” particular practice, method, equipment specification or standard in all cases, but is instead intended to encompass a broad range of acceptable practices, methods, equipment specifications and standards.

Qualified Institutional Buyer

“Qualified Institutional Buyer” has the meaning ascribed to such term in Securities and Exchange Commission Rule 144A adopted under the Securities Act of 1933, as in effect on the Delivery Date.

Qualified Purchaser

“Qualified Purchaser” means any Qualified Institutional Buyer or Institutional Accredited Investor.

Rating Agency

“Rating Agency” means Moody’s, S&P and Fitch, provided that if one but not all of such entities is then rating the Bonds, then the term “Rating Agency” shall refer only to any of such entities that is then rating the Bonds.

Rating Category

“Rating Category” means one of the general long-term (or short-term, if so specifically provided) rating categories of the applicable Rating Agency, without regard to any refinement or graduation of such rating category by a numerical modifier or otherwise.

Rebate Fund

“Rebate Fund” means the fund by that name created pursuant to Section 5.02 hereof.

Rebate Instructions

“Rebate Instructions” means those calculations and directions required to be delivered to the Trustee by the Borrower under the Tax Certificate.

Rebate Requirement

“Rebate Requirement” means the Rebate Requirement defined in the Tax Certificate.

Record Date

“Record Date” means the day, whether or not a Business Day, which is the fifteenth day of the month prior to an Interest Payment Date.

Redemption Account

“Redemption Account” means the account by that name established in the Debt Service Fund pursuant to Section 5.01(c) hereof.

Reportable Event

“Reportable Event” means an event described in Section 4043(c) of ERISA other than those events as to which the 30-day notice period is waived.

Required Bondholders

“Required Bondholders” means the Holders or Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Outstanding Bonds.

Required Bondholders Approval Certificate

“Required Bondholders Approval Certificate” means, with respect to (and to the extent required in connection with) any Requisition or any other matter for which a consent, approval or waiver by the Required Bondholders is required or permitted under the Bond Financing Documents, a certificate executed by a Borrower Representative, certifying that (A) the Borrower has received written instruments, attached to the certificate and executed on behalf of the applicable Beneficial Owners as identified by the Borrower based on information believed by the Borrower in good faith to be reliable, (B) in such instruments, the signers have represented that the Beneficial Owner on whose behalf the instrument has been signed has approved the Requisition or other such matter requiring or permitting a consent, approval or waiver (and waived any applicable Veto Right), and (C) the Beneficial Owners with respect to which such instruments have been executed constitute, in the Borrower’s good faith determination, the Required Bondholders.

Requisition

“Requisition” means an Unconditional Requisition, a Conditional Requisition, or a requisition in the form attached hereto as Exhibit D.

Reserve Fund

“Reserve Fund” means the fund by that name established pursuant to Section 5.02.

Reserve Fund Requirement

“Reserve Fund Requirement” means, with respect to any Series of Bonds, (1) as of any date of calculation prior to the Commercial Operations Date, the least of (i) Maximum Annual Debt Service on such Series of Bonds then Outstanding, (ii) one hundred twenty-five percent

(125%) of the average Annual Debt Service on such Series of Bonds then Outstanding, (iii) twenty one and one-half million dollars (\$21,500,000), or (iv) ten percent (10%) of the initial principal amount of such Series of Bonds then Outstanding, and (2) as of any date of calculation on or after the Commercial Operations Date, the least of (i) Maximum Annual Debt Service on such Series of Bonds then Outstanding, (ii) one hundred twenty-five percent (125%) of the average Annual Debt Service on such Series of Bonds then Outstanding, or (iii) ten percent (10%) of the initial principal amount of such Series of Bonds then Outstanding.

Reserved Rights

“Reserved Rights” means the right of the Authority to receive and enforce the receipt of any Excluded Moneys and the Authority’s express rights of indemnification, inspection and consent and receipt of certificates, notices and opinions.

Resin Supply Agreement

“Resin Supply Agreement” means the agreement dated October 1, 2009, as amended, pursuant to which the Borrower acquires resin from Huntsman International, LLC, and any other agreement pursuant to which the Borrower acquires resin.

Restricted Period

“Restricted Period” means any time other than a time that the Borrower has received approval from the Authority pursuant to Section 2.04(b).

Revenue and Operating Account

“Revenue and Operating Account” has the meaning given to such term in the Collateral Agency Agreement.

Revenue Fund

“Revenue Fund” means the fund by that name established pursuant to Section 5.01.

Revenues

“Revenues” means all amounts received by the Authority or the Trustee for the account of the Authority pursuant or with respect to the Loan Agreement, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments, any late charges, and paid from whatever source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture, but not including Excluded Moneys, including without limitation any Administrative Fees and Expenses or any moneys, paid for deposit into the Rebate Fund and any investment earnings on moneys held in such funds or subaccounts.

Rice Straw Supply Agreements

“Rice Straw Supply Agreements” means each agreement governing the supply of rice straw for the Plant entered into by the Borrower.

S&P

“S&P” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc., its successors and their assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a nationally recognized statistical rating organization, “S&P” shall be deemed to refer to any other nationally recognized statistical rating organization (other than Moody’s or Fitch) designated by the Authority, with the approval of the Borrower, by notice to the Trustee.

Secured Debt

“Secured Debt” means the aggregate principal amount of the Bonds and all Obligations of the Borrower Parties under the Bond Financing Documents.

Securities Depositories

“Securities Depositories” means DTC or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as the Authority may indicate in a Certificate of the Authority delivered to the Trustee.

Series

“Series,” whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

SICO

“SICO” means Siempelkamp Maschinen- und Anlagenbau GmbH, a limited liability company organized and registered under the laws of Germany.

SICO Capital Contributions

“SICO Capital Contributions” shall have the meaning ascribed to such term in the Licensor’s and Investors’ Undertaking.

SICO Guarantor

“SICO Guarantor” means each of the banks issuing the SICO Guarantees.

SICO Guarantees

“SICO Guarantees” means the advance payment bank guarantee and performance bank guarantee, each dated on or about the Delivery Date, delivered by SICO in respect of SICO’s obligations under the Equipment Supply Agreement, in the respective forms of Exhibit 5.2 and 5.4 of the Equipment Supply Agreement.

Site

“Site” means those certain parcels of land described on Exhibit A to the Deed of Trust.

State

“State” means the State of California.

Stop Funding Notice

“Stop Funding Notice” means a notice from the Required Bondholders to the Trustee and the Borrower that directs the Trustee not to fund a Conditional Requisition.

Subsidiary

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references in herein to a Subsidiary or to Subsidiaries refer to a Subsidiary or Subsidiaries of the Borrower.

Supplemental Indenture

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Suspension Account

“Suspension Account” has the meaning given to such term in the Collateral Agency Agreement.

Tax or Taxes

“Tax” or “Taxes” means any present or future taxes (including income, gross receipts, license, payroll, employment, excise, severance, stamp, documentary, occupation,

premium, windfall profits, environmental, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value-added, ad valorem, alternative or add-on minimum, estimated, or other tax of any kind whatsoever), levies, imposts, duties, fees or charges (including any interest, penalty, or addition thereof) imposed by any government or any governmental agency or instrumentality or any international or multinational agency or commission.

Tax Certificate

“Tax Certificate” means each Tax Certificate and Agreement of the Borrower and the Authority dated the Delivery Date.

Tax-Exempt

“Tax-Exempt” means with respect to interest on any Bond that such interest is excluded from gross income for federal income tax purposes (other than in the case of a Holder of any Bonds who is a substantial user of the Tax-Exempt Project or a related person within the meaning of Section 147(a) of the Code) whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

Tax-Exempt Bonds

“Tax-Exempt Bonds” means the 2017 Bonds and any Additional Bonds that are Tax-Exempt.

Tax-Exempt Project

“Tax-Exempt Project” means the project described in Exhibit A to the Loan Agreement, as it may be amended pursuant to the terms of the Loan Agreement.

Technical Advisor

“Technical Advisor” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Technology

“Technology” means, regardless of form, any invention (whether or not patentable or reduced to practice), discovery, information, work of authorship, articles of manufacture, machines, methods, processes, models, procedures, protocols, designs, diagrams, drawings, documentation, flow charts, network configurations and architectures, schematics, specifications, concepts, data, databases and data collections, algorithms, formulas, know-how, and techniques, software code, including all source code, object code, firmware, development tools and application programming interfaces (APIs), tools, materials, marketing and development plans, and other forms of technology and all media on which any of the foregoing is recorded.

Third Party Consultant

“Third Party Consultant” means each of Stephen Vajda Consulting, Leonard Guss Associates, Inc. and Georgia Research Institute, Inc. for the purpose of delivering reports with respect to the Plant and its financing.

Third Party Report

“Third Party Report” means each report delivered by a Third Party Consultant.

TIAA Additional Capital Contributions

“TIAA Capital Contributions” shall have the meaning ascribed to such term in the Licensor’s and Investors’ Undertaking.

TIAA Investor

“TIAA Investor” shall have the meaning ascribed to such term in the Licensor’s and Investors’ Undertaking.

Transaction Documents

“Transaction Documents” means the Bond Financing Documents and the Project Documents.

Transaction Expenses

“Transaction Expenses” shall have the meaning given to such term in the Collateral Agency Agreement.

Transfer Date

“Transfer Date” has the meaning given to such term in the Collateral Agency Agreement.

Trustee

“Trustee” means UMB Bank, N.A., a national banking association duly organized and existing under the laws of the United States of America, having a Corporate Trust Office in Minneapolis, Minnesota, or its successor as Trustee hereunder as provided in Section 8.01.

Trustee Audit Letter

“Trustee Audit Letter” means the form of audit letter attached hereto as Exhibit B.

UCC

“UCC” means the Uniform Commercial Code as in effect in the State of New York.

Unanimous Consent Amendment

“Unanimous Consent Amendment” means any modification or amendment that (i) extends the fixed maturity of any Bond or Loan Repayment, or reduces the amount of principal thereof, or extends the time of payment, or changes the method of computing the rate of interest thereon, extends the time of payment of interest thereon or shortens or extends the time of payment of principal thereon, without the consent of the Holder of each Bond so affected, (ii) reduces the percentage of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or permits the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture, or deprives the Holders of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Holders of all of the Bonds then Outstanding, or (iii) permits the taking of any action or omission of action that would be reasonably likely to cause the interest on the Tax-Exempt Bonds to be included in gross income.

Unconditional Requisition

“Unconditional Requisition” means a written request, in the form attached hereto as Exhibit C-1, by the Borrower for payment or transfer from the Project Fund under this Indenture.

Underwriters

“Underwriters” means Citigroup Global Markets Inc. and Stifel, Nicolaus & Company, Incorporated.

Veto Right

“Veto Right” means any right of the Holders or Beneficial Owners under any provision of this Indenture or the Loan Agreement to object to or reject any action or determination of the Borrower and expressly referred to in such provision as a “Veto Right.”

Veto Process

“Veto Process” means the process of resolving any Veto Rights of the Holders and Beneficial Owners pursuant to Section 6.08(e) of this Indenture.

2017 Bonds

“2017 Bonds” means the California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT) authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Section 2.02 hereof.

SECTION 1.02. Content of Certificates and Opinions. Every certificate or opinion provided for in this Indenture with respect to compliance with any provision hereof shall include (1) a statement that the Person making or giving such certificate or opinion has read such

provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, such Person has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person's signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that the Person giving the opinion has no reason to believe that such assumptions are unreasonable; and (5) a statement as to whether, in the opinion of such Person and based on such assumptions, such provision has been complied with.

Any such certificate, opinion or representation made or given by an officer of the Authority or an officer or Authorized Representative of the Borrower may be based, insofar as it relates to legal, accounting or business matters of either of them, upon a certificate or opinion of or representation by counsel, an accountant or a management consultant, unless such officer or Authorized Representative knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate, representation or opinion may be based, as aforesaid, is erroneous. Any such certificate, opinion or representation made or given by counsel, an accountant or a management consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the Borrower, as the case may be) upon a certificate or opinion of or representation by an officer of the Authority or an officer or Authorized Representative of the Borrower, unless such counsel, accountant or management consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person's certificate or opinion may be based, as aforesaid, is erroneous. The same officer of the Authority or officer or Authorized Representative of the Borrower, or the same counsel or accountant or management consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, Authorized Representatives, counsel, accountants or management consultants may certify to different matters, respectively.

SECTION 1.03. Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(a) Headings of articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(b) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

**ARTICLE II
THE BONDS**

SECTION 2.01. Authorization of Bonds. Bonds may be issued hereunder from time to time in order to obtain moneys to carry out the purposes of the Act for the benefit of the Authority and the Borrower. The maximum principal amount of the Bonds which may be issued hereunder is limited to the aggregate principal amount of Bonds authorized by the Authority by resolution. The Bonds are designated generally as “California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project);” each Series thereof are to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds. The Bonds may be issued in such Series as from time to time shall be established and authorized by the Authority, subject to the covenants, provisions and conditions herein contained. This Indenture constitutes a continuing agreement with the Holders from time to time of the Bonds to secure the full payment of the principal (or redemption price) of and interest on all such Bonds subject to the covenants, provisions and conditions herein contained.

SECTION 2.02. Terms of the 2017 Bonds. There shall be issued under and secured by this Indenture a Series of Bonds to be issued in the form of one fully registered bond and to be additionally designated “Series 2017”, in the aggregate principal amount of \$228,165,000, to be dated the Delivery Date and to mature (subject to prior redemption at the prices and dates and upon the terms and conditions hereinafter set forth) on the following dates and bear interest at the following rates except as otherwise provided in Section 2.02(e) of this Indenture:

Maturity Date (July 1)	Principal Amount	Interest Rate
2022*	\$ 11,825,000	7.000%
2032*	93,405,000	7.500
2039*	122,935,000	8.000

* Term Bonds

(a) The Bonds shall be issuable in Authorized Denominations. The 2017 Bonds shall be issued in substantially the form set forth in Exhibit A of this Indenture with such variations, insertions or omissions as are appropriate and not inconsistent therewith and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto. The 2017 Bonds shall be numbered and lettered from one upward preceded by the letters “RA” prefixed to the number and may bear such additional letters, numbers, legends or designations as the Bond Registrar determines are desirable.

(b) The 2017 Bonds shall bear interest from and including the date of first authentication and delivery thereof until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions hereof, whether at maturity, upon redemption or otherwise. Except as otherwise provided in Section 2.02(e) of this Indenture, 2017 Bonds shall bear interest at the rate shown in the table set forth below in this Section 2.02(b). Each Bond authenticated and registered on any date prior to the close of business on the first

Record Date shall bear interest from the date of said Bond. Each Bond authenticated during the period between any Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond of a Series, interest is in default on Outstanding Bonds of that Series, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The first Interest Payment Date for the 2017 Bonds shall be January 1, 2018. Interest Payment Dates and Principal Payment Dates for any other Series of Bonds shall be specified in the Supplemental Indenture relating to such Series of Bonds.

(c) Payment of the interest on any Bond shall be made to the Person appearing on the bond registration books of the Bond Registrar as the Bondholder thereof on the Record Date, such interest to be paid by the Paying Agent to such Bondholder (i) by check mailed by first class mail on the Interest Payment Date, to such Bondholder's address as it appears on the registration books or at such other address as has been furnished to the Bond Registrar as provided below, in writing by such Bondholder not later than the Record Date, or (ii) upon written request at least three (3) Business Days prior to the applicable Record Date of the Bondholder of Bonds of a Series aggregating not less than \$1,000,000 in principal amount of such Series, by wire transfer in immediately available funds at an account maintained in the United States at such wire address as such Bondholder shall specify in its written notice (any such written request shall remain in effect until rescinded in writing by such Bondholder); except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest rate shall be the rate on the Bonds on the day before such default occurred, and such defaulted interest shall be paid to the Bondholder in whose name any such Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest. Both the principal of and premium, if any, on the Bonds shall be payable upon surrender thereof in lawful money of the United States of America at the Corporate Trust Office of the Trustee.

(d) The Bonds shall be subject to redemption as provided in Sections 4.01(c), 4.01(d) and 4.01(e). The 2017 Bonds shall be subject to redemption as provided in Section 4.01. Any other Series of Bonds may be made subject to redemption as specified in the Supplemental Indenture relating to such Series of Bonds.

(e) During the occurrence and continuance of an Event of Default, the 2017 Bonds shall bear interest at a per annum rate equal to the Default Rate.

SECTION 2.03. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairman, under the seal of the Authority. Such seal may be in the form of a facsimile of the Authority's seal and may be reproduced, imprinted or impressed on the Bonds. The Bonds shall then be delivered to the Trustee for authentication by it. In case the officer who shall have signed any of the Bonds shall cease to be such officer of the Authority before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless

be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the officer who signed the same had continued to be such officer of the Authority, and also any Bonds may be signed on behalf of the Authority by such individual as at the actual date of execution of such Bonds shall be the proper officer of the Authority although at the nominal date of such Bonds any such individual shall not have been such officer of the Authority.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A, with the manual or facsimile signature of the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.04. Transfer of Bonds.

(a) Subject to subparagraph (b), any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.06 hereof, by the person in whose name it is registered, in person or by its duly authorized attorney, upon surrender of such registered Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Transfer of a Bond shall not be permitted by the Trustee during the period Bonds are selected for redemption or after the Record Date prior to the next succeeding Interest Payment Date.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds for a like aggregate principal amount and Series in Authorized Denominations. The Trustee shall require the Bondholder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any such transfer shall be paid by the Borrower.

(b) During any Restricted Period, no Bond shall be transferred except to a Qualified Purchaser in an Authorized Denomination, provided that the Trustee shall have no obligation to independently establish or confirm that any transferee meets the definition of Qualified Purchaser. Each registered owner or beneficial owner of a Bond agrees by purchase of the Bond to abide by these limitations. In addition, no Holder or Beneficial Owner shall deposit the Bonds in any trust or account under its control and sell any shares, participatory interests or certificates in such trust or account, and no Holder or Beneficial Owner shall deposit the Bonds in any trust or account under its control the majority of the assets of which constitute the Bonds, and sell any shares, participatory interests or certificates in such trust or account except to Qualified Purchasers in Authorized Denominations, provided that Holders or Beneficial Owners shall have no obligation to independently establish or confirm that any transferee of a Bond is a Qualified Purchaser, however any actual transfer of a Bond to any entity that is not a Qualified Purchaser shall be deemed null and void as provided in Section 2.04(b)(iii). So long as the Restricted Period is in effect, the sale and remarketing guidelines set forth in Exhibit E shall apply.

(i) During any Restricted Period, the Bonds shall bear a legend to the following effect:

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE DELIVERY DATE. THE PURCHASER HEREOF AGREES TO PROVIDE NOTICE TO ANY PROPOSED TRANSFEREE OF A BENEFICIAL OWNERSHIP INTEREST IN THE PURCHASED BONDS OF THE RESTRICTION ON TRANSFERS.

EACH TRANSFEREE OF THIS BOND, BY ITS PURCHASE HEREOF, IS DEEMED TO HAVE REPRESENTED THAT SUCH TRANSFEREE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE DELIVERY DATE AND WILL ONLY TRANSFER, RESELL, REOFFER, PLEDGE OR OTHERWISE TRANSFER THIS BOND TO A SUBSEQUENT TRANSFEREE WHO IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE DELIVERY DATE.

A TRANSFER OF THIS BOND TO ANY PERSON OTHER THAN A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE DELIVERY DATE WILL BE VOID AND THE PURPORTED TRANSFEROR WILL REMAIN THE OWNER OF RECORD.

(ii) At any time, the Borrower may request that the Authority terminate the Restricted Period. The Authority may grant such approval by resolution in its discretion, but it agrees that it will not unreasonably withhold such approval if the Borrower provides evidence that the Bonds will be rated at least "A3/A-" by Moody's, S&P or Fitch.

(iii) Failure to comply with this Section 2.04(b) in all respects shall cause any purported transfer to be null and void.

Notwithstanding the foregoing provisions of this Section 2.04, neither the Trustee nor any agent shall have any responsibility or liability for any actions taken or not taken by DTC. Transfers are subject to DTC requirements while the 2017 Bonds are held in book-entry form.

SECTION 2.05. Exchange of Bonds. Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount and Series of Bonds of other Authorized Denominations. The Trustee shall require the Bondholder requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Bonds and any services rendered or expenses incurred by the Authority or the Trustee in connection with any such exchange shall be paid by the Borrower. Notwithstanding the foregoing provisions of this Section 2.05, neither the Trustee nor any agent shall have any responsibility or liability for any actions taken or not taken by DTC. Transfers are subject to DTC requirements while the 2017 Bonds are held in book-entry form.

SECTION 2.06. Bond Register. The Trustee will keep or cause to be kept at its Corporate Trust Office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection during regular business hours by the Authority upon reasonable notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

SECTION 2.07. Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bond may be printed, lithographed or typewritten, shall be in an Authorized Denomination, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of like Series in Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.08. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Holder of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and upon request delivered to the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the Holder, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The Authority may require payment by the Holder of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual

obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.09. Book-Entry Only System. Except as otherwise provided in subsections (b) and (c) of this Section 2.09 or as otherwise provided in a Supplemental Indenture, the Bonds initially authenticated and delivered hereunder shall be registered in the name of Cede & Co., as nominee of DTC or such other nominee as DTC shall request. Payments of interest on, principal of and any premium on, including the purchase price of, the Bonds shall be made to the account of Cede & Co. on each payment date for principal or interest on the Bonds at the address indicated for Cede & Co. in the registration books maintained by the Bond Registrar by transfer of immediately available funds. DTC has represented to the Authority that it will maintain a book-entry system in recording ownership interests of the Direct Participants and the ownership interests of Beneficial Owners will be recorded through book entries on the records of the Direct Participants.

(a) The Bonds shall be initially issued in the form of a separate single authenticated fully registered Bond in the amount of each separate stated maturity and Series. With respect to Bonds so registered in the name of Cede & Co., the Authority and the Trustee shall have no responsibility or obligation to any Direct Participant or to any Beneficial Owner of such Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Direct Participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Direct Participant, Beneficial Owner or other Person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, except as specifically set forth herein and in the Loan Agreement, (iii) the payment to any Direct Participant, Beneficial Owner or other Person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, the Bonds or (iv) any consent given or other action taken by DTC as Holder of the Bonds. The Authority and the Trustee may treat DTC as, and deem DTC to be, the absolute Holder of each Bond for all purposes whatsoever including (but not limited to) (i) payment of the principal or redemption price of, and interest on, each such Bond, (ii) giving notices of conversion or redemption and other matters with respect to such Bonds and (iii) registering transfers with respect to such Bonds. The Trustee shall pay the principal or redemption price of, and interest on, all Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. No Person other than DTC shall receive a Bond evidencing the obligation of the Authority to make payments of principal or redemption price of, and interest on, the Bonds pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(b) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable written notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(1) The Authority, in its sole discretion and without the consent of any other Person, may terminate, upon provision of notice to the Trustee, the services of DTC with respect to the Bonds if the Authority determines that the continuation of the system of book-entry only transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners of the Bonds or is burdensome to the Authority.

(2) The Authority shall terminate the services of DTC with respect to the Bonds upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC has received written notice from Direct Participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than 50% of the aggregate principal amount of the then Outstanding Bonds to the effect, that: (i) DTC is unable to discharge its responsibilities with respect to such Bonds, or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the Beneficial Owners of such Bonds.

(c) Upon the termination of the services of DTC with respect to the Bonds pursuant to subsection (c) hereof after which no substitute Securities Depository willing to undertake the functions of DTC hereunder can be found or which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co. as nominee of DTC. In such event, the Authority shall issue and the Trustee shall transfer and exchange Bond certificates as requested by DTC or Direct Participants of like principal amount, Series and maturity, in Authorized Denominations to the identifiable Beneficial Owners in replacement of such Beneficial Owners' beneficial interests in the Bonds.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the letter of representations of the Authority and the Trustee, addressed to DTC with respect to the Bonds (the "DTC Letter of Representations").

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

(f) Notwithstanding any provision herein to the contrary, the Authority and the Trustee may agree to allow DTC, or its nominee, Cede & Co., to make a notation on any Bond redeemed in part to reflect, for informational purposes only, the principal amount and date of any such redemption.

SECTION 2.10. Conditions for the Issuance of Additional Bonds. The Authority may at any time issue Additional Bonds payable from the Revenues as provided herein and secured by a pledge of and charge and lien upon the Revenues as provided herein equal to the pledge, charge and lien securing the Outstanding Bonds theretofore issued hereunder, for the purpose of refunding bonds or payment of additional Costs of the Tax-Exempt Project, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The Authority shall be in compliance with all agreements and covenants contained herein.

(b) The issuance of such Additional Bonds shall have been authorized pursuant to the Act and shall have been provided for by Supplemental Indenture which shall specify the following:

(1) One of the following requirements is satisfied: (x) after giving effect to the issuance of such Additional Bonds, all Bonds Outstanding immediately before the issuance of such Additional Bonds are no longer Outstanding, (y) the proceeds of Additional Bonds are used to refinance a portion of the Bonds Outstanding, Debt Service on the Bonds in each year before giving effect to the refinancing is greater than or equal to Debt Service on the Bonds in each year after giving effect to the refinancing, or (z) the Required Bondholders have provided their written consent to the issuance of such Additional Bonds;

(2) The authorized principal amount and designation of such Additional Bonds;

(3) The date and the maturity dates of and the sinking installment payment dates, if any, for such Additional Bonds; provided that (i) each maturity date shall fall upon January 1, (ii) all such Additional Bonds of like maturity shall be identical in all respects, except as to number and denomination, and (iii) serial maturities for serial bonds or sinking installment payments for term bonds, or any combination thereof, shall be established to provide for the retirement of such Additional Bonds on or before their respective maturity dates;

(4) The interest payment date for such Additional Bonds; provided that the interest payment dates for any Additional Bonds shall be on January 1 or July 1 in each year;

(5) The denomination or denominations of and method of numbering such Additional Bonds;

(6) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(7) The amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Reserve Fund;

(8) The forms of such Additional Bonds; and

(9) Such other provisions as are necessary or appropriate and not inconsistent herewith, including whether the Additional Bonds shall be subject to a Restricted Period.

(c) The Loan Agreement shall have been amended so as to modify the Loan Repayments to reflect an amount at least sufficient to pay the principal of, premium, if any, and interest on the Bonds, including such Additional Bonds, as the same become due.

SECTION 2.11. Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, the Authority shall execute such Additional Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon such Additional Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the written Request of the Authority, but only upon receipt by the Trustee of the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the Delivery Date of such Additional Bonds by the Trustee (unless the Authority shall direct the Trustee to accept any of such documents bearing a prior date):

(a) A certified copy of the resolution of the Authority and Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) A written Request of the Authority as to the delivery of such Additional Bonds;

(c) An Opinion of Bond Counsel to the effect that (1) the Authority has the right and power under the Act to execute and deliver the Supplemental Indenture and the Supplemental Indenture has been duly and lawfully executed and delivered by the Authority, is in full force and effect and is valid and binding upon the Authority (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights and by equitable principles), (2) the Supplemental Indenture creates the valid pledge of and charge and lien upon the Revenues which it purports to create as provided therein, subject to the application thereof to the purposes and on the conditions permitted hereby, (3) such Additional Bonds are valid and binding special obligations of the Authority (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights and by equitable principles) and entitled to the benefits of the Act and hereof, and such Additional Bonds have been duly and validly authorized, executed, issued and delivered in accordance with the Act and herewith, (4) the amendments to the Loan Agreement, required by Section 2.10(c) hereof have been duly authorized, executed and delivered, and (5) the delivery of such Additional Bonds will not have an adverse effect on the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds;

(d) A Certificate of the Authority containing such statements as may be reasonably necessary, as determined by Bond Counsel, to show compliance with the conditions for the issuance of such Additional Bonds contained herein, including the requirements set forth in Section 2.10(b)(1) hereof;

(e) A Certificate of the Borrower demonstrating compliance with the applicable provisions of Section 5.38 of the Loan Agreement; and

(f) Such further documents, money or securities as are required by the provisions of the Supplemental Indenture providing for the issuance of such Additional Bonds.

ARTICLE III ISSUANCE OF 2017 BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. Issuance of the 2017 Bonds. At any time after the execution and delivery of this Indenture or from time to time thereafter, upon the execution of the 2017 Bonds by the Authority and delivery thereof to the Trustee, as hereinabove provided, and without any further action on the part of the Authority, the Trustee shall authenticate upon Request of the Authority, and deliver such 2017 Bonds in an aggregate principal amount not exceeding \$228,165,000.

SECTION 3.02. Application of Proceeds of the 2017 Bonds. The proceeds received by the Authority from the sale of the 2017 Bonds shall be deposited with the Trustee, who shall forthwith deposit (i) \$36,170,168.68 of such proceeds into the Capitalized Interest Account; (ii) \$21,500,000.00 of such proceeds into the Reserve Fund; and (iii) \$165,016,848.09 of such proceeds into the Project Fund.

SECTION 3.03. Project Fund.

(a) The Trustee shall establish the Project Fund (the "Project Fund"), which will be funded as provided in Section 3.02. The moneys in the Project Fund shall be held by the Trustee in trust. Amounts in the Project Fund shall only be used to pay Costs of the Tax-Exempt Project, in the manner set forth below. Except as provided in Section 3.03(c) below, before each payment or transfer is made from the Project Fund by the Trustee, the Borrower shall file with the Trustee a sequentially numbered Requisition of the Borrower in the form attached hereto as Exhibit C-1 or C-2, as applicable, stating with respect to each payment to be made (and provided that no more than three (3) Requisitions may be submitted in any calendar month):

- (i) [Reserved.]
- (ii) the requisition number;
- (iii) the name and address of each Person to whom payment is due;
- (iv) the purpose for which such payment is to be made;
- (v) the amount to be paid;
- (vi) that each obligation mentioned therein has been properly incurred and is a proper charge against the Project Fund;
- (vii) that (1) none of the items for which payment is requested has been previously paid from the Project Fund, (2) none of the items for which payment is requested has

been previously paid from the Project Development Account established under the Collateral Agency Agreement or, if so paid, the Borrower is requesting reimbursements from the Project Fund, with the amount of such reimbursement to be paid to the Project Development Account established under the Collateral Agency Agreement, and (3) unless the Commercial Operations Date shall have occurred and all other costs of the Project incurred through the Commercial Operations Date have been paid or provided for, none of the items for which payment is requested constitutes an incentive payment to the Contractor under Section 6.5 of the Construction Agreement;

(viii) that, with respect to any payment or transfer from the Project Fund:

(1) (x) each item for which payment is requested is or was necessary in connection with the acquisition, construction, installation, improvement, equipping or financing of the Tax-Exempt Project; and (y) that all of the amounts requisitioned, together with all amounts requisitioned to date, have in the aggregate been used to pay for or to reimburse the Borrower for expenditures properly allocable to Costs of the Tax-Exempt Project; or

(2) the Trustee has received (x) an Opinion of Bond Counsel to the effect that such payment or transfer will not have an adverse effect on the Tax-Exempt status of the Tax-Exempt Bonds and (y) the consent of the Authority;

(ix) [Reserved.]

(x) that an invoice evidencing each item for payment is attached thereto, including invoices for costs previously paid and for which reimbursement is being requested;

(xi) that no Event of Default hereunder or Incipient Default under Section 7.1(h) of the Loan Agreement has occurred and is continuing;

(xii) that the Borrower reasonably believes that the Commercial Operations Date will occur on or before the fourth anniversary of the Delivery Date (unless a Force Majeure Event has occurred, in which case on or before the Force Majeure Adjusted Date);

(xiii) that, other than with respect to any Delivery Date requisition, since the Delivery Date, no event, development or circumstance has occurred which would reasonably be expected to have a Material Adverse Effect, or

(xiv) that, taken together, (a) unused amounts in the Project Fund, (b) other funds available to the Trustee under the Collateral Agency Agreement available to pay the Costs of the Tax-Exempt Project, and (c) any amounts of Committed Equity, are not less than the aggregate unpaid amount required to cause the Commercial Operations Date to occur materially in accordance with all Laws and Governmental Approvals, the Material Contracts (as well as with any other Project Documents, the failure to comply with which would be reasonably likely to result in a Material Adverse Effect) and the Bond Financing Documents prior to the fourth anniversary of the Delivery Date (unless a Force Majeure Event has occurred, in which case prior to the Force Majeure Adjusted Date), and to pay or provide for all reasonably anticipated

non-construction costs of Plant Construction, all as set forth in the then current Construction Budget;

(xv) the aggregate amount of the payment or transfer from the Project Fund does not, in the reasonable belief of the Borrower, exceed the amount required to be paid from the Project Fund for Costs of the Tax-Exempt Project over the thirty-five (35) days immediately succeeding the date of payment or transfer from the Project Fund in accordance with the then-current Construction Budget;

(xvi) that no action, suit, proceeding or investigation by or before any Governmental Authority or any arbitrator is pending or, to the Borrower's knowledge, threatened in writing against or affecting any member of the Group or any Material Company, the Tax-Exempt Project or the Plant which would reasonably be expected to have a Material Adverse Effect;

(xvii) that all Taxes due and payable in connection with the Plant and the Site (to the extent required to be paid by Borrower and subject to the provisions of Section 5.5 of the Loan Agreement) and the execution, delivery, recording and filing of the Bond Financing Documents have been duly paid in full by or on behalf of the Borrower;

(xviii) that, with respect to the each payment or transfer requested, the following documents are attached thereto:

(1) in the case of a payment or transfer requested under the Construction Agreement, a progress payment invoice from the Contractor in accordance with Section 8.2.2 of the Construction Agreement (attached hereto as Exhibit "A" to Exhibit C-1 or C-2, as applicable);

(2) in the case of a payment or transfer requested under the SICO Agreement, a payment invoice from SICO in accordance with the Section 5.1 of the Equipment Supply Agreement (attached hereto as Exhibit "A" to Exhibit C-1 or C-2, as applicable);

(3) in the case of a payment or transfer requested under the Construction Agreement, a certified lien waiver by the Contractor, substantially in the form of Exhibit 8.2.2 to the Construction Agreement;

(4) in the case of a payment or transfer requested under the Construction Agreement, a list of all Change Orders (issued in accordance with Article 10 of the Construction Agreement) not previously submitted to the Trustee, together with a list of all Change Orders to date and a list of all proposed Change Orders (attached hereto as Exhibit "B" to Exhibit C-1 or C-2, as applicable) along with the certification of the Construction Monitor in the form of Exhibit "C" to Exhibit C-1 or C-2, as applicable;

(5) in the case of a payment or transfer requested prior to Plant Acceptance, a certification by the Construction Monitor in the form of Exhibit "C"

to Exhibit C-1 or C-2, as applicable, after any consultation with the Technical Advisor required by the Construction Monitor; and

(6) in the case of a payment requested under the Construction Agreement or the Equipment Supply Agreement, any similar certification from the Contractor or SICO, as applicable;

(xix) that all change orders that have been entered into in respect of the Construction Agreement and the Equipment Supply Agreement have been submitted to the Construction Monitor and the Trustee; and

(xx) in the case of a payment or transfer requested prior to Plant Acceptance and requested under the Construction Agreement or the Equipment Supply Agreement, an ALTA 33 endorsement to the Collateral Agent's title insurance policy with respect to the Deed of Trust, demonstrating that no Liens encumber the Plant or the Site, other than Permitted Liens; provided that, in the case of any payment or transfer requested prior to Plant Acceptance and at least sixty (60) days following the date of the last ALTA 33 endorsement to such title insurance policy, an ALTA 33 endorsement (demonstrating that no Liens encumber the Plant or the Site, other than Permitted Liens) shall be provided with the corresponding Requisition whether or not the payment or transfer is required under the Construction Agreement or the Equipment Supply Agreement.

(b) If the Trustee receives a completed Unconditional Requisition (except in the case of any Unconditional Requisition received by the Trustee on the Delivery Date, which the Trustee shall fund on the Delivery Date), the Trustee shall fund such Unconditional Requisition within five (5) Business Days after the Trustee's receipt of the completed Unconditional Requisition; provided that the Trustee shall not honor any Requisition if three (3) or more Requisitions previously have been submitted within the calendar month under this Section 3.03. If the Borrower delivers a Conditional Requisition, then the Trustee shall fund such Conditional Requisition only after following the procedures set forth in Section 6.08(e) of this Indenture. The Trustee may rely conclusively on, and shall be protected in acting upon, a completed Unconditional Requisition or Conditional Requisition as evidence of a Requisition meeting the requirements of Section 3.03(a) hereto, subject to the Veto Process in Section 6.08(e) in the case of a Conditional Requisition. The Trustee shall be under no duty to make any investigation or inquiry of a completed Requisition nor review any attachments thereto nor determine whether all documentation required by this Section 3.03 to be attached to such Requisition has been received.

(c) After the Trustee receives written notice of the occurrence of the Commercial Operations Date from the Borrower (and upon the receipt by the Trustee of a certificate as required by Section 3.3(a) of the Loan Agreement), after payment of costs payable from the Project Fund or provision having been made for payment of such costs not yet due by retaining such costs in the Project Fund or otherwise as directed in such certificate, the Trustee shall transfer any remaining balance in the Project Fund into a separate account within the Revenue Fund, which the Trustee shall establish and hold in trust, and which shall be entitled the "Excess Proceeds Account." The moneys in the Excess Proceeds Account shall be used and applied (subject to Section 5.03 hereof) at the written direction of the Borrower to redeem the Tax-Exempt Bonds in Authorized Denominations, to the maximum degree permissible, and at the

earliest possible dates at which the Bonds can be redeemed pursuant to Section 4.01(d) of this Indenture. Notwithstanding Section 5.03 hereof, the moneys in the Excess Proceeds Account shall be invested at the written instruction of the Borrower at a yield no higher than the yield on the Outstanding Tax-Exempt Bonds (unless in the Opinion of Bond Counsel, addressed and delivered to the Authority, investment at a higher yield would not cause interest on the Tax-Exempt Bonds to become no longer Tax-Exempt), and all such investment income shall be deposited in the Excess Proceeds Account and expended or reinvested as provided above.

SECTION 3.04. Costs of Issuance Fund. The Trustee shall establish the Costs of Issuance Fund (the “Costs of Issuance Fund”). The Trustee shall create separate Costs of Issuance Accounts for any Series of Additional Bonds. The moneys in each account of the Costs of Issuance Fund shall be held by the Trustee in trust and applied to the payment of Costs of Issuance for the related Series of Bonds, upon a sequentially numbered Requisition of the Borrower filed with the Trustee, in the form attached hereto as Exhibit D, together with invoices, signed by an Authorized Representative of the Borrower. The Trustee may rely upon any Requisition received in accordance with Section 3.03 or this Section 3.04 and shall have no obligation to review any accompanying invoices. All payments from the Costs of Issuance Fund shall be reflected in the Trustee’s regular accounting statements. Any amounts remaining in the Costs of Issuance Fund three (3) months following the Delivery Date of the related Series of Bonds shall be transferred to the Project Fund.

SECTION 3.05. Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to in connection with the Loan Agreement. The recital contained in the Bonds that the same are issued pursuant to the Act and the Constitution and laws of the State of California shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV REDEMPTION OF BONDS

SECTION 4.01. Terms of Redemption of 2017 Bonds. All prepayments pursuant to Section 8.2 of the Loan Agreement (other than Mandatory Sinking Fund Payments) shall be deposited in the Redemption Account from the Revenue Fund; provided that, to the extent that any amounts on deposit in the Principal Account were deposited therein to pay the principal amount of any of such Bonds to be prepaid, the Trustee shall first transfer such amounts from the Principal Account to the Redemption Account prior to making any deposits in the Redemption Account from the Revenue Fund. The Authority shall not call the 2017 Bonds for optional redemption pursuant to Section 4.01(f), and the Trustee shall not give notice of any such redemption, unless the Borrower has so directed and payment has been made of all required installments of the Borrower’s obligations under the Loan Agreement, including without limitation amounts sufficient to pay all principal of, premium, if any, and interest due on the 2017 Bonds on the redemption date and all amounts required to be on deposit in the Debt Service Fund as of such notice date pursuant to Section 5.02 of this Indenture; provided, however, that the Authority may require such payment under Section 8.3 of the Loan Agreement.

The 2017 Bonds shall be redeemed upon the following terms:

(a) Mandatory Sinking Fund Redemption of 2017 Bonds. The 2017 Bonds maturing on July 1, 2022, shall be subject to semi-annual sinking fund redemption prior to their stated maturity in part, by lot, on or after January 1, 2021, at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium. The 2017 Bonds maturing on July 1, 2022, shall be redeemed in the following amounts and on the following dates:

Mandatory Sinking Fund Payment Dates	Mandatory Sinking Fund Payment
January 1, 2021	\$2,805,000
July 1, 2021	2,905,000
January 1, 2022	3,005,000
July 1, 2022*	3,110,000

* Maturity

The 2017 Bonds maturing on July 1, 2032, shall be subject to semi-annual sinking fund redemption prior to their stated maturity in part, by lot, on or after January 1, 2023, at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium. The 2017 Bonds maturing on July 1, 2032, shall be redeemed in the following amounts and on the following dates:

Mandatory Sinking Fund Payment Dates	Mandatory Sinking Fund Payment
January 1, 2023	\$3,220,000
July 1, 2023	3,340,000
January 1, 2024	3,465,000
July 1, 2024	3,595,000
January 1, 2025	3,730,000
July 1, 2025	3,870,000
January 1, 2026	4,015,000
July 1, 2026	4,165,000
January 1, 2027	4,320,000
July 1, 2027	4,485,000
January 1, 2028	4,650,000
July 1, 2028	4,825,000
January 1, 2029	5,005,000
July 1, 2029	5,195,000
January 1, 2030	5,390,000
July 1, 2030	5,590,000
January 1, 2031	5,800,000
July 1, 2031	6,020,000
January 1, 2032	6,245,000
July 1, 2032*	6,480,000

* Maturity

The 2017 Bonds maturing on July 1, 2039, shall be subject to semi-annual sinking fund redemption prior to their stated maturity in part, by lot, on or after January 1, 2033, at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium. The 2017 Bonds maturing on July 1, 2039, shall be redeemed in the following amounts and on the following dates:

Mandatory Sinking Fund Payment Dates	Mandatory Sinking Fund Payment
January 1, 2033	\$ 6,720,000
July 1, 2033	6,990,000
January 1, 2034	7,270,000
July 1, 2034	7,560,000
January 1, 2035	7,860,000
July 1, 2035	8,175,000
January 1, 2036	8,505,000
July 1, 2036	8,845,000
January 1, 2037	9,200,000
July 1, 2037	9,565,000
January 1, 2038	9,950,000
July 1, 2038	10,345,000
January 1, 2039	10,760,000
July 1, 2039*	11,190,000

* Maturity

(b) [Reserved.]

(c) Mandatory Redemption Upon Invalidity. Upon any Invalidity Event, the Bonds Outstanding on the date of the occurrence of the invalidity shall be redeemed in whole at any time within 30 days thereafter at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the date of redemption. No redemption of Bonds shall be made pursuant to any of the other provisions of this Section 4.01 following an Invalidity Event.

(d) Mandatory Redemption from Excess Proceeds. On the Interest Payment Date following any deposit into the Excess Proceeds Account, Bonds shall be subject to redemption, in part, in an amount equal to amounts on deposit in the Excess Proceeds Account, in denominations of \$5,000, at a price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption; provided that the Tax-Exempt Bonds shall be redeemed in whole pursuant to the terms of this Section 4.01(d) prior to the redemption pursuant to the terms of this Section 4.01(d) of any Bonds that are not Tax-Exempt; and provided further that, unless the Borrower shall provide to the Trustee and the Authority an Opinion of Bond Counsel to the effect that an alternative redemption of Bonds will not adversely affect the Tax-Exempt status of the Tax-Exempt Bonds, the Tax-Exempt Bonds so redeemed shall have a weighted average maturity no less than the weighted average maturity of all Tax-Exempt Bonds Outstanding immediately prior to such redemption.

(e) Mandatory Redemption Upon Receipt of Loss Proceeds. The Bonds are subject to redemption, in whole or in part, from Loss Proceeds (other than Excluded Loss Proceeds), on the Interest Payment Date following the receipt of such Loss Proceeds by the

Collateral Agent, in an amount equal to the Loss Proceeds received from the Collateral Agent, in denominations of \$5,000, at a price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption; provided that the Tax-Exempt Bonds shall be redeemed in whole pursuant to the terms of this Section 4.01(e) prior to the redemption pursuant to the terms of this Section 4.01(e) of any Bonds that are not Tax-Exempt.

(f) Optional Redemption of 2017 Bonds.

(i) The 2017 Bonds maturing on July 1, 2032 are subject to redemption prior to their stated maturity date at the option of the Borrower, from any source of available funds, in whole or in part on any date on or after July 1, 2022 at the prices set forth in the following table (expressed as percentages of principal amount) plus accrued interest to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
July 1, 2022 through June 30, 2023	102%
July 1, 2023 through June 30, 2024	101%
July 1, 2024 and thereafter	100%

(ii) The 2017 Bonds maturing on July 1, 2039 are subject to redemption prior to their stated maturity date at the option of the Borrower, from any source of available funds, in whole or in part on any date on or after July 1, 2027 at a price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption.

(iii) The 2017 Bonds are also subject to redemption prior to their stated maturity date at the option of the Borrower, from any source of available funds, in whole or in part on any date in an amount equal to the greater of: (i) one hundred two percent (102%) of the Amortized Value of the 2017 Bonds to be redeemed; or (ii) an amount equal to the sum of the present values of the remaining scheduled payments of the principal and interest on the 2017 Bonds to be redeemed, from and including the date of redemption to the Par Call Date, discounted to the date on which the 2017 Bonds are to be redeemed on a semi-annual basis, at a discount rate equal to the Applicable Tax-Exempt Bond Rate to the Par Call Date.

(g) [Reserved.]

(h) With respect to redemption pursuant to Sections 4.01(d) and (e), any amount remaining due to redeeming in increments of \$5,000 shall be deposited in the Principal Account.

SECTION 4.02. Selection of 2017 Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the 2017 Bonds, those maturities of 2017 Bonds shall be redeemed as selected by the Borrower and, if the Borrower makes no such selection, in inverse order of maturity and, within any maturity, the Trustee will select the 2017 Bonds to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. Notwithstanding the foregoing, with respect to any mandatory redemption from excess proceeds or upon receipt of Loss Proceeds, all maturities of 2017 Bonds shall be redeemed on a pro rata basis, on the basis of the outstanding principal thereof, as nearly as practicable, as reasonably determined by the Borrower, and, within any maturity, the Trustee will

select the 2017 Bonds to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate.

SECTION 4.03. Notice of Redemption. Notice of redemption shall be mailed by first class mail not less than thirty (30) days nor more than sixty (60) days before an optional redemption pursuant to Section 4.01(f) and mandatory sinking fund redemption pursuant to Section 4.01(a) and not less than twenty (20) days in the case of all other redemptions before such redemption date, to the respective Holders and Beneficial Owners of any Bonds designated for redemption at their addresses on the registration books maintained by the Bond Registrar. Each notice of redemption shall state the redemption date, the place or places of redemption, if less than all of the Bonds are to be redeemed, the distinctive number(s) and Series of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the principal thereof or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, and that from and after such redemption date interest thereon shall cease to accrue, and the Trustee shall require that such Bonds be then surrendered, and with regard to optional redemption pursuant to Section 4.01(f), in the event that funds required to pay the redemption price are not on deposit under this Indenture at the time the notice of redemption is sent, a statement to the effect that the redemption is conditioned upon the receipt of the appropriate funds required to pay the redemption price by the Trustee on or prior to the redemption date. Neither failure to receive such notice nor any defect therein shall affect the sufficiency of such redemption.

(a) Notice of redemption of such Series of Bonds shall be given by the Trustee, at the expense of the Borrower, for and on behalf of the Authority.

(b) At the same time that it sends notice of redemption to Owners of such Series of Bonds, the Trustee shall also send a copy of the notice by first class mail, by electronic mail, by telecopy or by overnight delivery to the Authority, the Securities Depositories and an Information Service. Failure to provide notice to the Authority, the Securities Depositories or an Information Service shall not affect the validity of proceedings for the redemption of such Series of Bonds.

SECTION 4.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Borrower, a new Bond or Bonds of Authorized Denominations and of like Series equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

SECTION 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, except for payment of particular Bonds for which moneys are being held by the Trustee which moneys shall be pledged to such payment, and

the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said principal and interest accrued to the date fixed for redemption.

All Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof and shall be destroyed by the Trustee, in accordance with its corporate trust policies.

SECTION 4.06. Redemption of Additional Bonds. Additional Bonds shall be subject to redemption as provided in a related Supplemental Indenture.

ARTICLE V REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

SECTION 5.01. Pledge and Assignment; Revenue Fund. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and any other amounts (including proceeds of the sale of Bonds) held in any fund or account established pursuant to this Indenture (except the Rebate Fund) are hereby pledged to secure the full payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act.

(a) The Authority hereby transfers in trust, and assigns to the Trustee, for the benefit of the Holders from time to time of the Bonds, to the extent of its interest therein, all of the Revenues and other assets pledged in subsection (a) of this Section and all of the right, title and interest of the Authority in the Loan Agreement (except for Reserved Rights). Such assignment to the Trustee is solely in its capacity as Trustee under this Indenture, subject to the protections, immunities and limitations from liability afforded the Trustee hereunder. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority (except Excluded Moneys) shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and, subject to the provisions of this Indenture, shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority (other than Reserved Rights) and all of the obligations of the Borrower under the Loan Agreement.

(b) All Revenues (except investment earnings, which shall be deposited as provided in Section 5.03) shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the Revenue Fund which the Trustee shall establish, maintain and hold in trust; except as otherwise provided in Section 5.02 hereof, all moneys received by the Trustee and required to be deposited in the Redemption Account, if any, shall be promptly deposited in the Redemption Account, which the Trustee shall establish, maintain and hold in trust as provided in Section 5.02 hereof. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

SECTION 5.02. Use of Moneys in Revenue Fund. (a) The Borrower has agreed in the Loan Agreement to promptly pay or cause to be paid Loan Repayments to the Trustee for deposit in the Revenue Fund. These payments are expected to be made pursuant to Section 4.02 of the Collateral Agency Agreement. Subject to Section 6.06, the Trustee shall deposit all Revenues received from the Borrower upon receipt in the Revenue Fund. All money in the Revenue Fund shall be set aside by the Trustee, subject to Section 4.01, in the following respective special accounts within the Revenue Fund (each of which the Trustee is hereby instructed to establish and maintain):

- (i) Debt Service Fund and the Principal Account, the Interest Account, the Redemption Account and the Capitalized Interest Account therein;
- (ii) Rebate Fund;
- (iii) Reserve Fund; and
- (iv) Administrative Costs Fund.

All money in each of such funds and accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section.

(b) Debt Service Fund–Principal Account and Interest Account. The Trustee shall deposit in the Interest Account all amounts paid to it with respect to interest on the Bonds.

The Trustee shall deposit in the Principal Account all amounts paid to it with respect to principal on the Bonds (including amounts to be used for Mandatory Sinking Fund Payments).

On or before each Interest Payment Date for any of the Outstanding Bonds or other date on which interest is due on Outstanding Bonds, the Trustee shall pay from the Interest Account the amount required for the interest payable on such date. On or before each Principal Payment Date, Mandatory Sinking Fund Payment Date other date on which principal is due on Outstanding Bonds, the Trustee shall pay from the Principal Account the principal amount of Outstanding Bonds (including any Mandatory Sinking Fund Payment) payable on such due date.

In the event of the refunding of all Outstanding Bonds, the Trustee shall, upon the written direction of an Authorized Representative of the Authority upon direction by the Borrower as provided in Section 8.5 of the Loan Agreement, withdraw from the Principal Account and the Interest Account amounts accumulated therein with respect to debt service on such Bonds and deposit such amounts with itself as Trustee to be held for the payment of the principal or redemption price, as applicable, of, and interest on, the Bonds being refunded; provided that such withdrawal shall not be made unless immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Section 10.02.

Any provision of this Indenture to the contrary notwithstanding, so long as there shall be held in the Principal Account, the Interest Account, the Reserve Fund (excluding financial guaranties) an amount sufficient to pay in full all Outstanding Bonds in accordance with their

terms (including maturing principal amount or Mandatory Sinking Fund Payments and interest thereon), no deposits shall be required to be made into the Principal Account or the Interest Account.

(c) Debt Service Fund—Redemption Account. On or before any date fixed for redemption for Outstanding Bonds (other than from Mandatory Sinking Fund Payments), the Trustee shall pay from the Redemption Account the amount required for the payment of the redemption price of the Bonds then to be redeemed, exclusive of accrued interest, which shall be paid from the Interest Account. Amounts accumulated in the Redemption Account not required for the payment of the redemption price of Bonds as to which a notice of redemption has been sent to Holders pursuant to Section 4.03 shall be applied by the Trustee, if so directed in writing by an Authorized Representative of the Authority upon direction by the Borrower as provided in Section 8.5 of the Loan Agreement, to the redemption of Bonds in accordance with Article IV hereof or to the purchase of Bonds at the prices and from the Holders specified in such written directions. Accrued interest on any Bonds so redeemed or purchased shall be paid from the Interest Account.

(d) Debt Service Fund—Capitalized Interest Account. There shall be paid into the Capitalized Interest Account the proceeds of the 2017 Bonds specified in Section 3.02 hereof. Amounts in the Capitalized Interest Account shall be transferred by the Trustee to the Interest Account prior to and in place of any transfers to the Interest Account from the Debt Service Fund required or authorized by Section 5.02(b) of this Indenture and applied to the payment of interest on the 2017 Bonds. Upon receipt of written direction from the Borrower, to occur no later than the Commercial Operations Date, the Trustee shall transfer some or all remaining moneys in the Capitalized Interest Account into the Project Fund.

(e) Rebate Fund. Within the Rebate Fund, the Trustee shall establish and maintain any accounts as it is instructed by the Borrower to establish in order to comply with the terms and requirements of the Tax Certificate. Subject to the transfer provisions provided in paragraph (5) below, all money at any time deposited in the Rebate Fund, including any account therein, shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the federal government of the United States of America, and no other Person shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund, including any account therein, shall be governed by this Section 5.02(e), by Section 6.06 hereof and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Borrower, including supplying all necessary information in the manner provided in the Tax Certificate, shall not be required to take any actions thereunder, in the absence of written directions by the Borrower, and shall have no liability or responsibility to enforce compliance by the Borrower or the Authority with the terms of the Tax Certificate.

(1) Upon the Borrower's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Borrower, or from available investment earnings on amounts (other than moneys held for the payment of particular Bonds (including moneys held for non-presented Bonds or held under Section 10.03 hereof)) held in the Debt Service Fund, if and to the extent required, so that the balance of the amount on deposit thereto shall be equal to the Rebate

Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Borrower in accordance with the Tax Certificate. The Trustee may rely conclusively upon the Borrower's determinations, calculations and certifications required by this Section 5.02(e)(2). The Trustee shall have no responsibility to make any independent calculations or determinations or to review the Borrower's calculations hereunder.

(2) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 5.02(e) other than from moneys held in the funds and accounts created under this Indenture (other than moneys held for the payment of particular Bonds (including moneys held for non-presented Bonds or held under Section 10.03)) or from other moneys provided to it by or on behalf of the Borrower.

(3) The Trustee shall invest all amounts held in the Rebate Fund in Investment Securities as instructed in writing by the Borrower, and the Borrower shall be responsible for such Rebate Instructions complying with the Tax Certificate. Money shall not be transferred from the Rebate Fund except as provided in paragraph (4) below.

(4) Upon receipt of the Borrower's written directions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Borrower so directs, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds (other than moneys held for the payment of particular Bonds (including moneys held for non-presented Bonds or held under Section 10.03 hereof)) as directed by the Borrower's written directions. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Requirement, or provision made therefor shall be withdrawn and remitted to the Borrower upon the Borrower's written request.

(5) Notwithstanding any other provision of this Indenture, including in particular Article X hereof, the obligation to remit the Rebate Requirements to the United States and to comply with all other requirements of this Section 5.02(e) hereof, Section 6.06 hereof and the Tax Certificate shall survive the defeasance or payment in full of such Bonds.

(f) Reserve Fund. The Trustee shall deposit in the Reserve Fund the amounts provided for deposit therein. If on the Business Day immediately preceding an Interest Payment Date, or any other date on which the principal or redemption price of, or interest on, 2017 Bonds is due, the amount in the Principal Account, the Interest Account, the Redemption Account, the Capitalized Interest Account or the Revenue Fund available for such payment is less than the principal amount or redemption price of, or interest on, the 2017 Bonds due on such date, the Trustee shall apply amounts from the Reserve Fund to the extent necessary to make good the deficiency. If on any Transfer Date as directed by the Borrower (i) there are insufficient funds in the Revenue and Operating Account to make the transfers to the Principal Account or the Interest Account that would otherwise be required by clauses Sixth and Seventh of Section 4.02 of the

Collateral Agency Agreement and (ii) there continue to be insufficient funds in the Revenue and Operating Account for the purposes of clause (i) of this sentence after the application of transfers made under Section 4.03 of the Collateral Agency Agreement, the Trustee shall transfer from the Reserve Fund, for application to the Principal Account or the Interest Account (or both) such amounts from the Reserve Fund as may be directed by the Borrower to satisfy the requirements of clauses Sixth and Seventh of Section 4.02 of the Collateral Agency Agreement. Notwithstanding the foregoing, the Required Bondholders may, pursuant to Section 6.08 of the Indenture, direct the Trustee to refrain from transferring funds from the Reserve Fund pursuant to this Section 5.02(f) at the times otherwise required hereby if, after giving effect to such transfer, it would reduce the amounts on deposit in the Reserve Fund to less than fifty percent (50%) of the Reserve Fund Requirement. No such transfer that would reduce the amounts on deposit in the Reserve Fund to less than 25% of the Reserve Fund Requirement shall be made by the Trustee until the Required Bondholders direct the Trustee to make such transfer.

The Trustee shall value the Reserve Fund on the first Business Day after each Bond Payment Date at the market value thereof. Except as provided in this Section 5.02(f), and subject to the provisions of Section 5.03 relating to the application of interest earnings, if on the Business Day after any Bond Payment Date the amount on deposit in the Reserve Fund shall exceed the Reserve Fund Requirement based on such valuation, such excess shall be deposited in the Project Fund until the Final Tax-Exempt Project Completion Date, and thereafter such amounts shall be deposited in the Principal Account and applied to the payment of the principal on the 2017 Bonds. If the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement based on such valuation, the Borrower shall be required to make payments in accordance with Section 4.2(a)(ii) of the Loan Agreement. The Reserve Fund shall also be valued at the market value thereof prior to any Distribution and at any time requested by the Authority or the Borrower.

In the event of the refunding of the 2017 Bonds (or portions thereof), the Trustee shall, upon the written direction of an Authorized Representative of the Authority upon direction by the Borrower as provided in Section 8.5 of the Loan Agreement, withdraw from the Reserve Fund any or all of the amounts on deposit therein with respect to the 2017 Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal or redemption price, if any, of, and interest on, the 2017 Bonds (or portions thereof) being refunded; provided that such withdrawal shall not be made unless: (x) immediately thereafter the 2017 Bonds (or portions thereof) being refunded shall be deemed to have been paid pursuant to Section 10.02, and (y) the amount remaining in the Reserve Fund after such withdrawal, taking into account any deposits to be made in the Reserve Fund in connection with such refunding, shall not be less than the Reserve Fund Requirement.

(g) Administrative Costs Fund. The Trustee shall deposit in the Administrative Costs Fund the amounts provided for deposit therein by the Collateral Agent. Moneys in the Administrative Costs Fund shall be used only for payment, pursuant to a written direction from the Borrower, of costs, fees, taxes, indemnities or other expenses payable to or on the order of the Trustee or the Authority. When all of the principal and interest on the Bonds has been paid or provided for, any funds remaining in the Administrative Costs Fund shall be returned to the Collateral Agent for disposition as provided in the Collateral Agency Agreement.

SECTION 5.03. Investment of Moneys. All moneys in any of the funds or accounts established pursuant to this Indenture shall be invested by the Trustee, as directed in writing by the Borrower or its agent, solely in Investment Securities, provided that upon the occurrence and continuation of an Event of Default, all such moneys shall be invested only in Investment Securities described in paragraph (vi) of the definition thereof. Notwithstanding any other provision herein, in the absence of written investment instructions directing the Trustee by noon of the second Business Day preceding the day when investments are to be made, the Trustee is directed to invest available funds in Investment Securities described in paragraph (vi) of the definition thereof. The Trustee shall not be liable for any losses resulting from any investments made pursuant to the preceding two sentences.

Investment Securities may be purchased at such prices as the Trustee may be directed by the Borrower or its agent. All Investment Securities shall be acquired subject to the limitations set forth in Section 6.05 hereof, the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the Borrower.

Moneys in all funds and accounts shall be invested in Investment Securities maturing not later than the date on which such moneys will be required for the purposes specified in this Indenture. Notwithstanding anything else in this Section 5.03, any moneys in the Interest Account, the Principal Account or the Redemption Account held for the payment of particular Bonds of any Series shall be invested at the written direction of the Borrower in direct obligations of the United States or bonds or other obligations guaranteed by the United States government or for which the full faith and credit of the United States is pledged for the full and timely payment of principal and interest thereof (or mutual funds consisting solely of such investments which are rated Moody's "Aaa" or equivalent), rated in the highest Rating Category applicable to such investments which mature not later than the date on which it is estimated that such moneys will be required to pay such Bonds (but in any event maturing in not more than thirty days).

All interest, profits and other income received from the investment of moneys in any fund or account (other than the Rebate Fund) established pursuant to this Indenture shall be deposited (i) in the Project Fund if such interest, profits and other income is with respect to an account relating to the Tax-Exempt Bonds and is received prior to the Final Tax-Exempt Project Completion Date and (ii) in the Revenue Fund, if received after the Commercial Operations Date. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund from which such accrued interest was paid. To the extent that any Investment Securities are registrable, such Securities shall be registered in the name of the Trustee or its nominee.

For the purpose of determining the amount in any fund, all Investment Securities credited to such fund shall be valued at the market value thereof. All funds shall be valued on the first Business Day after every Bond Payment Date and at any other time requested by the Authority or the Borrower.

Subject to Section 6.06 hereof, investments in any and all funds and accounts (other than moneys held for the payment of particular Bonds (including moneys held for non-presented

Bonds or 10.03 hereof)) may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular funds and accounts, the amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Indenture. Subject to Section 6.05 hereof, any moneys invested in accordance with this Section may be invested in a pooled investment account consisting solely of funds held by the Trustee as a fiduciary. The Authority (and the Borrower by its execution of the Loan Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Authority and the Borrower specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority and the Borrower periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder. The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee may sell or present for redemption any Investment Securities whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Investment Security is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

ARTICLE VI PARTICULAR COVENANTS

SECTION 6.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture. When and as paid in full, all Bonds, if any, shall be delivered to the Trustee, shall forthwith be canceled and destroyed, and a certificate of such destruction shall thereafter be delivered to the Authority.

SECTION 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

SECTION 6.03. Against Liens. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture, the Collateral Agency Agreement and the Collateral Instruments, as applicable. Subject to this limitation, the Authority expressly reserves

the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes.

SECTION 6.04. Power to Issue Bonds and Make Pledge and Assignment.

The Authority represents that it is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding limited obligations of the Authority in accordance with their terms, and the Authority and Trustee shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bondholders under this Indenture against all claims and demands of all Persons whomsoever, subject to the limitations set forth in Article VIII relating to the Trustee.

SECTION 6.05. Accounting Records and Reports.

The Trustee shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all transactions made by it relating to the receipt, investment, disbursement, allocation and application of the Revenues and the proceeds of the Bonds. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and shall set forth, in the case of each Investment Security, (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, (d) the amounts and dates of any payments made with respect thereto, and (e) such documentation as is required to be retained by the Trustee as evidence with respect to establishing market price, to the extent provided to it, or as the Trustee is otherwise directed in writing by the Borrower to retain with respect to establishing compliance with any requirements set forth in the Tax Certificate. Such records shall be open to inspection by the Authority and any Holder at any reasonable time during regular business hours on reasonable notice.

SECTION 6.06. Arbitrage Covenants.

The Authority and the Borrower each covenant and agree that it will not take any action, or fail to take any action that it is within its control to take, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Authority and the Borrower each covenants and agrees that it will each comply with its requirements under the Tax Certificate.

(a) The Borrower will pay, or cause to be paid, from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Regulations as may be applicable to the Tax-Exempt Bonds from time to time. This covenant shall survive payment in full or defeasance of such Bonds. The Authority and the Borrower specifically covenant to pay or cause to be paid to the United States at the times and in the amounts determined under Section 5.02(e) hereof the Rebate Requirement, as described in the Tax Certificate. The Trustee agrees to comply with all written Rebate Instructions of the Borrower given pursuant to the Tax Certificate; provided, however, that the Borrower shall be responsible for such Rebate Instructions complying with the Tax Certificate.

The Trustee conclusively shall be deemed to have complied with the provisions of this Section 6.06(b) if it follows the Rebate Instructions and directions of the Borrower and shall not be required to take any action under this Section 6.06(b) in the absence of such directions from the Borrower. The Trustee shall not be liable for any consequences resulting from its failure to act if no Rebate Instructions from the Borrower (or in the absence of Borrower Rebate Instructions, instructions from the Authority) are delivered to it.

(b) Notwithstanding any provision of this Section, if the Borrower shall provide to the Trustee and the Authority an Opinion of Bond Counsel that any action required under Section 5.02(e) or this Section 6.06 is no longer required, or that some further action is required to maintain the Tax-Exempt status of interest on the Tax-Exempt Bonds, the Trustee and the Authority may rely conclusively on such opinion in complying with the requirements of this Section, and the covenants contained herein shall be deemed to be modified to that extent.

SECTION 6.07. Other Covenants.

(a) The Trustee shall promptly collect all amounts due from the Borrower pursuant to the Loan Agreement, shall perform all duties imposed upon it pursuant to the Loan Agreement and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Authority (except Reserved Rights) and all of the obligations of the Borrower pursuant to the Loan Agreement.

(b) The Authority shall not amend, modify or terminate any of the terms of the Loan Agreement, or consent to any such amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent only if (1) the Trustee shall have received an opinion of Borrower's counsel to the effect that such amendment, modification or termination will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of any affected Series of Bonds (for which purpose the Borrower's counsel may rely on such certification as to factual matters as the Borrower's counsel may deem appropriate), or (2) the Trustee first obtains the written consent of the Required Bondholders to such amendment, modification or termination, provided that, in the case of an Unanimous Consent Amendment, the Trustee shall not provide its consent without first having obtained the written consent of all of the Holders of the Bonds then Outstanding and an Opinion of Counsel to the effect that there will be no adverse effect on the Tax-Exempt status of the Tax-Exempt Bonds (unless the Holders of all of the Bonds then Outstanding shall have expressly waived such Opinion of Counsel). The Trustee and the Authority shall be entitled to rely upon an Opinion of Counsel with respect to the effect of any amendments hereto or to the Loan Agreement. The Trustee may in its discretion but shall not be obligated to give its written consent if such amendment, modification or termination affects the Trustee's own rights, duties or immunities.

(c) The Trustee shall not amend, modify or terminate or consent to any amendment, modification or termination, of the Bond Financing Documents (except as set forth in Section 6.07(b) or Article IX hereof), but the Trustee shall give such consent if (1) the Trustee shall have received an opinion of Borrower's counsel to the effect that such amendment, modification or termination will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of any affected

Series of Bonds (for which purpose the Borrower's counsel may rely on such certification as to factual matters as the Borrower's counsel may deem appropriate) or (2) the Trustee first obtains the written consent of the Required Bondholders to such amendment, modification or termination; provided that, in the case of an Unanimous Consent Amendment, the Trustee shall not provide its consent without first having obtained the written consent of all of the Holders of the Bonds then Outstanding and an Opinion of Counsel to the effect that there will be no adverse effect on the Tax-Exempt status of the Tax-Exempt Bonds (unless the Holders of all of the Bonds then Outstanding shall have expressly waived such Opinion of Counsel). The Trustee shall be entitled to rely upon an Opinion of Counsel with respect to the effect of any such amendment, modification or termination. The Trustee may in its discretion but shall not be obligated to give its written consent if such amendment, modification or termination affects the Trustee's own rights, duties or immunities.

SECTION 6.08. Information to Beneficial Owners; Approvals and Veto Rights of Required Bondholders.

(a) The Trustee shall provide information to Holders and Beneficial Owners as provided in the Loan Agreement and in this Indenture. Such information shall be sent to Holders at their addresses on the registration books maintained by the Bond Registrar and to Beneficial Owners by filing with EMMA.

(b) Upon written request from the Borrower to the Trustee that the Trustee deliver to the Holders and the Beneficial Owners a notice from the Borrower (a copy of which notice shall be included with the Borrower's request to the Trustee) to the effect that an event or action has occurred under this Indenture or under the Loan Agreement that triggers any Veto Right, the Trustee shall promptly provide such notice from the Borrower to the Holders and the Beneficial Owners.

(c) While any monies remain on deposit in the Project Fund, if the Borrower submits a Conditional Requisition to the Trustee, then the Trustee shall promptly deliver written notice to the Holders and the Beneficial Owners (A) attaching a copy of the Conditional Requisition and all related documentation provided by the Borrower to the Trustee and (B) informing the Holders and the Beneficial Owners that they have a Veto Right over funding the Conditional Requisition. If the Required Bondholders deliver a Stop Funding Notice referring to the Trustee's notice within fifteen (15) days of the Trustee's notice, then the Trustee shall notify the Borrower of the Stop Funding Notice and the Trustee shall not fund the Conditional Requisition. Notwithstanding the foregoing provisions of this Section 6.08(c), if the Borrower delivers to the Trustee a Required Bondholders Approval Certificate with respect to any Conditional Requisition, then the Veto Right shall immediately be deemed waived and the Trustee shall fund the Requisition as soon thereafter as practicable.

(d) If the Borrower submits a notice to the Trustee to the effect that the amount on deposit in the Reserve Fund is or, if an anticipated transfer is made, would be (x) less than 50% of the then applicable Reserve Fund Requirement or (y) less than 25% of the then applicable Reserve Fund Requirement, then the Trustee shall promptly deliver written notice to the Holders informing the Holders that (i) if the amount of funds on deposit in the Reserve Fund is, or would be, if an anticipated transfer is made, less than 50% of the then applicable Reserve Fund

Requirement, they have a Veto Right over the proposed transfer from the Reserve Fund, or (ii) if the amount of funds on deposit in the Reserve Fund is, or would be, if an anticipated transfer is made, less than 25% of the then applicable Reserve Fund Requirement, no such transfer may be made until the Required Bondholders direct the Trustee to make such transfer. Notwithstanding the foregoing provisions of this Section 6.08(d), if the Borrower delivers to the Trustee a Required Bondholders Approval Certificate with respect to any transfer from the Reserve Fund, then the Veto Right shall immediately be deemed waived and the Trustee shall make the transfer from the Reserve Fund as soon thereafter as practicable.

(e) Except for (x) Stop Funding Notices pursuant to Section 3.03 and Section 6.08(c) above with respect to payments and transfers from the Project Fund, which shall be governed in all respects by Section 6.08(c) and (y) notices pursuant to Section 6.08(d), which shall be governed in all respects by Section 6.08(d), whenever under the terms of this Indenture or the Loan Agreement, the Required Bondholders have a Veto Right or any right to object to or reject a proposed action or determination by the Borrower or any other party, the following shall control:

(1) The Borrower shall notify the Trustee that the Required Bondholders have a Veto Right and provide to the Trustee a notice, intended for the Holders and the Beneficial Owners, containing a sufficiently detailed description of the subject matter of the Veto Right;

(2) The Trustee shall deliver the Borrower's notice describing the subject matter of the Veto Right to all of the Holders and the Beneficial Owners as soon as practicable (but in any event within three (3) Business Days) following notification from the Borrower, together with any documentation or other information provided by the Borrower for the Holders and the Beneficial Owners to evaluate the Veto Right;

(3) If the Trustee receives a written instrument or written instruments executed by Persons who are identified as authorized to act on behalf of the applicable Beneficial Owners and in which such Persons shall represent in writing that (A) they are the Beneficial Owners of the Bonds and specifying the outstanding principal amounts of the Bonds of which they are the Beneficial Owners, and (B) they are exercising the applicable Veto Right, then, if the aggregate principal amount of the Bonds for which such written instruments are received represent the Required Bondholders, the Veto Right shall be exercised and the Trustee shall notify the Borrower no later than one Business Day following the receipt of such written instruments; and

(4) If the Trustee does not receive the written instrument(s) described in clause (3) above within thirty (30) days following the delivery of the notice by the Trustee pursuant to clause (2) above, then it shall be deemed that no Veto Right shall have been exercised and any right of the Required Bondholders to exercise the Veto Right shall have been waived, and the Trustee shall notify the Borrower of such no later than one (1) Business Day following the end of such 30-day period; provided that if the Borrower delivers to the Trustee a Required Bondholders Approval Certificate under the terms of which the applicable Veto

Right is waived, then the Veto Right shall immediately be deemed waived and the Trustee shall so notify the Borrower no later than one (1) Business Day following the receipt of such Required Bondholders Approval Certificate.

(f) Any direction shall be binding upon the Holder or Beneficial Owner of the Bond giving such direction and, anything herein to the contrary notwithstanding, upon any subsequent Holder or Beneficial Owner of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Holder or Beneficial Owner has notice of the relevant event). A direction, however, may be revoked by a writing to the Trustee, by the Holder or Beneficial Owner who gave the direction or by a subsequent Holder or Beneficial Owner of the Bond at any time prior to the filing by the Trustee of the statement described in the next sentence. Upon the receipt of direction to take a specified action (or failure of the requisite aggregate principal amount to veto an action subject to their Veto Right within the permitted timeframe) from the requisite aggregate principal amount of Holders or Beneficial Owners, the Trustee shall make and file with the Authority, the Collateral Agent and the Borrower a written statement that the Holders or Beneficial Owners of the required percentage of Bonds have filed direction (or failed to veto) in response to such event. That written statement shall be conclusive evidence that the directions have been so filed or that such vetoes have not been received.

(g) If the Holders or Beneficial Owners of the required percentage in aggregate principal amount of Bonds outstanding shall have exercised a Veto Right, provided direction, or failed to provide a Veto Right within applicable time limits, no Holder or Beneficial Owner shall have any right to object to any subsequent action taken or required to be taken by (i) the Trustee or Collateral Agent upon receipt of such direction or upon noting such failure to veto or (ii) the Borrower upon the receipt of certification of such Veto Right, direction or failure to exercise a Veto Right.

(h) Any notice delivered by the Trustee to the Beneficial Owners by filing with EMMA shall be deemed effective notice for all purposes of the Bond Financing Documents.

(i) For all purposes of this Indenture and the other Bond Financing Documents, in any circumstance in which a consent, approval or waiver by the Required Bondholders is required or permitted for any purpose, such consent, approval or waiver may be evidenced by a Required Bondholders Approval Certificate specifying the circumstance with respect to which the Required Bondholders Approval Certificate is given. Upon delivery to the Trustee of a Required Bondholders Approval Certificate, the Trustee and the Collateral Agent shall be entitled to rely thereon for all purposes of this Indenture and the other Bond Financing Documents, and to treat the Required Bondholders Approval Certificate as definitively establishing the consent, approval or waiver with respect to the circumstance for which the Bondholders Approval Certificate is given.

(j) At any time and from time to time upon notice from the Borrower to the Trustee, the Trustee shall use commercially reasonable efforts to obtain (including by making a request of DTC and otherwise) a list of the then current names and contact information for the Beneficial Owners. The Trustee shall commence making such efforts promptly following the delivery to the Trustee of the Borrower's notice, and shall thereafter promptly deliver to the Borrower all information obtained by the Trustee in response to such efforts.

SECTION 6.09. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 6.10. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS; MEETINGS AND ACTIONS BY HOLDERS OR BENEFICIAL OWNERS

SECTION 7.01. Events of Default; Acceleration; Waiver of Default. Each of the following events which has occurred and is continuing shall constitute an “Event of Default” hereunder:

- (a) default in the due and punctual payment of the principal of, or premium (if any) on, any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;
- (b) default in the due and punctual payment of any installment of interest on any Bond, when and as the same shall become due and payable;
- (c) failure by the Authority to perform or observe any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and the continuation of such failure for a period of 30 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority and the Borrower by the Trustee, or to the Authority, the Borrower and the Trustee by the Required Bondholders; or
- (d) the occurrence and continuance of a Loan Default Event.

No default specified in (c) above shall constitute an Event of Default unless the Authority shall have failed to correct such default within the applicable period. At the direction of the Required Bondholders, the Trustee will agree in writing to an extension of the period referred to in (c) above, and the Trustee (and the Holders and Beneficial Owners of the Bonds) will not unreasonably withhold such agreement if the default cannot be corrected within such period and corrective action is instituted within such period and diligently pursued until corrected. With regard to any alleged default concerning which notice is given to the Borrower under the provisions of this Section 7.01, the Borrower may perform any covenant or obligation the non-performance of which is alleged in said notice to constitute a default with full power to do any and all things and acts to the same extent that the Authority could.

During the continuance of an Event of Default, unless the principal of all the Bonds shall have already become due and payable, the Trustee may, and, upon the written request of the Required Bondholders, the Trustee shall, promptly upon such occurrence, by notice in writing to the Authority and the Borrower, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding. The Trustee shall promptly notify the Bondholders of the date of declaration of acceleration in the same manner as for a notice of redemption.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, there shall have been deposited with the Trustee a sum sufficient to pay all the principal of the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal as provided in the Loan Agreement, and the reasonable fees and expenses of the Trustee, including reasonable fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Required Bondholders, by written notice to the Authority and to the Trustee, may, on behalf of the Holders and Beneficial Owners of all the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 7.02. Institution of Legal Proceedings by Trustee. Subject to Section 7.01 hereof, if one or more of the Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Required Bondholders and upon being indemnified to its satisfaction therefor pursuant to Section 8.03(f) hereof shall, proceed to protect or enforce its rights or the rights of the Holders or Beneficial Owners of Bonds under the Act or under this Indenture or the Loan Agreement by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or therein, or in aid of the execution of any power herein or therein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

SECTION 7.03. Application of Revenues and Other Funds After Event of Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture (except for any funds in the Rebate Fund and subject to Sections 6.06 and 11.11 hereof) shall be promptly applied by the Trustee as follows and in the following order:

(a) To the payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture (including Section 6.02 hereof), as follows:

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference.

(ii) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

SECTION 7.04. Trustee to Represent Bondholders. The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf or through the Collateral Agent (by instructing the Collateral Agent to deliver “Notices of Default”, “Notices of Account Restriction” or other notices required or permitted under the Collateral Agency Agreement, or otherwise) as may be appropriate such rights and remedies as may be available to such Holders under the provisions of the Bonds, this Indenture, the Loan Agreement, the Collateral Agency Agreement, the Collateral Instruments, the Act and applicable provisions of any other law. Subject to Section 7.01 hereof, upon the occurrence and during the continuance of an Event of Default, in a Borrower bankruptcy or insolvency case or upon any other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and upon the written request of the Required Bondholders, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights and the

rights of the Holders by such appropriate action, at law or in equity, including but not limited to a suit, mandamus, objection, statement, declaration, motion, proof of claim, appeal or other action or proceedings as it shall deem most effectual to protect and enforce any such right and otherwise to collect in full what is owed by the Borrower under the Bond Financing Documents, including by specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Holders under this Indenture, the Loan Agreement, the Collateral Agency Agreement, the Collateral Instruments, the Act or any other law or at equity; and upon instituting any proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture, the Bonds, the Collateral Instruments, or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of this Indenture (including Section 6.02 hereof).

SECTION 7.05. Bondholders' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, but subject to Section 8.03(f), the Required Bondholders shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction or for which it has not been provided adequate indemnity.

SECTION 7.06. Limitation on Bondholders' Right to Sue. Subject to Section 7.01 hereof, no Holder or Beneficial Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Loan Agreement, the Act or any other applicable law with respect to such Bond, unless (1) such Holder or Beneficial Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Required Bondholders shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) subject to Section 8.03(f) hereof, such Holder(s) or Beneficial Owners(s) shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder or Beneficial Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Holders or Beneficial Owners of Bonds shall have any right in any manner whatever by such Holders' or Beneficial Owners' action to affect, disturb or prejudice the security of this Indenture or the rights of any other Holders or Beneficial Owner of Bonds, or to enforce any right

under this Indenture, the Loan Agreement, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of this Indenture (including Section 6.02 hereof).

SECTION 7.07. Absolute Obligation of Authority. Nothing in Section 7.06 or in any other provision of this Indenture, or in the Bonds, contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.08. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bondholders or Beneficial Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondholders or Beneficial Owners, then in every such case the Authority, the Trustee and the Bondholders or Beneficial Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Bondholders and Beneficial Owners shall continue as though no such proceedings had been taken.

SECTION 7.09. Remedies Not Exclusive. Subject to the provisions of Section 7.06, No remedy herein conferred upon or reserved to the Trustee or to the Holders or Beneficial Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.10. No Waiver of Default. No delay or omission of the Trustee or of any Holder or Beneficial Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Holders or Beneficial Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE TRUSTEE, THE PAYING AGENT, THE BOND REGISTRAR AND COLLATERAL AGENT

SECTION 8.01. Duties, Immunities and Liabilities of Trustee. The Trustee and the Registrar shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as prudent persons would exercise or use under the circumstances in the conduct of their own affairs. Notwithstanding any other provision of this

Indenture, the Trustee shall perform all duties required of it hereunder. The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture except for its own negligence or willful misconduct.

No provision of this Indenture shall be construed to relieve the Trustee or the Registrar from liability for its own negligent action or its own negligent failure to act, except that:

(a) Prior to such an Event of Default hereunder and after the curing of all Events of Default which may have occurred,

(i) the duties and obligations of the Trustee and the Registrar, as the case may be, shall be determined solely by the express provisions of this Indenture, the Trustee and Registrar, as the case may be, shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee and the Registrar, as the case may be; and

(ii) in the absence of bad faith on the part of the Trustee or the Registrar, as the case may be, the Trustee or Registrar, as the case may be, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee or the Registrar, as the case may be, conforming to the requirements of this Indenture; and

(b) At all times, regardless of whether or not any Event of Default shall exist,

(i) the Trustee and the Registrar shall not be liable for any error of judgment made in good faith by a responsible officer, director or employee of the Trustee or the Registrar unless it shall be proved that the Trustee or the Registrar, as the case may be, was negligent in ascertaining the pertinent facts;

(ii) neither the Trustee nor the Registrar shall be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders or Beneficial Owners (where applicable) of not less than a majority, or such larger percentage as may be required hereunder, in aggregate principal amount of the Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or Registrar, or exercising any trust or power conferred upon the Trustee or the Registrar under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee or Registrar to expend or risk their own funds or otherwise incur individual financial liability in the performance of any of their duties or in the exercise of any of their rights or powers other than to notify the Authority that they intend to take no particular action or to notify the Bondholders that they will take no action, if adequate indemnity against such risk or liability is not assured to them. All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees, representatives and agents of the Trustee.

(c) The Authority may remove the Trustee upon thirty (30) days written notice at any time upon its own decision or (unless an Event of Default has occurred and is continuing) upon Request of the Borrower, and shall remove the Trustee (and replace with a Trustee described

in such removal) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (f) of this Section, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee, and thereupon shall appoint a successor Trustee by an instrument in writing.

(d) The Trustee may at any time resign by giving written notice of such resignation to the Authority and by giving the Bondholders and Beneficial Owners notice of such resignation by mail at the addresses shown on the registration books maintained by the Trustee. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(e) Any removal or resignation of the Trustee pursuant to (b) or (c) above and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondholder (on behalf of itself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Trustee, upon the payment of such predecessor Trustee's fees and expenses, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the successor Trustee shall mail a notice of the succession of such Trustee to the trusts hereunder to the Bondholders at the addresses shown on the registration books maintained by the Trustee.

(f) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company, association, corporation or bank having the powers of a trust company which either (i) has a combined capital and surplus of at least ten billion dollars

(\$10,000,000,000), and is subject to supervision or examination by federal or state authority or (ii) is a wholly-owned subsidiary of a bank, trust company, corporation or bank holding company meeting, on an aggregate basis, the tests set out in clause (i). If such bank, association, bank holding company, corporation or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, association, bank holding company, corporation or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(g) The Trustee is not responsible for effecting, maintaining or renewing any policies of insurance of the Borrower or for any representations regarding the sufficiency of any policy of insurance of the Borrower and shall not be responsible for monitoring or reviewing any policy of insurance of the Borrower or be obligated to file claims or proofs of loss in the case of insurance or to pay taxes or assessments.

(h) The Trustee is not responsible for filing financing or continuation statements.

(i) Subject to the provisions of Sections 5.03 and 10.03 hereof, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received and shall be held segregated from all other funds held by the Trustee. The Trustee shall be under no liability for interest on any moneys received by them hereunder except such as it may agree with the Authority to pay thereon. Any interest allowed on any such moneys shall be deposited in the fund or account to which such moneys are credited. Any moneys held by the Trustee may be deposited by it in its banking department and invested as provided herein.

(j) The Trustee agrees to accept and act upon facsimile transmission of written instructions or directions pursuant to this Indenture provided, however, that: (1) subsequent to such facsimile transmission of written instructions or directions the Trustee shall forthwith receive the originally executed instructions or directions, (2) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions or directions, and (3) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person. Instructions or directions executed by an Authorized Representative of the Borrower shall be deemed to be in compliance with clauses (2) and (3) of this paragraph.

(k) In the event the Borrower fails to take out or maintain the full insurance coverage required by Section 5.7 of the Loan Agreement, the Trustee may (but shall not be obligated to), after three (3) days' written notice to the Borrower (unless such insurance would lapse during such notice period) take out the required policies of insurance and pay the premiums on the same, in which event the Trustee shall promptly notify the Borrower of the same.

SECTION 8.02. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company

resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (f) of Section 8.01 shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.03. Liability of Trustee. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall assume no responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or of the Bonds. In addition, the Trustee shall assume no responsibility with respect to this Indenture or the Bonds other than in connection with the duties or obligations assigned to or imposed upon the Trustee herein or in the Bonds. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Holder of Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders, whether or not such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

The Trustee may execute any of the trusts or powers set forth herein and perform the duties required of it hereunder by or through attorneys, agents, or receivers. The Trustee shall be entitled to the advice of counsel concerning all matters of trusts and its duties herein.

(a) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, director or employee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(b) The Trustee shall not be liable with respect to any action or inaction taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Bondholders pursuant to the provisions of this Indenture unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

(d) The Trustee shall not be liable for any action or inaction taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any default or Event of Default hereunder other than payment defaults unless and until it shall have received written

notice thereof, at its Corporate Trust Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers, other than to notify the Authority that it intends to take no particular action or to notify the Bondholders that it will take no action, if repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee shall, however, in any case, pay principal of and premium, if any, or interest on the Bonds as it becomes due and accelerate the Bonds as required by this Indenture, notwithstanding anything to the contrary herein.

(g) The Trustee shall have no responsibility, opinion or liability with respect to any information statement or recital found in the Offering Memorandum or other disclosure material, prepared or distributed with respect to the issuance of such bonds, except for information provided by the Trustee.

(h) In no event shall the Trustee be liable for incidental, special, consequential or punitive damages or penalties (including but limited to profits), even if the Trustee has been advised of the likelihood of such damages or penalty and regardless of the form of action.

SECTION 8.04. Right of Trustee to Rely on Documents. The Trustee shall be protected, absent its own negligence or willful misconduct, in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties; in particular, the Trustee shall be entitled to rely upon a Certificate of the Borrower to the effect that no Act of Bankruptcy with respect to the Borrower or any other member of the Group has occurred. The Trustee may consult with counsel, who may be counsel of or to the Authority or the Borrower, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee shall not be bound to recognize any Person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and its title thereto is satisfactorily established, if disputed.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Authority, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but

in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

SECTION 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority and any Bondholder, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

SECTION 8.06. Compensation and Indemnification. The Authority shall pay to the Trustee, the Paying Agent and the Registrar (solely from Additional Payments) from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Indenture, and following an Event of Default hereunder the Trustee shall have a lien therefor on any and all funds (except the Rebate Fund, the moneys held for particular Bonds called for redemption (including non-presented Bonds) and moneys held pursuant to Section 10.03) at any time held by it under this Indenture which lien shall be prior and superior to the lien of the Holders of the Bonds. The Authority further covenants and agrees, to the extent authorized by law, and solely from Additional Payments to indemnify and save the Trustee, the Paying Agent and the Registrar, and their officers, directors, employees, agents and representatives, harmless against any losses, expenses and liabilities which they may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding liabilities which are due to the negligence or willful default of the indemnified party. The obligations of the Authority under this Section shall survive resignation or removal of the Trustee, the Paying Agent and the Registrar under this Indenture and payment of the Bonds and discharge of this Indenture.

SECTION 8.07. Paying Agent. The Authority, but only if there are at least twenty-five (25) Holders of Bonds, may appoint and at all times have a Paying Agent in such cities as the Authority deems desirable, for the payment of the principal of, and the interest (and premium, if any) on, the Bonds. It shall be the duty of the Trustee to make such credit arrangements with such Paying Agent as may be necessary to assure, to the extent of the moneys held by the Trustee for such payment, the prompt payment of the principal of, and interest (and premium, if any) on, the Bonds presented at either place of payment. The Trustee will not be responsible for the failure of any party to make funds available to the Trustee or Paying Agent. The Trustee is the initial Paying Agent. If the Paying Agent is any entity other than the Trustee, (i) the Paying Agent may not hold any such funds and (ii) the Paying Agent shall be subject to the same standards and qualifications applicable to the Trustee as set forth in this Indenture.

SECTION 8.08. Notices to the Authority. The Trustee shall provide the Authority with the following:

(a) On or before December 15 of each year during which any of the Bonds are Outstanding, commencing December 15, 2017, or upon any significant change that occurs which would adversely impact the Trustee's ability to perform its duties under this Indenture, a written disclosure of any such change, or if applicable, of any conflicts that the Trustee may have as a

result of other business dealings between the Trustee and the Borrower, provided that (1) the Trustee shall have no independent obligation to determine the occurrence of a significant change that would adversely impact the Trustee's ability to perform its duties under this Indenture or any conflicts that the Trustee may have, and (2) the Trustee may conclusively rely on a Certificate of the Borrower delivered pursuant to Section 5.15(a)(viii) of the Loan Agreement to the extent of the information required in such certificate for purposes of this subparagraph (a). In the absence of the receipt of written notice from the Borrower to the contrary, the Trustee may assume no such change has occurred and no such conflicts exists. If there are not such instances of a significant change, or of a conflict existing, then a statement to that effect shall be provided on such date;

(b) If there is a failure to pay any amount of principal, or premium, if any, or interest on any Bond when due; or if there is a failure of the Borrower to provide any notice, certification or report specified in Section 5.15 of the Loan Agreement; or if there is an occurrence of an Event of Default hereunder, of which the Trustee has actual knowledge, the Trustee shall provide written notice to the Authority within five Business Days of receipt of notice of its occurrence and such notice shall include a statement setting forth the steps the Trustee is taking to remedy such failure or Event of Default, as applicable; and

(c) As of December 31 and June 30 of each year, commencing June 30, 2018, a Trustee Audit Letter, in the form of Exhibit B attached hereto, which shall be received no later than January 15 or July 15 next following each such December 31 or June 30, as the case may be.

SECTION 8.09. Appointment and Duties of Bond Registrar. The Authority hereby designates the Trustee as initial Bond Registrar.

The Bond Registrar shall not be entitled to any compensation from the Authority or the Trustee but, rather, shall only be entitled to compensation from the Borrower.

SECTION 8.10. Eligibility of Bond Registrar. A Bond Registrar appointed pursuant to this Indenture shall be a corporation or association organized and doing business under the laws of the United States or any state or the District of Columbia, subject to supervision or examination by federal or state authority and shall either (i) have a combined capital and surplus of at least fifty million dollars (\$50,000,000), or (ii) be a wholly-owned subsidiary of a bank, association, trust company or bank holding company meeting, on an aggregate basis, the tests set out in clause (i). If such bank, association, corporation or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, association, corporation or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Bond Registrar or the bank, association, trust company or bank holding company of which the Bond Registrar is a wholly-owned subsidiary shall have a rating of at least Moody's "Baa3/P-3" or Fitch "BBB-/F3" or an equivalent rating from another Rating Agency, or be approved by the Rating Agency.

SECTION 8.11. Bond Registrar's Performance of Duties. The Bond Registrar shall perform the duties provided for in this Indenture and in exercising such duties shall be subject to the same standards and entitled to the same rights and immunities applicable to the

Trustee as set forth in this Indenture and shall not be liable for any action or omission to act except for negligence or willful misconduct.

SECTION 8.12. Replacement of Bond Registrar. The Bond Registrar may resign by notifying the Authority, the Trustee and the Bondholders at least thirty (30) days before the effective date of such resignation. The Authority may remove the Bond Registrar at any time upon its own decision or upon Request of the Borrower or the Trustee, and shall remove the Bond Registrar (and replace with a Bond Registrar described in such removal) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Bond Registrar shall cease to be eligible in accordance with Section 8.10, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Bond Registrar or its property shall be appointed, or any public officer shall take control or charge of the Bond Registrar or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Bond Registrar and the Borrower and thereupon shall appoint, with the consent of the Borrower, a successor Bond Registrar by an instrument in writing. No resignation or removal shall be effective until the successor has delivered an acceptance of its appointment to the Trustee and the predecessor Bond Registrar.

In the event of the resignation or removal of the Bond Registrar, such Bond Registrar shall pay over, assign and deliver any moneys held by it as Bond Registrar to its successor, or if there is no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of Bond Registrar, the Trustee shall act as such Bond Registrar to the extent it has operational capacity to perform such tasks.

SECTION 8.13. Appointment and Direction of Collateral Agent. Pursuant to request of the Borrower, the Trustee hereby designates UMB Bank, N.A. a national banking association organized and existing under and by virtue of the laws of the United States of America, as the initial Collateral Agent. Whenever the terms of any of the Collateral Instruments expressly requires the consent of the Collateral Agent before an action may be taken by any other party to such Collateral Instrument, the Trustee shall, if requested by the Borrower, and if so directed by the Required Bondholders, direct the Collateral Agent to provide such consent.

ARTICLE IX MODIFICATION OR AMENDMENT OF THE INDENTURE

SECTION 9.01. Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority and of the Holders of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Trustee may enter into, but only with the written consent of the Required Bondholders and the Borrower, which shall have been filed with the Trustee; provided that no Unanimous Consent Amendment shall take effect without the written consent of the Holders of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders or the Borrower to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the

substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, to the Holders of the Bonds at the address shown on the registration books of the Trustee and to the Borrower and the Collateral Agent provided that so long as the Bonds held by DTC or any other Depository, such notice may be given by electronic means in lieu of mailed notice. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) This Indenture and the rights and obligations of the Authority, of the Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Trustee may enter into without the consent of any Bondholders or Beneficial Owners, but with the consent of the Borrower, but only to the extent permitted by law and after receipt of an Opinion of Bond Counsel that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Holders of the Bonds and that there will be no adverse effect on the Tax-Exempt status of the Tax-Exempt Bonds, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority may deem necessary or desirable and not inconsistent with this Indenture or the Loan Agreement;

(3) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(4) with the consent of the Borrower, to obtain a rating on the Bonds;

(5) to provide for the issuance of a Series of Bonds, and to provide the terms and conditions under which such Bonds may be issued, subject to and in accordance with the provisions of Article II (which shall not require determination by the Trustee of the effect on the interests of Holders of Bonds); or

(6) to modify, amend or supplement this Indenture in such a manner to permit the Authority, the Borrower or any other responsible party to comply with the requirements of S.E.C. Rule 15c2-12, as it may from time to time be amended or supplemented, with respect to the Bonds.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Holders and Beneficial Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Any such Supplemental Indenture shall comply with the terms of this Article IX, and the Trustee and the Authority may conclusively rely on an Opinion of Counsel that the Supplemental Indenture complies with the provisions therein.

SECTION 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Holder of any Bond Outstanding at the time of such execution and presentation of such Holder's Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand of the Holders of any Bonds then Outstanding shall be exchanged at the Corporate Trust Office of the Trustee, without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same Series and maturity.

SECTION 9.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him or her, provided that due notation thereof is made on such Bonds.

ARTICLE X DEFEASANCE

SECTION 10.01. Discharge of Indenture. Bonds of any Series to the maturity of such Series of Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority and related to the respective Series:

(a) by paying or causing to be paid the principal of, interest and premium, if any, on the Bonds of the Series Outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem all Bonds of the Series then Outstanding; or

(c) by delivering to the Trustee, for cancellation by it, the Bonds of the Series then Outstanding.

If the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the Authority under this Indenture shall cease, terminate, become void and be completely discharged and satisfied except only as provided in Section 10.02 hereof. In such event, upon Request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all moneys or securities or other property held by it pursuant to this Indenture (other than the Rebate Fund) which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption and any amounts owed to the Trustee hereunder to the Borrower, provided, however, that the Borrower may not receive any funds derived from moneys held for the payment of particular Bonds (including moneys held for non-presented Bonds).

SECTION 10.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03 hereof) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bond shall cease, terminate and be completely discharged, except only that the Holder thereof shall thereafter be entitled to payment of the principal of, premium, if any, and interest on such Bond by the Authority, and the Authority shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment and such money or securities shall be pledged to such payment; provided further, however, that the provisions of Section 10.04 hereof shall apply in all events.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.03. Deposit of Money or Securities With Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities

to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture (exclusive of the Rebate Fund) and shall be:

(a) Cash in an equal amount to the principal amount of such Bonds, and all unpaid interest thereon to maturity except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(b) Investment Securities of the type described in clause (ii) of the definition of Investment Securities which are nonredeemable and noncallable, the principal of and interest on which when due and without reinvestment will provide money sufficient to pay the principal of, premium, if any, all unpaid interest to maturity, or to the redemption date, on the Bonds to be paid or redeemed, as such principal and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, and provided, in each case, that (i) the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of the Authority) to apply such money or Investment Securities to the payment of such principal, premium, if any, and interest with respect to such Bonds, (ii) the Authority shall have delivered to the Trustee an Opinion of Bond Counsel addressed to the Authority and the Trustee to the effect that the such Bonds are no longer Outstanding under this Indenture and (iii) the Authority and the Trustee shall have received a report prepared by an independent certified public accountant, a firm of independent certified public accountants or another institution satisfactory to the Trustee and the Authority to the effect that the principal of, and interest on, the Investment Securities, together with any cash deposited pursuant to (a) above will be sufficient and available without reinvestment to pay when due the principal, redemption price and unpaid interest on the Bonds through redemption or maturity thereof.

SECTION 10.04. Payment of Bonds After Discharge of Indenture Obligation. Notwithstanding any provisions of this Indenture, any moneys deposited with the Trustee in trust for the payment of the principal of, or interest or premium on, any Bonds remaining unclaimed after the principal of any Bond has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Indenture), shall be disposed of as provided by law and the Holders of such Bonds shall thereafter be entitled to look only to the transferee of such moneys (presently the California State Controller) for payment thereof, and all liability of the Trustee with respect to such moneys shall thereupon cease.

ARTICLE XI MISCELLANEOUS

SECTION 11.01. Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds contained to the contrary, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this

Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Bonds or this Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement.

SECTION 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not. All the covenants, stipulations, promises and agreements in this Indenture contained, by or on behalf of the Authority, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not. If any of the powers or duties of the Authority shall hereafter be transferred by any law of the State of California, and if such transfer shall relate to any matter or thing permitted or required to be done under this Indenture by the Authority, then the body or official of the State of California who shall succeed to such powers or duties shall act and be obligated in the place and stead of the Authority as in this Indenture provided.

SECTION 11.03. Limitation of Rights to Parties and Bondholders. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Authority, the Trustee, the Borrower, the Direct Participants, the Holders of the Bonds and the Beneficial Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the Borrower, the Direct Participants, the Holders of the Bonds and the Beneficial Owners of the Bonds.

SECTION 11.04. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds, and deliver a certificate of such destruction to the Authority.

SECTION 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality

or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07. Governing Law; Venue. This Indenture shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State. This Indenture shall be enforceable in the State, and any action arising out of this Indenture shall be filed and maintained in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement. In the event of any action or proceeding (a) between the Borrower as a third-party beneficiary of this Indenture and the Trustee, (b) between the Borrower and the Trustee (as assignee of the Authority) under the Loan Agreement, or (c) between the Borrower and the Collateral Agent under the Collateral Agency Agreement, the losing party in such action or proceeding shall pay all costs and expenses incurred by the prevailing party in connection therewith, including but not limited to attorneys' fees, provided that any such payment required to be made by the Trustee or Collateral Agent shall be made only from and to the extent of amounts for which the Trustee or Collateral Agent has been indemnified by Beneficial Owners.

SECTION 11.08. Notices. Notices shall be delivered to each Bondholder by first-class mail, postage prepaid, at the address set forth for such Bondholder on the registration books of the Trustee or by e-mail. Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Corporate Trust Office of the Trustee, which at the date of adoption of this Indenture is as follows:

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust
E-mail: Katie.Carlson@umb.com

or at such other address as may have been filed in writing by the Trustee with the Authority. Any notice to or demand upon the Authority or the Borrower shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by e-mail (except in the case of notices of an Event of Default) or by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be, as follows:

To the Authority:

California Pollution Control Financing Authority
P.O. Box 942809
Sacramento, CA 94209
Attn: Executive Director

To the Borrower:

CalPlant I, LLC, c/o CalAg, LLC
9286 Stacey Anne Drive
Browns Valley, CA 95918-9648
Attn: President
E-mail: juhland@calag.com

With a copy to:

Morrison & Foerster LLP
707 Wilshire Blvd, Suite 6000
Los Angeles, CA 90017
Attn: Irv Hepner, Esq.
E-mail: Irv.Hepner@mofo.com

If to the Collateral Agent:

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust
E-mail: Katie.Carlson@umb.com

If to the Construction Monitor:

Industrial Projects Consulting LLC
540 C Ave
Lake Oswego, OR 97034
Attn: Lynn Persinger
E-mail: LynnP@IndPC.com

If to the Technical Advisor:

Stephen Vajda Consulting
3072 Bewicke Avenue
North Vancouver, BC
Canada, V7N 4B8
Attn: Stephen Vajda
E-mail: vajda-consulting@shaw.ca

or such other addresses as may have been filed in writing with the Trustee.

SECTION 11.09. Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bondholders or Beneficial Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders or Beneficial Owners in person or by an

agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section.

(a) The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the individual signing such request, consent or other instrument acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

(b) The ownership of registered Bonds shall be proved by the bond registration books held by the Trustee. The Trustee and the Authority may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The fact and the date of execution of any request, consent or other instrument and the amount and distinguishing numbers of Bonds held by the Person so executing such request, consent or other instrument may also be proved in any other manner which the Trustee may deem sufficient. The Trustee may nevertheless, in its discretion, require further proof in cases where it may deem further proof desirable.

Any request, consent, or other instrument or writing of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.10. Disqualified Bonds. In determining whether the Holders or Beneficial Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Authority or the Borrower, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination provided that, for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower or any other obligor on the Bonds. Upon request of the Trustee, the Authority and the Borrower shall specify to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate. Notwithstanding the foregoing, with respect to the certificate of the Authority, the Authority shall be required to specify only those Bonds that are owned or held by or for the account of the Authority or any Person directly or indirectly controlling, or controlled by, or under direct or indirect common control with, the Authority, if any, of which the officer signing the certificate on

behalf of the Authority has actual knowledge. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 11.11. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal, or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed or tendered in part only) shall, on and after such date and pending such payment, be set aside on its books and held by it uninvested in trust for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof.

SECTION 11.12. Funds and Accounts; Business Day.

(a) Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards and with due regard for the requirements of Section 6.05 hereof and for the protection of the security of the Bonds and the rights of every Holder thereof. The Trustee may establish and maintain for as long as necessary one or more temporary funds or accounts under this Indenture in order to carry out the purposes set forth therein.

(b) Any payment or transfer which otherwise would become due on any day which is not a Business Day shall become due or shall be made on the next Business Day, with the same effect as if it had been made on the due date.

SECTION 11.13. Waiver of Personal Liability. No member, officer, agent or employee of the Authority, and no officer, official agent or employee of the State of California or any department, board or agency of the foregoing shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.14. Opinion of Bond Counsel. Whenever in this Indenture, the Loan Agreement, or the Collateral Agency Agreement it is required that prior to the taking of any action (including but not limited to any modifications of arbitrage covenants contained in Section 6.06 hereof) an Opinion of Bond Counsel is required to be delivered to the effect that such action will not adversely affect the Tax-Exempt status of the Tax-Exempt Bonds and such opinion is not given by Orrick, Herrington & Sutcliffe LLP (or any successor thereto, "Orrick"), none of the Authority or the Borrower shall be entitled to rely on or refer to the original final bond opinion delivered by Orrick on the Delivery Date in connection with the issuance of the 2017 Bonds without the consent of Orrick. In addition, such successor Bond Counsel shall also render an opinion that interest on the 2017 Bonds is Tax-Exempt and will remain so after the action in question.

SECTION 11.15. Compliance With Collateral Agency Agreement. At the request of the Borrower, the Authority authorizes the Trustee to enter into the Collateral Agency Agreement and the Trustee hereby agrees to comply with the provisions thereof and to exercise its rights and remedies thereunder in accordance with such Collateral Agency Agreement. At the request of the Borrower, the Authority authorizes the Trustee to deliver such statements and certificates as may be required or otherwise provided for under the terms of the Collateral Agency Agreement, including, without limitation, certificates required under Section 8.08 of the Collateral Agency Agreement.

SECTION 11.16. Complete Agreement. The parties agree that the terms and conditions of this Indenture supersede those of all previous agreements between the parties relative to the Bonds, and that this Indenture, together with the documents referred to in this Indenture, contains the entire agreement between the parties hereto relative to the Bonds.

SECTION 11.17. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY has caused this Indenture to be signed in its name and its seal to be hereunto affixed and attested by its authorized officers, and UMB BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by one of the officers thereunto duly authorized all as of the day and year first above written.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: _____

By: _____

[Seal]

UMB BANK, N.A., as Trustee

By: _____

EXHIBIT A

FORM OF BOND

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE DELIVERY DATE (WITH CERTAIN EXCEPTIONS AS SET FORTH IN THE INDENTURE HEREINAFTER MENTIONED). THE PURCHASER HEREOF AGREES TO PROVIDE NOTICE TO ANY PROPOSED TRANSFEREE OF A BENEFICIAL OWNERSHIP INTEREST IN THE PURCHASED BONDS OF THE RESTRICTION ON TRANSFERS.

EACH TRANSFEREE OF THIS BOND, BY ITS PURCHASE HEREOF, IS DEEMED TO HAVE REPRESENTED THAT SUCH TRANSFEREE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE DELIVERY DATE AND WILL ONLY TRANSFER, RESELL, REOFFER, PLEDGE OR OTHERWISE TRANSFER THIS BOND TO A SUBSEQUENT TRANSFEREE WHO IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE DELIVERY DATE (WITH CERTAIN EXCEPTIONS AS SET FORTH IN THE INDENTURE HEREINAFTER MENTIONED).

A TRANSFER OF THIS BOND TO ANY PERSON OTHER THAN A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE DELIVERY DATE WILL BE VOID AND THE PURPORTED TRANSFEROR WILL REMAIN THE OWNER OF RECORD (WITH CERTAIN EXCEPTIONS AS SET FORTH IN THE INDENTURE HEREINAFTER MENTIONED).

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. RA-_____ \$_____

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
SOLID WASTE DISPOSAL REVENUE BONDS
(CALPLANT I PROJECT)
SERIES 2017 (AMT)

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

<u>MATURITY DATE</u>	<u>DELIVERY DATE</u>	<u>INTEREST RATE</u>	<u>CUSIP</u>
July 1, _____	June 14, 2017	____%	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

The California Pollution Control Financing Authority, a public instrumentality and political subdivision of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of Revenues as hereinafter provided) to the registered owner identified above or registered assigns, on the maturity date set forth above, the principal sum set forth above and to pay (but only out of Revenues as hereinafter provided) interest thereon from the interest payment date to which interest has been paid or, if this Bond is authenticated on or before December 15, 2017, from the Delivery Date specified above, until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, and to pay (but only out of Revenues as hereinafter provided) interest on overdue principal at the rate borne by this Bond plus 2.00% (the "Default Rate") on the date on which such principal or interest became due and payable, except as the provisions hereinafter set forth with respect to redemption prior to maturity or purchase may become applicable hereto. Interest shall be computed at the interest rate per annum set forth above, payable on January 1 and July 1 in each year (each, an "Interest Payment Date"), commencing on January 1, 2018, based on a 360-day year of twelve 30-day months. The principal of and premium, if any, on this Bond are payable at final maturity, acceleration or redemption in lawful money of the United States of America upon surrender hereof at the Corporate Trust Office of UMB Bank, N.A., as Trustee, or its successor in trust (the "Trustee"). Interest payments on this Bond shall be made to the Person appearing on the bond registration books of the Trustee, as bond registrar (the "Bond Registrar"), as the Bondholder thereof on the applicable Record Date, which is the date as of the close of business on the fifteenth day of the calendar month preceding any Interest Payment Date (the "Record Date"), and shall be paid (i) by check mailed on the Interest Payment Date to such Bondholder's address as it appears on the registration books or at such other address as has been furnished to the Bond Registrar as provided

below, in writing by such Bondholder not later than the Record Date or (ii) upon written request, at least three (3) Business Days prior to the applicable Record Date of the Bondholder of Bonds aggregating not less than \$1,000,000 in principal amount, by wire transfer in immediately available funds at an account maintained in the United States at such wire address as such Bondholder shall specify in its written notice (any such written request shall remain in effect until rescinded in writing by such Bondholder); except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Bondholder in whose name any such Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

This Bond is one of a duly authorized issue of bonds of the Authority designated as “California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project)” (the “Bonds”), unlimited in aggregate principal amount, except as otherwise provided in the Indenture hereinafter mentioned, which issue consists of or may consist of one or more series of varying dates, maturities, interest rates, redemption and other provisions, all issued pursuant to the provisions of Division 27 of the California Health and Safety Code as amended and supplemented (the “Act”). The Bonds are limited obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from, and secured by a pledge of and charge and lien on, the Revenues. Proceeds from the sale of the Bonds will be loaned by the Authority to CalPlant I, LLC, a California limited liability company (the “Borrower”), under the terms of a Loan Agreement, dated as of June 1, 2017 (the “Agreement”), between the Authority and the Borrower. The Bonds are all issued under and secured by and entitled to the benefits of an Indenture, dated as of June 1, 2017 (the “Indenture”), between the Authority and the Trustee; all receipts of the Trustee credited under the provisions of the Indenture against such payments (all of the foregoing, the “Revenues”), and there shall be no other recourse against the Authority or any property now or hereafter owned by it.

This Bond is also one of a duly authorized series of bonds of the Authority additionally designated as “Series 2017”, limited in aggregate principal amount as provided in, and issued under and secured by the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the registered Bondholders of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder, to all of the provisions of which Indenture and of the Agreement the Holder of this Bond, by acceptance hereof, assents and agrees.

All terms not herein defined shall have the meanings ascribed to them in the Indenture.

The Bonds are issuable as fully registered bonds without coupons in Authorized Denominations of, during the Restricted Period, \$250,000 or any integral multiple of \$5,000 in excess of thereof, or, thereafter, \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged at the Corporate Trust Office of the Trustee, for a like aggregate principal amount of Bonds of other Authorized Denominations of like maturity.

This Bond is transferable by the Bondholder hereof, in person, or by its attorney duly authorized in writing, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, in an Authorized Denomination or Denominations, for the same aggregate principal amount, and of like maturity, will be issued to the transferee in exchange therefor. The Authority and the Trustee may treat the Bondholder hereof as the absolute Bondholder hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

The Bonds are subject to redemption as set forth in the Indenture.

The Holder of this Bond shall have no right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Loan Agreement, the Act, or any other applicable law with respect to this Bond, except as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future member, director, officer, employee or agent of the Authority, or through the Authority, or any successor to the Authority, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member, director, officer, employee or agent as such is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of any of the Bonds.

The Indenture contains provisions permitting the Authority and the Trustee to enter into a Supplemental Indenture but only with the written consent of the Required Bondholders and the Borrower; provided that no Unanimous Consent Amendment shall take effect without the written consent of the Holders of all of the Bonds then Outstanding. Under certain circumstances described in the Indenture, the Authority and the Trustee may enter into a Supplemental Indenture without consent of Holders, but with the consent of the Borrower.

The Indenture prescribes the manner in which it may be discharged and after which the Bonds shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of payment of the principal of and premium, if any, and interest on the Bonds as the same become due and payable, including a provision that under certain circumstances the Bonds shall be deemed to be paid if certain securities, as defined in the Indenture, maturing as to principal and interest in such amounts and at such times as to insure the availability of sufficient moneys to pay the principal of, premium, if any, and interest on such Bonds and all necessary and proper fees, compensation and expenses of the Trustee shall have been deposited with the Trustee.

No member, officer, agent or employee of the Authority, and no officer, official agent or employee of the State of California or any department, board or agency of the foregoing shall be individually or personally liable for the payment of the principal of or premium or interest on this Bond or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, California Pollution Control Financing Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chairman and its seal to be affixed hereto, all as of the above date.

[SEAL]

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By _____
Chairman

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: _____.

This is one of the Bonds described in the within mentioned Indenture.

UMB BANK, N.A., as Trustee

By _____

Authorized Signature

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued upon such registration of transfer is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ [name, address and tax i.d. number of transferee] the within mentioned Registered Bond and do(es) hereby irrevocably constitute and appoint _____ attorney, to register the transfer of the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____ , _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Note: Signature(s) must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

EXHIBIT B

TRUSTEE AUDIT LETTER (TRUSTEE COMPLETES)

[Name of Trust Officer]

UMB Bank, N.A.

[Los Angeles], California 9___

Attn: Corporate Trust Department

1.	<u>Description of Bond Issue</u>	Principal Amount <u>Issued</u>	Bonds Outstanding as of December 31 , _____ or June 30, _____, <u>as applicable</u>
----	----------------------------------	--------------------------------------	--

2. The above information _____ agrees _____ does not agree with our records. **Please identify differences and documentation of details.**

3. During the past six months, did the Borrower make all required payments to the Trustee at the proper time and in the manner required by the Indenture?

Yes _____ No _____

4. If the Borrower failed to make required payments, please attach copies of any correspondence between the Trustee and the Borrower discussing the failure and any steps to correct such failure.

5. If required under the terms of the Indenture, has the Trustee received a certificate of an officer of the Borrower signed within 120 days of the close of the fiscal year, stating whether there exists any default under the Loan Agreement, and if a default exists, what the default is, what steps have been or will be taken to correct the default?

Yes _____ No _____ Not Required _____

6. Has the Trustee received a copy of the Borrower's annual rebate calculations prepared by or on behalf of the Borrower?

Yes _____ No _____ Not Applicable _____

If no, and the Trustee has any actual knowledge of why it did not receive such calculations, please explain on a separate page.

7. Has the Trustee received a Final Tax-Exempt Project Completion Certificate from the Borrower?

Yes _____ No _____ Not Applicable _____

8. Has a Certificate of the Borrower been received stating that its Financial Statements have been completed?

Yes _____ No _____ Not Applicable _____

9. Has Borrower provided Project Fund Requisitions to the Trustee in accordance with the procedures specified in the Indenture?

Yes _____ No _____ Not Applicable _____

10. Has Borrower provided Cost of Issuance Fund Requisitions to the Trustee in accordance with the procedures specified in the Indenture?

Yes _____ No _____ Not Applicable _____

11. Has the Trustee been notified by the Borrower of any conflicts that the Trustee may have as a result of other business dealings between the Trustee and the Borrower and, if so, has the Trustee sent a letter to the Authority informing them about this matter?

Yes _____ No _____ Not Applicable _____

If you answered "No" to any of the above, please explain on a separate paper.

Authorized Signature

Date _____

Title _____

Phone No. _____

EXHIBIT C-1

FORM OF PROJECT FUND UNCONDITIONAL REQUISITION

REQUISITION FOR MONEY FROM THE PROJECT FUND

No. _____

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

[Date]

CALPLANT I PROJECT SERIES 2017 (AMT) BONDS

Ladies and Gentlemen:

The undersigned, an Authorized Representative of CalPlant I, LLC, a California limited liability company (the “Borrower”), refers to that certain Indenture, dated as of June 1, 2017 (the “Indenture”), by and between the California Pollution Control Financing Authority (the “Authority”) and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the “Indenture Trustee”). Capitalized terms used herein without definition have the meanings given to such terms in the Indenture. The Borrower hereby gives you notice pursuant to Section 3.03 of the Indenture that it requests a payment from the Project Fund established under the Indenture, and in that connection sets forth below the terms on which such payment is requested to be made:

Funds are to be disbursed to the payees in each case as set forth on Schedule 1 attached hereto, which amounts constitute Costs of the Tax-Exempt Project.

The Borrower hereby certifies to the Indenture Trustee and the Authority that, on the date of this Requisition (after giving pro forma effect to the requested payment) that the [conditions to lending specified in Section 3.03 of the Indenture have been satisfied (and, to the extent not expressly set forth in this Requisition, all of the statements required under Section 3.03 of the Indenture to be made by the Borrower in this Requisition are hereby made by the Borrower)][Borrower has delivered a Required Bondholders Approval Certificate together with this Requisition]¹.

[Signature on following page.]

¹ Insert one of the two alternative bracketed clauses.

IN WITNESS WHEREOF, the Borrower, by the undersigned duly authorized Responsible Officer, has caused this Requisition to be executed and delivered as of the day and year first above written.

CalPlant I, LLC

By: _____
Name: _____
Title: _____

Schedule 1

WITHDRAWALS FROM PROJECT FUND

Payee	Payee Address	Purpose	Wiring or Other Payment Instructions	Amount

Exhibit “A”

Invoices

Exhibit "B"
Change Orders

Exhibit “C”

Form of Construction Monitor Certificate

[date]

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

Subject: CalPlant I, LLC (the “Borrower”)

Ladies and Gentlemen:

The undersigned, a duly authorized officer of _____ (the “Construction Monitor”), hereby provides this letter to you in accordance with Section 3.03 of that certain Indenture (the “Indenture”), dated as of June 1, 2017 by and between the California Pollution Control Financing Authority (the “Authority”) and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the “Indenture Trustee”). Except as provided herein, all terms used herein which are defined in the Indenture shall have the meanings given therein.

This Certificate is related to a request by the Borrower dated [_____], and designated Borrowing Requisition No. __ (the “Borrowing Requisition”), for payment of amounts to be advanced to the Borrower by the Indenture Trustee from amounts on deposit in the Project Fund relating to payments to the Persons listed on Schedule 1 thereto and for the purposes set forth therein. The Construction Monitor has discussed matters set forth in this Certificate, where it deems such discussions to be pertinent, with the Contractor, the Borrower and appropriate third parties, including the Technical Advisor. The Construction Monitor has performed the services required in connection with the delivery of this Certificate in accordance with the terms and conditions of the contract for construction monitoring services dated _____, 2017 between the Construction Monitor and the Borrower (the “Construction Monitor Agreement”) in a professional manner using principles and procedures in accordance with the standard of care for the level of services as practiced by other construction monitors on industrial facilities. The Construction Monitor has made such reviews, examinations and investigations as the Construction Monitor believes in its professional judgment to be reasonably necessary for the purposes of making the certifications set forth herein and has relied on certain information from third parties, including the Technical Advisor, and such information has been deemed reliable in the good faith judgment of the Construction Monitor.

On the basis of the foregoing and on the understanding and assumption that the Construction Monitor has been provided true, correct and complete information from such other parties as to the matters set forth herein, the Construction Monitor, subject to the terms and conditions of the Construction Monitor Agreement, hereby, makes the following certifications to the Indenture Trustee as of the date hereof:

1. We have (a) reviewed the (i) Contract Documents (and other specifications), under and as defined in the Construction Agreement, (ii) the Equipment Supply Agreement (collectively, the foregoing described in clauses (i) and (ii) are referred to as the “Plant Construction Documents”) and (iii) other materials and data in connection with Plant Construction made available to us and (b) performed such other investigations as we believe to be necessary for the purpose of making the certifications set forth herein. We have visited the Plant on a periodic basis and have observed the status of construction progress and startup activities at the Plant. We last visited the Plant on [_____], 201____. We have reviewed the Project Schedule (as defined in each of the Construction Agreement and the Equipment Supply Agreement) and Applications for Payment (as defined in the Construction Agreement) respecting the Plant. We have also reviewed each amendment under the Plant Construction Documents, including any change orders and the monthly Project Schedule updates from the Contractor or SICO (which we hereby confirm are in form and substance reasonably consistent with other similar projects and in accordance with Prudent Operating Practice).

2. [Subject to the exceptions described in Appendix A attached hereto, based]¹ [Based] on our review of the information discussed above, and any other information or data that we deemed necessary to making the certifications herein, we are of the opinion that:

- (a) Based on the information we have been provided and the limited site visits we have conducted, we are not aware of any equipment or material procurements or engineering performed under the Plant Construction Documents that is not in accordance with generally accepted engineering practices.
- (b) [Since the date of our last Certificate and]² based on the information provided to us, we are not aware of any claim by the Contractor or SICO that it is entitled to a material change in the Scheduled Substantial Completion Date (as defined in the Construction Agreement), the Project Schedule (as defined in each of the Construction Agreement and the Equipment Supply Agreement), or the Contract Price (as defined in each of the Construction Agreement and the Equipment Supply Agreement), in each case except as specified in any applicable change orders.
- (c) To the best of our knowledge, all payments to date, and any payment to be made under the Plant Construction Documents with the funds from the Borrowing Requisition pursuant to which this certification is provided, correspond to provisions of the Plant Construction Documents.
- (d) The change orders, if any, listed on Schedule 1 hereto are the only change orders that, to our knowledge, have been entered into by the Borrower with respect to the Construction Documents since the date of the Borrower’s requisition (either under the terms of the Indenture or the Collateral Agency Agreement) immediately preceding this Borrowing Requisition. The work contemplated by such change

¹ The bracketed phrase is to be inserted only if the Borrowing Requisition is accompanied by a Required Bondholders Approval Certificate.

² Omit bracketed language for first Certificate.

orders under the Plant Construction Documents is necessary and comply with the terms of each respective Plant Construction Document.

- (e) Each item for which payment is requested in the Borrowing Requisition and stated to be for the costs of Plant Construction is or was necessary in connection with the Plant Construction.
- (f) Invoices evidencing each item for the payment of costs of Plant Construction are attached to the Borrowing Requisition, including invoices for costs previously paid and for which reimbursement is being requested.
- (g) [The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are proceeding in accordance with the Project Schedule to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____] ³ (the “Anticipated Plant Substantial Completion Date”), barring events currently unanticipated. The unused amounts in the Project Fund and other funds available to the Borrower, including any amounts available in the Project Development Account under the Collateral Agency Agreement and any unused amounts of Committed Equity, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated. [The unused amounts in the Capitalized Interest Account, together with (1) other funds on deposit in the Project Development Account maintained under the Collateral Agency Agreement and (2) any unused Committed Equity (and in either case not otherwise necessary in order to cause the Plant Substantial Completion Date to occur) are sufficient to pay all interest due and payable on the 2017 Bonds through the Anticipated Plant Substantial Completion Date.]⁴⁵

The person signing this Certificate is a duly qualified representative of the Construction Monitor and as such is authorized to execute this Certificate on behalf of the Construction Monitor.

Very truly yours,

By: _____

Name:

Title:

³ Insert the currently anticipated Plant Substantial Completion Date.

⁴ Insert the bracketed sentence only if the Anticipated Plant Substantial Completion Date is later than 23 months following the Delivery Date.

⁵ Insert the bracketed paragraph only if Plant Substantial Completion Date has not yet occurred.

Schedule 1

Change Orders

[to be included only when applicable]

<u>Change Order</u>	<u>Adjustment to the Scope of Work, if any</u>	<u>Adjustment to Guaranteed Values, if any</u>	<u>Adjustment to Guaranteed Final Project Completion Date, if any</u>	<u>Adjustment to Project Payment Schedule, if any</u>	<u>Adjustment to Contract Price, if any</u>	<u>Adjustment to any other terms and conditions, if any</u>
<i>[Insert additional rows as necessary]</i>						

[Appendix A

Exceptions]

1

¹ To be inserted only if the Borrowing Requisition is accompanied by a Required Bondholders Approval Certificate.

EXHIBIT C-2

FORM OF PROJECT FUND CONDITIONAL REQUISITION

REQUISITION FOR MONEY FROM THE PROJECT FUND

No. _____

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

[Date]

CALPLANT I PROJECT SERIES 2017 (AMT) BONDS

Ladies and Gentlemen:

The undersigned, an Authorized Representative of CalPlant I, LLC, a California limited liability company (the “Borrower”), refers to that certain Indenture, dated as of June 1, 2017 (the “Indenture”), by and between the California Pollution Control Financing Authority (the “Authority”) and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the “Indenture Trustee”). Capitalized terms used herein without definition have the meanings given to such terms in the Indenture. The Borrower hereby gives you notice pursuant to Section 3.03 of the Indenture that it requests a payment from the Project Fund established under the Indenture, and in that connection sets forth below the terms on which such payment is requested to be made:

Funds are to be disbursed to the payees in each case as set forth on Schedule 1 attached hereto, which amounts constitute Costs of the Tax-Exempt Project.

The Borrower hereby certifies to the Indenture Trustee and the Authority that, on the date of this Requisition (after giving pro forma effect to the requested payment) the conditions to lending specified in Section 3.03 of the Indenture have been satisfied (and, to the extent not expressly set forth in this Requisition, all of the statements required under Section 3.03 of the Indenture to be made by the Borrower in this Requisition are hereby made by the Borrower) except as set forth below:

[INSERT ANY EXCEPTIONS]

None of these exceptions to the conditions of Section 3.03(a) constitutes a Disqualified Requisition Exception, and the obligation of the Trustee to fund this Requisition is subject to the Veto Process.

IN WITNESS WHEREOF, the Borrower, by the undersigned duly authorized Responsible Officer, has caused this Requisition to be executed and delivered as of the day and year first above written.

CalPlant I, LLC

By: _____
Name: _____
Title: _____

Schedule 1

WITHDRAWALS FROM PROJECT FUND

Payee	Payee Address	Purpose	Wiring or Other Payment Instructions	Amount

Exhibit "A"

Invoices

Exhibit "B"
Change Orders

Exhibit “C”

Form of Construction Monitor Report

[date]

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

Subject: CalPlant I, LLC (the “Borrower”)

Ladies and Gentlemen:

The undersigned, a duly authorized officer of _____ (the “Construction Monitor”), hereby provides this letter to you in accordance with Section 3.03 of that certain Indenture (the “Indenture”), dated as of June 1, 2017 by and between the California Pollution Control Financing Authority (the “Authority”) and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the “Indenture Trustee”). Except as provided herein, all terms used herein which are defined in the Indenture shall have the meanings given therein.

This Certificate is related to a request by the Borrower dated [_____], and designated Borrowing Requisition No. __ (the “Borrowing Requisition”), for payment of amounts to be advanced to the Borrower by the Indenture Trustee from amounts on deposit in the Project Fund relating to payments to the Persons listed on Schedule 1 thereto and for the purposes set forth therein. The Construction Monitor has discussed matters set forth in this Certificate, where it deems such discussions to be pertinent, with the Contractor, the Borrower and appropriate third parties, including the Technical Advisor. The Construction Monitor has performed the services required in connection with the delivery of this Certificate in accordance with the terms and conditions of the contract for construction monitoring services dated _____, 2017 between the Construction Monitor and the Borrower (the “Construction Monitor Agreement”) in a professional manner using principles and procedures in accordance with the standard of care for the level of services as practiced by other construction monitors on industrial facilities. The Construction Monitor has made such reviews, examinations and investigations as the Construction Monitor believes in its professional judgment to be reasonably necessary for the purposes of making the certifications set forth herein and has relied on certain information from third parties, including the Technical Advisor, and such information has been deemed reliable in the good faith judgment of the Construction Monitor.

On the basis of the foregoing and on the understanding and assumption that the Construction Monitor has been provided true, correct and complete information from such other parties as to the matters set forth herein, the Construction Monitor, subject to the terms and conditions of the Construction Monitor Agreement, hereby, makes the following certifications to the Indenture Trustee as of the date hereof:

1. We have (a) reviewed the (i) Contract Documents (and other specifications), under and as defined in the Construction Agreement, (ii) the Equipment Supply Agreement (collectively, the foregoing described in clauses (i) and (ii) are referred to as the “Plant Construction Documents”) and (iii) other materials and data in connection with Plant Construction made available to us and (b) performed such other investigations as we believe to be necessary for the purpose of making the certifications set forth herein. We have visited the Plant on a periodic basis and have observed the status of construction progress and startup activities at the Plant. We last visited the Plant on [_____], 201____. We have reviewed the Project Schedule (as defined in each of the Construction Agreement and the Equipment Supply Agreement) and Applications for Payment (as defined in the Construction Agreement) respecting the Plant. We have also reviewed each amendment under the Plant Construction Documents, including any change orders and the monthly Project Schedule updates from the Contractor or SICO (which we hereby confirm are in form and substance reasonably consistent with other similar projects and in accordance with Prudent Operating Practice).

2. Subject to the exceptions described in Appendix A attached hereto, based on our review of the information discussed above, and any other information or data that we deemed necessary to making the certifications herein, we are of the opinion that:

- (a) Based on the information we have been provided and the limited site visits we have conducted, we are not aware of any equipment or material procurements or engineering performed under the Plant Construction Documents that is not in accordance with generally accepted engineering practices.
- (b) [Since the date of our last Certificate and]¹ based on the information provided to us, we are not aware of any claim by the Contractor or SICO that it is entitled to a material change in the Scheduled Substantial Completion Date (as defined in the Construction Agreement), the Project Schedule (as defined in each of the Construction Agreement and the Equipment Supply Agreement), or the Contract Price (as defined in each of the Construction Agreement and the Equipment Supply Agreement), in each case except as specified in any applicable change orders.
- (c) To the best of our knowledge, all payments to date, and any payment to be made under the Plant Construction Documents with the funds from the Borrowing Requisition pursuant to which this certification is provided, correspond to provisions of the Plant Construction Documents.
- (d) The change orders, if any, listed on Schedule 1 hereto are the only change orders that, to our knowledge, have been entered into by the Borrower with respect to the Construction Documents since the date of the Borrower’s requisition (either under the terms of the Indenture or the Collateral Agency Agreement) immediately preceding this Borrowing Requisition. The work contemplated by such change orders under the Plant Construction Documents is necessary and comply with the terms of each respective Plant Construction Document.

¹ Omit bracketed language for first Certificate.

- (e) Each item for which payment is requested in the Borrowing Requisition and stated to be for the costs of Plant Construction is or was necessary in connection with the Plant Construction.
- (f) Invoices evidencing each item for the payment of costs of Plant Construction are attached to the Borrowing Requisition, including invoices for costs previously paid and for which reimbursement is being requested.
- (g) [The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are proceeding in accordance with the Project Schedule to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____] ² (the “Anticipated Plant Substantial Completion Date”), barring events currently unanticipated. The unused amounts in the Project Fund and other funds available to the Borrower, including any amounts available in the Project Development Account under the Collateral Agency Agreement and any unused amounts of Committed Equity, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated. [The unused amounts in the Capitalized Interest Account, together with (1) other funds on deposit in the Project Development Account maintained under the Collateral Agency Agreement and (2) any unused Committed Equity (and in either case not otherwise necessary in order to cause the Plant Substantial Completion Date to occur) are sufficient to pay all interest due and payable on the 2017 Bonds through the Anticipated Plant Substantial Completion Date.] ³⁴

² Insert the currently anticipated Plant Substantial Completion Date.

³ Insert the bracketed sentence only if the Anticipated Plant Substantial Completion Date is later than 23 months following the Delivery Date.

⁴ Insert the bracketed paragraph only if Plant Substantial Completion Date has not yet occurred.

The person signing this Certificate is a duly qualified representative of the Construction Monitor and as such is authorized to execute this Certificate on behalf of the Construction Monitor.

Very truly yours,

By: _____

Name:

Title:

Schedule 1

Change Orders

[to be included only when applicable]

<u>Change Order</u>	<u>Adjustment to the Scope of Work, if any</u>	<u>Adjustment to Guaranteed Values, if any</u>	<u>Adjustment to Guaranteed Final Project Completion Date, if any</u>	<u>Adjustment to Project Payment Schedule, if any</u>	<u>Adjustment to Contract Price, if any</u>	<u>Adjustment to any other terms and conditions, if any</u>
<i>[Insert additional rows as necessary]</i>						

Appendix A

Exceptions

[Insert exceptions]

EXHIBIT D

FORM OF COSTS OF ISSUANCE FUND REQUISITION

REQUISITION FOR MONEY FROM THE COSTS OF ISSUANCE FUND

To: UMB BANK, N.A., as trustee
 120 South Sixth Street, Suite 1400
 Minneapolis, MN 55402
 Attn: Corporate Trust

Re: California Pollution Control Financing Authority
 Solid Waste Disposal Revenue Bonds
 (CalPlant I Project)
Series 2017 (AMT) (the “2017 Bonds”)

Requisition No. ____

Account: Costs of Issuance Fund Account

The undersigned, on behalf of CalPlant I, LLC (the “Borrower”), hereby requests payment from the Costs of Issuance Fund for the Tax-Exempt Project, the total amount shown below to the order of the payee or payees named below, as payment or reimbursement for costs incurred or expenditures made in connection with the issuance of the 2017 Bonds. The payee(s), the purpose and the amount of the disbursement requested are as follows and as stated in the attached invoice(s) (no payment to be made without an accompanying invoice):

<u>Payee</u> [name and address]	<u>Purpose</u>	<u>Amount</u>
------------------------------------	----------------	---------------

Total \$

The undersigned hereby certifies as follows:

Each obligation mentioned herein is a Cost of Issuance with respect to the 2017 Bonds and has been properly incurred and is a proper charge against the Costs of Issuance Fund, and each item for which payment is requested is or was necessary in connection with the issuance of the 2017 Bonds. None of the items for which payment is requested has been reimbursed previously from the Costs of Issuance Fund, and none of the payments herein requested will result in a breach of the representations and agreements in the Loan Agreement. Invoices evidencing each obligation mentioned herein are attached hereto.

Dated: _____

CALPLANT I, LLC

By _____
Authorized Representative

Attachment: Invoices for each listed obligation

EXHIBIT E

TRANSFER RESTRICTION GUIDELINES

1. Capitalized terms used and not otherwise defined in this Exhibit E have the meaning ascribed to them in the Indenture to which this Exhibit is attached.
2. During the Restricted Period, purchasers of the Bonds (in both primary and secondary markets) limited to Qualified Purchasers.
3. Bonds may be initially placed with and marketed to no more than 35 Qualified Purchasers in any one offering.
4. During the Restricted Period, Bonds must be issued in minimum Authorized Denominations.
5. All sale restriction information must be prominently printed on the cover and described in the body of any offering materials, and the Bond certificates in their legends must note all sale and purchase restrictions.
6. Required Mandatory Sinking Fund Payment amounts must be in Authorized Denominations.
7. Participatory shares of Bonds in trusts which include any of the Bonds may be sold only to Qualified Purchasers, and such trust shares must be sold only in increments equal to the 2017 Bond's minimum denomination unless (i) the participatory shares are credit enhanced to an "A-" level or higher and purchasers of such shares are not exposed to credit risk of the Borrower, or (ii) participatory shares are not directly made in the Bonds, but are part of a diversified portfolio in a regulated investment company, where the Bonds constitute not more than 5% of the total portfolio.
8. The Initial Purchasers shall provide the Authority with an Investment Representation Letter.

EXHIBIT F

PERMITTED LIENS

1. Liens created under or as required by any Bond Financing Document.
2. Liens for taxes, fees, assessments or other charges that are not delinquent or remain payable without penalty, or that are being contested in appropriate proceedings by the Borrower in good faith.
3. Carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other similar Liens arising in connection with Plant Construction, but subordinate to the lien of the Deed of Trust for amounts that (a) are not delinquent or remain payable without penalty, (b) are being contested in good faith by the Borrower in accordance with the terms of the Construction Agreement or the Equipment Supply Agreement, or other otherwise by appropriate proceedings, or (c) are bonded in accordance with provisions of applicable law.
4. Carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other similar Liens arising in the ordinary course of business of the Borrower and that (a) are not delinquent or remain payable without penalty, (b) are being contested in good faith by the borrower by appropriate proceedings, or (c) are bonded in accordance with provisions of applicable law.
5. Pledges or deposits in connection with workers compensation, unemployment insurance and other social security legislation.
6. Other Liens or imperfections of title, not securing a liquidated sum, that are not material in character, amount or extent and that do not materially detract from the value of, or materially interfere with, the present or presently contemplated use and enjoyment of the related asset or property.
7. Liens fully satisfied from the proceeds of the Bonds on the Delivery Date, and as to which the Collateral Agent is insured under the terms of the title insurance policy insuring the lien of the Deed of Trust.
8. The following specific items affecting title to the Site and appearing in the Official Real Estate Records of Glenn County, California (the "Official Records"):
 - (a) Deed of Easement, by and between Virginia Elmendorf and James Boyd III, recorded on April 16, 1969 in the Official Records in Book 514 at page 519.
 - (b) Easement made by James Boyd III in favor of Kanawha Water District, recorded on December 20, 1977 in the Official Records in Book 622 at page 260.

(c) Easements shown on Parcel Map No. 2000-03, recorded on May 10, 2000 in the Official Records in Book 12 of Parcel Maps at page 28.

EXHIBIT G
DSCR CERTIFICATE

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

[Date]

COMPUTATION CERTIFICATE

Ladies and Gentlemen:

Reference is made to (1) the Indenture, dated as of June 1, 2017 (the “Indenture”), by and between the California Pollution Control Financing Authority (the “Authority”) and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the “Indenture Trustee”) and (2) the Loan Agreement, dated as of June 1, 2017 (the “Loan Agreement”), by and between the Authority and CalPlant I, LLC (the “Borrower”). Capitalized terms used herein without definition have the meanings given to such terms in the Indenture.

The Borrower hereby certifies to the Trustee as follows:

1. Calculation of Debt Service Coverage Ratio. As of [_____] (the “Calculation Date”), based on the computation attached to this Certificate as Exhibit A, the Borrower’s Historic Debt Service Coverage Ratio measured as of the Calculation Date is ____, and the Borrower’s Forward Looking Debt Service Coverage Ratio is ____.
2. [Unaudited Financials. The attached computation of Historic Debt Service Coverage Ratio is based on the Borrower’s unaudited financial statements and will be computed by the Borrower retrospectively against the according audited financial statements as soon as those are available.]¹

Very truly yours,

CalPlant I, LLC

By: _____
Name:
Title:[Authorized Representative]

¹ Include bracketed language if audited financial statements are unavailable to meet the deadline required in Section 5.15(a)(ix) of the Loan Agreement.

EXHIBIT A

Debt Service Coverage Ratio Computation

1. Historic Debt Service Coverage Ratio. For the relevant Calculation Period (_____ through _____), Income Available for Debt Service was \$_____, and Debt Service was \$_____ (the latter comprising \$_____ of principal repayments and \$_____ of interest payments). When the Income Available for Debt Service for the Calculation Period is divided by the Debt Service for the Calculation Period, the result, calculated to four significant digits, is _____.

2. Forward Looking Debt Service Coverage Ratio. For the relevant Calculation Period (_____ through _____), Income Available for Debt Service is projected by the Borrower, consistent with the Operating Budget, to be \$_____, and Debt Service required for the Calculation Period is \$_____ (the latter comprising \$_____ of principal repayments and \$_____ of interest payments). When the Income Available for Debt Service for the Calculation Period is divided by the Debt Service for the Calculation Period, the result, calculated to four significant digits, is _____.

FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”) is delivered and executed as of December 20, 2018 (the “First Supplement Effective Date”), between CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the “Authority”), and UMB BANK, N.A. (the “Trustee”), a national banking association organized and existing under and by virtue of the laws of the United States of America, having a Corporate Trust Office in Minneapolis, Minnesota, and being qualified to accept and administer the trusts created by the Indenture referred to below, as amended by this Supplemental Indenture.

Recitals

WHEREAS, the Authority and Trustee have entered into that certain Indenture, dated as of June 1, 2017 (the “Indenture”; capitalized terms not otherwise defined in this Supplemental Indenture are used with the meanings set forth in the Indenture) with respect to the Plant being built by CalPlant I, LLC, a California limited liability company (the “Borrower”);

WHEREAS, the Borrower wishes to make certain amendments to the Indenture and, pursuant to Section 9.01 of the Indenture, the Indenture may be amended with the written consent of the Required Bondholders and the Borrower, which shall have been filed with the Trustee;

WHEREAS, Borrower has furnished to the Beneficial Owners the Consent Solicitation Statement (the “Consent Solicitation”), dated as of November 13, 2018, which requests consent of the Required Bondholders to amend the Indenture pursuant to this Supplemental Indenture; and

WHEREAS, the Borrower has furnished to the Trustee a Required Bondholders Approval Certificate evidencing the consent of the required Beneficial Owners to this Supplemental Indenture.

NOW THEREFORE, the parties hereto agree as follows:

1. First Supplement Effective Date. As of the First Supplement Effective Date, the Indenture is amended as follows:

1.1 Section 1.01 is amended by adding each of the following definitions in alphabetical order:

Additional Equity Agreement

“Additional Equity Agreement” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

First Supplement Effective Date

“First Supplement Effective Date” means December 20, 2018, the date of the execution and delivery of the first supplement to this Indenture.

Holdco Capital Contributions

“Holdco Capital Contributions” means the capital contributions to Holdco (by deposit to the Borrower Funds Account, as that term is defined in the Collateral Agency Agreement) required to be made by certain members of Holdco under the terms of the Additional Equity Agreement.

Mezzanine Account

“Mezzanine Account” shall have the meaning ascribed to such term in the Licensor’s and Investors’ Undertaking.

Mezzanine Available Funds

“Mezzanine Available Funds” shall have the meaning ascribed to such term in the Licensor’s and Investors’ Undertaking.

Permitted Project Agreement

“Permitted Project Agreement” means any Project Document deemed necessary by the Borrower or the Construction Monitor to achieve the Plant Substantial Completion Date, but only if the Construction Monitor certifies to the Trustee that, after entering into the Project Document (a) the amounts then held in the Project Account and other funds available to the Borrower, including any amounts available in the Project Development Account under the Collateral Agency Agreement and any unused amounts of Committed Equity, are not less than the amount required to cause Plant Construction to occur without delaying the then anticipated Plant Substantial Completion Date and (b) the amounts required to be paid under the Project Document, together with all other Project Documents previously certified by the Construction Monitor as “Permitted Project Agreements” will not increase the amount calculated as “Total Other Construction Costs” in the Construction Budget by more than \$6,000,000.

SICO Installation Agreement

“SICO Installation Agreement” means the Installation Contract, dated October 10, 2018, between the Borrower, as owner, and SICO USA, as contractor, as (i) amended in accordance with its terms, but only as permitted by the Bond Financing Documents, and (ii) replaced as permitted by the Bond Financing Documents.

SICO Supply Agreements

“SICO Supply Agreements” means the Equipment Supply Agreement and the Supply Contract A0893.20, dated as of October 10, 2018, between the Borrower, as buyer, and SICO, as seller.

SICO USA

“SICO USA” means Siempelkamp Contracting LLC, a Georgia limited liability company.

1.2 Section 1.1 is amended by amending and restating the definitions set forth below:

Bond Financing Documents

“Bond Financing Documents” means this Indenture, the Bonds, the Loan Agreement, the Collateral Agency Agreement, the Collateral Instruments, the Licensor’s and Investors’ Undertaking, the Additional Equity Agreement, the Tax Certificate and any other documents delivered to or for the benefit of the Trustee or the Collateral Agent by any Borrower Party in connection with the Loan Agreement or this Indenture.

CFP Agreement

“CFP Agreement” means the agreement entered into by the Borrower with CFP to secure the sales of the production output of the Plant on a long-term basis originally dated July 24, 2013, as amended and restated on March 11, 2016, and as further amended by an amendment dated April 28, 2017, and as the same may be amended in accordance with its terms only as permitted by the Bond Financing Documents.

Collateral Agency Agreement

“Collateral Agency Agreement” means the agreement by such name, dated the Delivery Date, among the Borrower, the Trustee and the Collateral Agent, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Bond Financing Documents.

Committed Equity

“Committed Equity” means, collectively, the TIAA Additional Capital Contributions, the SICO Capital Contributions, the Holdco Capital Contributions, and the Mezzanine Available Funds.

Construction Agreements

“Construction Agreements” means (a) the Standard Form of Agreement Between Owner and Contractor dated as of August 23, 2018, between the Borrower, as

owner, and Casey Industrial, Inc., as contractor, (b) the Construction Services Agreement, dated September 27, 2018, between the Borrower, as owner, and Phoenix Industrial, Inc., as contractor, (c) the Construction Services Agreement, dated September 27, 2018, between the Borrower, as owner, and International Line Builders, Inc., as contractor, and (d) the SICO Installation Agreement, as each of the same may be (i) amended in accordance with its terms, but only as permitted by the Bond Financing Documents, and (ii) replaced as permitted by the Bond Financing Documents.

Construction Bonds

“Construction Bonds” means the performance bonds issued in respect of the Contractors’ obligations under the Construction Agreements (but such term does not include the SICO Guarantee issued in connection with the SICO Installation Agreement).

Construction Sureties

“Construction Sureties” means the sureties that are the issuers of Construction Bonds in respect of the Contractors’ obligations under the Construction Agreements.

Contractors

“Contractors” means the contractors that are parties to the Construction Agreements.

Material Company

“Material Company” means each of (a) SICO, but only until all its material obligations under the SICO Supply Agreements have been discharged, (b) CFP, and (c) each of the Contractors, but only until all its material obligations under the applicable Construction Agreement have been discharged. From and after any replacement of any Material Company pursuant to the Construction Replacement Provisions and (if applicable) the CFP Replacement Provisions, then the replacement counterparty shall be deemed to a Material Company and the counterparty it replaces shall be deemed to be no longer a Material Company.

Material Contract

“Material Contract” means each of the Construction Agreements, the SICO Supply Agreements, the CFP Agreement, and each other material contract in relation to the Plant entered into by the Borrower with a Material Company. From and after any replacement of any Material Contract pursuant to the Construction Replacement Provisions and (if applicable) the CFP Replacement Provisions, then the replacement contract shall be deemed to be a Material Contract and the contract it replaces shall be deemed to be no longer a Material Contract.

Plans and Specifications

“Plans and Specifications” means the plans and specifications for the development, construction, equipping and improvement of the Plant, in the forms included in the Construction Agreements and the SICO Supply Agreements, as amended from time to time in accordance with the Bond Financing Documents.

Plant Construction

“Plant Construction” means the construction and equipment supply of the Plant as described as set forth in the Construction Agreements, the SICO Supply Agreements, the Plans and Specifications and the Construction Budget.

Plant Substantial Completion Date

“Plant Substantial Completion Date” means the date that is the date on which the following have all been achieved: (a) “Substantial Completion,” as that term is defined in the Construction Agreements with (i) Casey Industrial, Inc., (ii) Phoenix Industrial, Inc. and (iii) International Line Builders, Inc., (b) “First Board,” as that term is defined in the Equipment Supply Agreement, and (c) “Mechanical Completion,” as that term is defined in the SICO Installation Agreement.

Project Documents

“Project Documents” means the Construction Agreements, the SICO Supply Agreements, each Rice Straw Supply Agreement, the Resin Supply Agreement, the CFP Agreement, the License Agreement, each other material agreement in relation to the Plant entered into by the Borrower with a Material Company and any guarantees, and any alternate or replacement agreements therefor or amendments, supplements or successor agreements thereto, and in any event not including purchase orders and similar agreements entered into in the ordinary course of business. Project Documents shall include (a) any agreement, other than a purchase order or similar agreement entered into in the ordinary course of business, under which the Borrower is expected to pay or receive an amount in excess of 15% of its Borrower Revenues for the prior Fiscal Year and (b) any other agreement that the Borrower, acting reasonably, determines is material to the construction, maintenance or operation of the Plant or to its financial condition.

SICO Guarantees

“SICO Guarantees” means the advance payment bank guarantees and performance bank guarantees delivered by SICO and SICO USA in respect of their respective obligations under the SICO Supply Agreements and the SICO Installation Agreement.

TIAA Additional Capital Contributions

“TIAA Additional Capital Contributions” shall have the meaning ascribed to such term in the Licensor’s and Investors’ Undertaking.

1.3 Section 1.01 is amended by replacing clause (j) of the definition of the term “Distribution Requirements” with the following:

“(j) the Borrower does not owe sales commissions to CFP that have been accrued and remain unpaid (or interest thereon) under the provisions of Section 12.19 of the CFP Sales Agreement; and”

1.4 Section 1.01 is amended by replacing clause (e) of the definition of the term “Force Majeure Event” with the following:

“(e) where the applicable party is a Contractor or the Borrower, the applicable party has at all relevant times conducted itself in accordance with Prudent Operating Practice.”

1.5 Section 3.03(a)(vii) is amended and restated in its entirety to read as follows:

“(vii) that (1) none of the items for which payment is requested has been previously paid from the Project Fund, and (2) none of the items for which payment is requested has been previously paid from the Project Development Account established under the Collateral Agency Agreement or, if so paid, the Borrower is requesting reimbursements from the Project Fund, with the amount of such reimbursement to be paid to the Project Development Account established under the Collateral Agency Agreement;”

1.6 Section 3.03(a)(xviii) is amended and restated in its entirety to read as follows:

“(xviii) that, with respect to each payment or transfer requested, the following documents are attached to a Requisition in the form of Exhibit C-1 or C-2, as applicable:

(1) in the case of a payment or transfer requested under any of the Construction Agreements, a progress payment invoice (attached as Exhibit “A” to the applicable Requisition) from the applicable Contractor in accordance with terms of the applicable Construction Agreement;

(2) in the case of a payment or transfer requested under either of the SICO Supply Agreements, a payment invoice (attached as Exhibit “A” to the applicable Requisition) from SICO in accordance with the terms of the applicable SICO Supply Agreement;

(3) in the case of a payment or transfer requested under any of the Construction Agreements, a certified lien waiver by the applicable Contractor, substantially in the form required by the applicable Construction Agreement and sufficient to permit the issuance of the ALTA 33 endorsement referred to in Section 3.03(a)(xx) of this Indenture;

(4) in the case of a payment or transfer requested under any of the Construction Agreements, a list of all change orders (issued in accordance with the terms of the applicable Construction Agreement) not previously submitted to the Trustee, together with a list of all change orders to date and a list of all proposed change orders (attached as Exhibit “B” to the applicable Requisition) along with the certification of the Construction Monitor in the form of Exhibit “C” to the applicable Requisition;

(5) in the case of a payment or transfer requested prior to Plant Acceptance, a certification by the Construction Monitor in the form of Exhibit “C” to the applicable Requisition, after any consultation with the Technical Advisor required by the Construction Monitor; and

(6) in the case of a payment requested under any of the Construction Agreements or the SICO Supply Agreements, any similar certification from the Contractor or SICO, as applicable;”

1.7 Section 3.03(a)(xix) is amended and restated in its entirety to read as follows:

“(xix) that all change orders that have been entered into in respect of the Constructions Agreements and the SICO Supply Agreements have been submitted to the Construction Monitor and the Trustee; and”

1.8 Section 3.03(a)(xx) is amended and restated in its entirety to read as follows:

“(xx) that in the case of a payment or transfer requested prior to Plant Acceptance and requested under any of the Construction Agreements or the SICO Supply Agreements, there is attached an ALTA 33 endorsement to the Collateral Agent’s title insurance policy with respect to the Deed of Trust, demonstrating that no Liens encumber the Plant or the Site, other than Permitted Liens; provided that, in the case of any payment or transfer requested prior to Plant Acceptance and at least sixty (60) days following the date of the last ALTA 33 endorsement to such title insurance policy, an ALTA 33 endorsement (demonstrating that no Liens encumber the Plant or the Site, other than Permitted Liens) shall be provided with the corresponding Requisition whether or not the payment or transfer is required under any of the Construction Agreements or the SICO Supply Agreements.”

1.9 The last sentence of Section 3.03(b) is amended and restated in its entirety to read as follows: “The Trustee shall be under no duty to make any investigation or inquiry of a completed Requisition nor review any attachments thereto nor determine whether all documentation required by this Section 3.03 to be attached to such Requisition has been received.”

1.10 Section 11.08 is amended by amending and restating the Borrower’s and the Construction Monitor’s notice addresses to read as follows:

“To the Borrower:

CalPlant I, LLC
6101 Hwy 162
Willows, CA 95988-9641
Attn: Gerald Uhland
E-mail: juhland@calplant1.com

With a copy to:

Morrison & Foerster LLP
707 Wilshire Blvd, Suite 6000
Los Angeles, CA 90017
Attn: Irv Hepner, Esq.
E-mail: Irv.Hepner@mofoco.com

If to the Construction Monitor:

Harris Group
1776 Lincoln Street, Suite 1000
Denver, CO 80203
Attn: Steven J. Brunner
E-mail: steve.brunner@harrisgroup.com”

1.11 Exhibit “C” of Exhibit C-1 is amended by replacing it in its entirety with Exhibit A to this Supplemental Indenture.

1.12 Exhibit “C” of Exhibit C-2 is amended by replacing it in its entirety with Exhibit B to this Supplemental Indenture.

2. Effect on Indenture. Except as specifically amended hereby, the terms and provisions of the Indenture are in all other respects ratified and confirmed and remain in full force and effect without modification or limitation. No reference to this Supplemental Indenture need be made in any notice, writing or other communication relating to the Indenture, any such reference to the Indenture following the First Supplement Effective Date to be deemed a reference thereto as amended by this Supplemental Indenture.

3. Governing Law; Venue. This Supplemental Indenture shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State. This Supplemental Indenture shall be enforceable in the State, and any action arising out of this Supplemental Indenture shall be filed and maintained in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement. In the event of any action or proceeding between the Borrower as a third-party beneficiary of this Supplemental Indenture and the Trustee, the losing party in such action or proceeding shall pay all costs and expenses incurred by the prevailing party in connection therewith, including but not limited to attorneys’ fees, provided that any such payment required

to be made by the Trustee shall be made only from and to the extent of amounts for which the Trustee has been indemnified by Beneficial Owners.

4. Execution in Several Counterparts. This Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument

[Signatures on the following page.]

IN WITNESS WHEREOF, the CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY has caused this Supplemental Indenture to be signed in its name and its seal to be herunto affixed and attested by its authorized officers, and UMB BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this Supplemental Indenture to be signed in its corporate name by one of the officers thereunto duly authorized all as of the day and year first above written.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: _____

By: _____

[Seal]

UMB BANK, N.A., as Trustee

By: _____

Exhibit A

Exhibit "C"

Form of Construction Monitor Certificate

[date]

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

Subject: CalPlant I, LLC (the "Borrower")

Ladies and Gentlemen:

The undersigned, a duly authorized officer of _____ (the "Construction Monitor"), hereby provides this certificate (this "Certificate") to you in accordance with Section 3.03 of that certain Indenture, dated as of June 1, 2017, by and between the California Pollution Control Financing Authority (the "Authority"), and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the "Indenture Trustee"), as amended by the First Supplemental Indenture, dated as of December 20, 2018, by and between the Authority and the Indenture Trustee (as so amended, the "Indenture"). Except as provided herein, all terms used herein which are defined in the Indenture shall have the meanings given therein.

This Certificate is related to a request by the Borrower dated [_____], and designated Borrowing Requisition No. __ (the "Borrowing Requisition"), for payment of amounts to be advanced to the Borrower by the Indenture Trustee from amounts on deposit in the Project Fund relating to payments to the Persons listed on Schedule 1 thereto and for the purposes set forth therein. The Construction Monitor has discussed matters set forth in this Certificate, where it deems such discussions to be pertinent, with the Contractors, the Borrower and other appropriate third parties, including the Technical Advisor. The Construction Monitor has performed the services required in connection with the delivery of this Certificate in accordance with the terms and conditions of the contract for construction monitoring services dated _____, 2018 between the Construction Monitor and the Borrower (the "Construction Monitor Agreement") in a professional manner using principles and procedures in accordance with the standard of care for the level of services as practiced by other construction monitors on industrial facilities. The Construction Monitor has made such reviews, examinations and investigations as the Construction Monitor believes in its professional judgment to be reasonably necessary for the purposes of making the certifications set forth herein and has relied on certain information from third parties, including the Technical Advisor, and such information has been deemed reliable in the good faith judgment of the Construction Monitor.

On the basis of the foregoing and on the understanding and assumption that the Construction Monitor has been provided true, correct and complete information from such other

parties as to the matters set forth herein, the Construction Monitor, subject to the terms and conditions of the Construction Monitor Agreement, hereby, makes the following certifications to the Indenture Trustee as of the date hereof:

1. We have (a) reviewed the (i) Construction Agreements and other related documents and specifications referred to in the Construction Agreements, (ii) the SICO Supply Agreements (collectively, the foregoing described in clauses (i) and (ii) are referred to as the “Plant Construction Documents”) and (iii) other materials and data in connection with Plant Construction made available to us and (b) performed such other investigations as we believe to be necessary for the purpose of making the certifications set forth herein. We have visited the Plant on a periodic basis and have observed the status of construction progress and startup activities at the Plant. We last visited the Plant on [_____], 201____. We have reviewed the project schedules and applications for payment provided under the Plant Construction Documents. We have also reviewed each amendment under the Plant Construction Documents, including any change orders and project schedule updates from the Contractors and SICO (which we hereby confirm are in form and substance reasonably consistent with other similar projects and in accordance with Prudent Operating Practice).

2. [Subject to the exceptions described in Appendix A attached hereto, based]¹ [Based] on our review of the information discussed above, and any other information or data that we deemed necessary to making the certifications herein, we are of the opinion that:

- (a) Based on the information we have been provided and the limited site visits we have conducted, we are not aware of any equipment or material procurements or engineering performed under the Plant Construction Documents that is not in accordance with generally accepted engineering practices.
- (b) Since the date of our last Certificate, if any, and based on the information provided to us, we are not aware of any claim by any of the Contractors or SICO that it is entitled to a material change in (i) the date by which “Substantial Completion” (as defined in the applicable Construction Agreements with (A) Casey Industrial, Inc., (B) Phoenix Industrial, Inc. and (C) International Line Builders, Inc.) is to occur, (ii) the date by which “First Board” (as defined in the Equipment Supply Agreement) is to occur, (iii) the date by which “Mechanical Completion” (defined in the SICO Installation Agreement) is to occur, (iv) the project schedules under the Plant Construction Documents, or (v) the “contract price” or the “contract sum” (as either such term is defined in the Plant Construction Documents), in each case except as specified in any applicable change orders.
- (c) To the best of our knowledge, all payments to date from and after the designation of the undersigned as the Construction Monitor, and any payment to be made

¹ The bracketed phrase is to be inserted only if the Borrowing Requisition is accompanied by a Required Bondholders Approval Certificate.

under the Plant Construction Documents with the funds from the Borrowing Requisition pursuant to which this certification is provided, correspond to provisions of the Plant Construction Documents.

- (d) The change orders, if any, listed on Schedule 1 hereto are the only change orders that, to our knowledge, have been entered into by the Borrower with respect to the Plant Construction Documents since the date of the Borrower's requisition (either under the terms of the Indenture or the Collateral Agency Agreement) immediately preceding the Borrowing Requisition. The work contemplated by such change orders under the Plant Construction Documents is necessary and complies with the terms of the relevant Plant Construction Document.
- (e) Each item for which payment is requested in the Borrowing Requisition and stated to be for the costs of Plant Construction is or was necessary in connection with the Plant Construction.
- (f) Invoices or other satisfactory evidence for each item of costs of Plant Construction provided for in the Borrowing Requisition are attached to the Borrowing Requisition, including invoices for costs previously paid and for which reimbursement is being requested.
- (g) [The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are anticipated to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____] ¹ (the "Anticipated Plant Substantial Completion Date"), barring events currently unanticipated. The unused amounts in the Project Fund and other funds available to the Borrower, including any amounts available in the Project Development Account under the Collateral Agency Agreement and any unused amounts of Committed Equity, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated. [The unused amounts in the Capitalized Interest Account, together with (1) other funds on deposit in the Project Development Account maintained under the Collateral Agency Agreement and (2) any unused Committed Equity (and in either case not otherwise necessary in order to cause the Plant Substantial Completion Date to occur) are sufficient to pay all interest due and payable on the 2017 Bonds through the Anticipated Plant Substantial Completion Date.] ² ³

¹ Insert the currently anticipated Plant Substantial Completion Date.

² Insert the bracketed sentence only if the Anticipated Plant Substantial Completion Date is later than 23 months following the Delivery Date.

³ Insert the bracketed paragraph only if Plant Substantial Completion Date has not yet occurred.

The person signing this Certificate is a duly qualified representative of the Construction Monitor and as such is authorized to execute this Certificate on behalf of the Construction Monitor.

Very truly yours,

By: _____

Name:

Title:

Schedule 1

Change Orders

[to be included only when applicable]

<u>Change Order</u>	<u>Adjustment to the Scope of Work, if any</u>	<u>Adjustment to Guaranteed Values, if any</u>	<u>Adjustment to Guaranteed Final Project Completion Date, if any</u>	<u>Adjustment to Project Payment Schedule, if any</u>	<u>Adjustment to Contract Price or Contract Sum, if any</u>	<u>Adjustment to any other terms and conditions, if any</u>
<i>[Insert additional rows as necessary]</i>						

Exhibit B

Exhibit "C"

Form of Construction Monitor Certificate

[date]

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

Subject: CalPlant I, LLC (the "Borrower")

Ladies and Gentlemen:

The undersigned, a duly authorized officer of _____ (the "Construction Monitor"), hereby provides this certificate (this "Certificate") to you in accordance with Section 3.03 of that certain Indenture (the "Indenture"), dated as of June 1, 2017, by and between the California Pollution Control Financing Authority (the "Authority") and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the "Indenture Trustee"), as amended by the First Supplemental Indenture, dated as of December 20, 2018, by and between the Authority and the Indenture Trustee (as so amended, the "Indenture"). Except as provided herein, all terms used herein which are defined in the Indenture shall have the meanings given therein.

This Certificate is related to a request by the Borrower dated [_____], and designated Borrowing Requisition No. __ (the "Borrowing Requisition"), for payment of amounts to be advanced to the Borrower by the Indenture Trustee from amounts on deposit in the Project Fund relating to payments to the Persons listed on Schedule 1 thereto and for the purposes set forth therein. The Construction Monitor has discussed matters set forth in this Certificate, where it deems such discussions to be pertinent, with the Contractors, the Borrower and other appropriate third parties, including the Technical Advisor. The Construction Monitor has performed the services required in connection with the delivery of this Certificate in accordance with the terms and conditions of the contract for construction monitoring services dated _____, 2018 between the Construction Monitor and the Borrower (the "Construction Monitor Agreement") in a professional manner using principles and procedures in accordance with the standard of care for the level of services as practiced by other construction monitors on industrial facilities. The Construction Monitor has made such reviews, examinations and investigations as the Construction Monitor believes in its professional judgment to be reasonably necessary for the purposes of making the certifications set forth herein and has relied on certain information from third parties, including the Technical Advisor, and such information has been deemed reliable in the good faith judgment of the Construction Monitor.

On the basis of the foregoing and on the understanding and assumption that the Construction Monitor has been provided true, correct and complete information from such other parties as to the matters set forth herein, the Construction Monitor, subject to the terms and conditions of the Construction Monitor Agreement, hereby, makes the following certifications to the Indenture Trustee as of the date hereof:

1. We have (a) reviewed the (i) Construction Agreements and other related documents and specifications referred to in the Construction Agreements, (ii) the SICO Supply Agreements (collectively, the foregoing described in clauses (i) and (ii) are referred to as the “Plant Construction Documents”) and (iii) other materials and data in connection with Plant Construction made available to us and (b) performed such other investigations as we believe to be necessary for the purpose of making the certifications set forth herein. We have visited the Plant on a periodic basis and have observed the status of construction progress and startup activities at the Plant. We last visited the Plant on [_____], 201____. We have reviewed the project schedules and applications for payment provided under the Plant Construction Documents. We have also reviewed each amendment under the Plant Construction Documents, including any change orders and the project schedule updates from the Contractors and SICO (which we hereby confirm are in form and substance reasonably consistent with other similar projects and in accordance with Prudent Operating Practice).

2. Subject to the exceptions described in Appendix A attached hereto, based on our review of the information discussed above, and any other information or data that we deemed necessary to making the certifications herein, we are of the opinion that:

- (a) Based on the information we have been provided and the limited site visits we have conducted, we are not aware of any equipment or material procurements or engineering performed under the Plant Construction Documents that is not in accordance with generally accepted engineering practices.
- (b) Since the date of our last Certificate, if any, and based on the information provided to us, we are not aware of any claim by any of the Contractors or SICO that it is entitled to a material change in (i) the date by which “Substantial Completion” (as defined in the applicable Construction Agreements with (A) Casey Industrial, Inc., (B) Phoenix Industrial, Inc. and (C) International Line Builders, Inc.) is to occur, (ii) the date by which “First Board” (as defined in the Equipment Supply Agreement) is to occur, (iii) the date by which “Mechanical Completion” (defined in the SICO Installation Agreement) is to occur, (iv) the project schedules under the Plant Construction Documents, or (v) the “contract price” or the “contract sum” (as either such term is defined in the Plant Construction Documents), in each case except as specified in any applicable change orders.
- (c) To the best of our knowledge, all payments to date from and after the designation of the undersigned as the Construction Monitor, and any payment to be made under the Plant Construction Documents with the funds from the Borrowing Requisition pursuant to which this certification is provided, correspond to provisions of the Plant Construction Documents.

- (d) The change orders, if any, listed on Schedule 1 hereto are the only change orders that, to our knowledge, have been entered into by the Borrower with respect to the Plant Construction Documents since the date of the Borrower's requisition (either under the terms of the Indenture or the Collateral Agency Agreement) immediately preceding the Borrowing Requisition. The work contemplated by such change orders under the Plant Construction Documents is necessary and complies with the terms of the relevant Plant Construction Document.
- (e) Each item for which payment is requested in the Borrowing Requisition and stated to be for the costs of Plant Construction is or was necessary in connection with the Plant Construction.
- (f) Invoices or other satisfactory evidence for each item for the payment of costs of Plant Construction provided for in the Borrowing Requisition are attached to the Borrowing Requisition, including invoices for costs previously paid and for which reimbursement is being requested.
- (g) [The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are anticipated to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____]¹ (the "Anticipated Plant Substantial Completion Date"), barring events currently unanticipated. The unused amounts in the Project Fund and other funds available to the Borrower, including any amounts available in the Project Development Account under the Collateral Agency Agreement and any unused amounts of Committed Equity, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated. [The unused amounts in the Capitalized Interest Account, together with (1) other funds on deposit in the Project Development Account maintained under the Collateral Agency Agreement and (2) any unused Committed Equity (and in either case not otherwise necessary in order to cause the Plant Substantial Completion Date to occur) are sufficient to pay all interest due and payable on the 2017 Bonds through the Anticipated Plant Substantial Completion Date.]²³

¹ Insert the currently anticipated Plant Substantial Completion Date.

² Insert the bracketed sentence only if the Anticipated Plant Substantial Completion Date is later than 23 months following the Delivery Date.

³ Insert the bracketed paragraph only if Plant Substantial Completion Date has not yet occurred.

The person signing this Certificate is a duly qualified representative of the Construction Monitor and as such is authorized to execute this Certificate on behalf of the Construction Monitor.

Very truly yours,

By: _____

Name:

Title:

Schedule 1

Change Orders

[to be included only when applicable]

<u>Change Order</u>	<u>Adjustment to the Scope of Work, if any</u>	<u>Adjustment to Guaranteed Values, if any</u>	<u>Adjustment to Guaranteed Final Project Completion Date, if any</u>	<u>Adjustment to Project Payment Schedule, if any</u>	<u>Adjustment to Contract Price or Contract Sum, if any</u>	<u>Adjustment to any other terms and conditions, if any</u>
<i>[Insert additional rows as necessary]</i>						

SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE (this “*Supplemental Indenture*”) is dated as of August 7, 2019 (the “*Second Supplement Effective Date*”), by and between CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the “*Authority*”), and UMB BANK, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America, having a Corporate Trust Office in Minneapolis, Minnesota (the “*Trustee*”), and being qualified to accept and administer the trusts created by the Indenture referred to below, as amended by this Supplemental Indenture.

RECITALS

WHEREAS, the Authority and the Trustee entered into that certain Indenture, dated as of June 1, 2017, as amended by the First Supplemental Indenture, dated December 20, 2018 (as amended, the “*Indenture*”; capitalized terms not otherwise defined in this Supplemental Indenture are used with the meanings set forth in the Indenture);

WHEREAS, the Borrower wishes to make certain amendments to the Indenture and, pursuant to Section 9.01 of the Indenture, the Indenture may be amended with the written consent of the Required Bondholders and the Borrower, which shall have been filed with the Trustee;

WHEREAS, the Borrower has furnished to the Beneficial Owners the Consent Solicitation Statement (the “*Consent Solicitation*”), dated as of June 24, 2019, which requests consent of the Required Bondholders to amend, among other documents, the Indenture pursuant to the terms of this Supplemental Indenture; and

WHEREAS, the Borrower has furnished to the Trustee a Required Bondholders Approval Certificate evidencing the consent of the required Beneficial Owners to this Supplemental Indenture.

NOW THEREFORE, the parties hereto agree as follows:

1. Supplement to Indenture. As of the Second Supplement Effective Date, the Indenture is supplemented and amended as follows:

1.1. The tenth Whereas clause in the Recitals is deleted and replaced in its entirety with the following:

“WHEREAS, the Borrower, the Trustee and the Collateral Agent will enter into a Collateral Agency Agreement (as defined herein), securing payments to be made by the Borrower thereunder;”

1.2. Section 1.01 is amended by adding the definitions listed on Exhibit A to this Supplemental Indenture in alphabetical order.

1.3. Section 1.01 is amended by amending and restating the definitions listed on Exhibit B to this Supplemental Indenture.

1.4. Section 1.01 is amended by deleting the word “and” at the end of subclause (d) of the definition of the term “Borrower Revenues”.

1.5. Section 1.01 is amended by adding the word “or” after the semicolon at the end of clause (d) to the definition of the term “Distribution” and by adding the following as a new clause (e) to the end of the definition of the term “Distribution”:

“(e) any repayment of principal, payment of interest or payment of other amounts in respect of the Subordinate Loan Obligations, other than from any reserve funds held under the terms of the Subordinate Loan Documents.”

1.6. Section 1.01 is amended by deleting subclause (j) in the definition of the term “Distribution Requirements” and replacing it with the following: “unless the last sentence of Section 3.09(c) of the Collateral Agency Agreement applies, the Borrower does not owe sales commissions to CFP that have been accrued and remain unpaid (or interest thereon) under the provisions of Section 12.19 of the CFP Sales Agreement; and”.

1.7. Section 1.01 is amended by adding “the” before “terms of the Bond Financing Documents” in the last sentence of the definition of “Force Majeure Event”.

1.8. Section 1.01 is amended by replacing reference to “Section 3.1(b)” in the definition of “PAR Certificate” with reference to “Section 3.1(c)”.

1.9. Section 1.01 is amended by adding the following to the end of the definition of the term “Project Documents”: “For the avoidance of doubt, Project Documents shall not include the Subordinate Loan Documents.”

1.10. Section 1.01 is amended by deleting the following defined terms: “Conditional Requisition”, “Disqualified Requisition Exceptions”, “Mezzanine Account”, “Mezzanine Available Funds” and “Unconditional Requisition”.

1.11. The first sentence of Section 2.09(c) is amended by replacing reference to “subsection (c)” with reference to “subsection (b)” and the second sentence is amended by adding a comma after “shall issue” and “and exchange”.

1.12. Section 2.10(b)(1) is amended by adding “and” after “Bonds Outstanding,” and before “Debt Service on the Bonds” in subclause (y).

1.13. Section 2.10 is amended by adding the following subclause (d):

“(d) So long as any Subordinate Loan Obligations remain outstanding, no Additional Bonds shall be issued without the consent of the Subordinate Bondholders required under the Subordinate Loan Documents if, after such issuance, the Maximum Annual Debt Service of the Bonds Outstanding would exceed the Maximum Annual Debt Service of the Bonds Outstanding prior to such issuance.”

1.14. Section 2.11(e) is hereby deleted in its entirety and replaced with “[Reserved.]”.

1.15. Section 3.03(a) is amended by (i) replacing “, or” at the end of subclause (a)(xiii) with “;”, (ii) deleting “to the Trustee” in subclause (a)(xiv)(b), and (iii) adding “unused” before “amounts of Committed Equity” in subclause (a)(xiv)(c).

1.16. Section 3.03(b) is amended and restated in its entirety to read as follows:

“(b) If the Trustee receives a completed Unconditional Project Fund Requisition (except in the case of any Unconditional Project Fund Requisition received by the Trustee on the Delivery Date, which the Trustee shall fund on the Delivery Date), the Trustee shall fund such Unconditional Project Fund Requisition within five (5) Business Days after the Trustee’s receipt of the completed Unconditional Project Fund Requisition; provided that the Trustee shall not honor any Project Fund Requisition if three (3) or more Project Fund Requisitions previously have been submitted within the calendar month under this Section 3.03. If the Borrower delivers a Conditional Project Fund Requisition, then the Trustee shall fund such Conditional Project Fund Requisition only after following the procedures set forth in Section 6.08(c) of this Indenture. The Trustee may rely conclusively on, and shall be protected in acting upon, a completed Unconditional Project Fund Requisition or Conditional Project Fund Requisition as evidence of a Project Fund Requisition meeting the requirements of Section 3.03(a) hereof, subject to the process set forth in Section 6.08(c) in the case of a Conditional Project Fund Requisition. The Trustee shall be under no duty to make any investigation or inquiry of a completed Project Fund Requisition nor review any attachments thereto nor determine whether all documentation required by this Section 3.03 to be attached to such Project Fund Requisition has been received.”

1.17. Section 3.05 is amended by adding “or” before “in connection with the Loan Agreement” in the first sentence.

1.18. Section 6.06 is amended and restated in its entirety to read as follows:

“SECTION 6.06 Arbitrage Covenants. The Authority and the Borrower each covenant and agree that it will not take any action, or fail to take any action that is within its control to take, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Authority and the Borrower each covenants and agrees that it will comply with its requirements under the Tax Certificate.”

1.19. Section 6.06(a) is amended by replacing references to “Section 6.06(b)” in the second paragraph with references to “Section 6.06(a)”.

1.20. Section 6.08(c) is amended and restated in its entirety to read as follows:

“(c) While any monies remain on deposit in the Project Fund, if the Borrower submits a Conditional Project Fund Requisition to the Trustee, then the Trustee shall promptly deliver written notice to the Holders and the Beneficial Owners (A) attaching a copy of the Conditional Project Fund Requisition and all related documentation provided by the Borrower to the Trustee and (B) informing the Holders and the Beneficial Owners that they have a Veto Right over funding the Conditional Project Fund Requisition. If the Required Bondholders deliver a Stop Funding Notice referring to the Trustee’s notice within fifteen (15) days of the Trustee’s notice of the Conditional Project Fund Requisition, then the Trustee shall notify the Borrower of the Stop Funding Notice and the Trustee shall not fund the Conditional Project Fund Requisition. While any monies remain on deposit in the Project Development Account, if the Borrower submits to the Trustee a Conditional Project Development Account Requisition, then the Trustee shall promptly deliver written notice to the Holders and the Beneficial Owners (A) attaching a copy of the Conditional Project Development Account Requisition and all related documentation provided by the Borrower to the Trustee and (B) informing the Holders and the Beneficial Owners that they have a Veto Right over funding the Conditional Project Development Account Requisition. If the Required Bondholders deliver a Stop Funding Notice referring to the Trustee’s notice within fifteen (15) days of the Trustee’s notice of the Conditional Project Development Account Requisition, then the Trustee shall notify the Borrower and the Collateral Agent of the Stop Funding Notice and the Trustee shall instruct the Collateral Agent not to fund the Conditional Project Development Account Requisition. While any monies remain on deposit in the Subordinate Bond Proceeds Account, if the Borrower submits to the Trustee a Conditional Subordinate Bond Funds Requisition, then the Trustee shall promptly deliver written notice to the Holders and the Beneficial Owners (A) attaching a copy of the Conditional Subordinate Bond Funds Requisition and all related documentation provided by the Borrower to the Trustee and (B) informing the Holders and the Beneficial Owners that they have a Veto Right over funding the Conditional Subordinate Bond Funds Requisition. If the Required Bondholders deliver a Stop Funding Notice referring to the Trustee’s notice within fifteen (15) days of the Trustee’s notice of the Conditional Subordinate Bond Funds Requisition, then the Trustee shall notify the Borrower and the Collateral Agent of the Stop Funding Notice and the Trustee shall instruct the Collateral Agent not to fund the Conditional Subordinate Bond Funds Requisition. Notwithstanding the foregoing provisions of this Section 6.08(c), if the Borrower delivers to the Trustee a Required Bondholders Approval Certificate with respect to any Requisition with respect to which a Veto Right would otherwise be applicable, then the Veto Right shall immediately be deemed waived and the Trustee shall fund the Requisition (if the Requisition is a Conditional Project Fund Requisition) as soon thereafter as

practicable or shall promptly instruct the Collateral Agent to fund the Requisition (if the Requisition is a Conditional Project Development Account Requisition or a Conditional Subordinate Bond Funds Requisition).”

1.21. Section 6.08(e) subclause (x) is amended by deleting “Section 3.03 and”.

1.22. Section 7.09 is amended by replacing “No” with “no”.

1.23. The first sentence of Section 8.01(e) is amended by replacing “(b) or (c) above” with “(c) or (d) above”.

1.24. Section 11.08 is amended by amending and restating the Trustee’s notice address to read as follows:

UMB BANK, N.A.
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail: david.massa@umb.com

With a copy to:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102

1.25. Section 11.08 is amended by amending and restating the Borrower’s and Collateral Agent’s notice addresses to read as follows:

To the Borrower:

CalPlant I, LLC
6101 Hwy 162
Willows, CA 95988-9641
Attn: Gerald Uhland
E-mail: juhland@calplant1.com

With a copy to:

Hepner & Myers LLP
1241 Johnson Avenue, Suite 360
San Luis Obispo, CA 93401
Attn: Irv Hepner, Esq.
E-mail: ihepner@HepnerMyers.com

To the Collateral Agent:

UMB BANK, N.A.
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail: david.massa@umb.com

With a copy to:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102

1.26. Exhibit C-1 (Form of Unconditional Project Fund Requisition) is amended by replacing it in its entirety with Exhibit C to this Supplemental Indenture.

1.27. Exhibit C-2 (Form of Project Fund Conditional Requisition) is amended by (i) amending and restating the title of Exhibit C-2 as follows: “Form of Conditional Project Fund Requisition”; (ii) adding “as amended or supplemented from time to time,” before “the Indenture”; (iii) replacing “Disqualified Requisition Exception” with “Disqualified Project Fund Requisition Exception”; (iv) replacing “Veto Process” with “process set forth in Section 6.08(c) of the Indenture”; and (v) replacing Exhibit “C” (Form of Construction Monitor Certificate) attached to Exhibit C-2 in its entirety with Exhibit D to this Supplemental Indenture.

1.28. The table of Exhibits included in the Table of Contents shall be updated to replace (i) the title of Exhibit C-1 “Form of Project Fund Unconditional Requisition” with “Form of Unconditional Project Fund Requisition”, and (ii) the title of Exhibit C-2 “Form of Project Fund Conditional Requisition” with “Form of Conditional Project Fund Requisition”.

1.29. Exhibit G (DSCR Certificate) is amended by replacing the first paragraph with the following:

“Reference is made to (1) the Indenture, dated as of June 1, 2017 (as amended or supplemented from time to time, the “Indenture”), by and between the California Pollution Control Financing Authority (the “Authority”) and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the “Indenture Trustee”) and (2) the Loan Agreement, dated as of June 1, 2017 (as amended or supplemented from time to time, the “Loan Agreement”), by and between the Authority and CalPlant I, LLC (the “Borrower”). Capitalized terms used herein without definition have the meanings given to such terms in the Indenture.”

2. Effect on Indenture. Except as specifically amended hereby, the terms and provisions of the Indenture are in all other respects ratified and confirmed and remain in full force and effect without modification or limitation. No reference to this Supplemental Indenture need be made in any notice, writing or other communication relating to the Indenture, any such reference to the Indenture following the Second Supplement Effective Date to be deemed a reference thereto

as amended by this Supplemental Indenture.

3. Governing Law; Venue. This Supplemental Indenture shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State. This Supplemental Indenture shall be enforceable in the State, and any action arising out of this Supplemental Indenture shall be filed and maintained in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement. In the event of any action or proceeding between the Borrower as a third-party beneficiary of this Supplemental Indenture and the Trustee, the losing party in such action or proceeding shall pay all costs and expenses incurred by the prevailing party in connection therewith, including but not limited to attorneys' fees, provided that any such payment required to be made by the Trustee shall be made only from and to the extent of amounts for which the Trustee has been indemnified by Beneficial Owners.

4. Counterparts. This Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

[Signatures on the following page.]

IN WITNESS WHEREOF, the California Pollution Control Financing Authority has caused this Supplemental Indenture to be signed in its name and its seal to be hereunto affixed and attested by its authorized officers, and the Trustee has caused this Supplemental Indenture to be signed in its corporate name by one of the officers thereunto duly authorized all as of the date first above written.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: _____
Deputy Treasurer
For Chairperson, State Treasurer Fiona Ma

By: _____
Executive Director

[Seal]

UMB BANK, N.A., as Trustee

By: _____
Name:
Its:

EXHIBIT A

Definitions Added to Section 1.01

Conditional Project Development Account Requisition

“Conditional Project Development Account Requisition” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Conditional Project Fund Requisition

“Conditional Project Fund Requisition” means a written request, in the form attached hereto as Exhibit C-2, by the Borrower for payment or transfer from the Project Fund under this Indenture.

Conditional Subordinate Bond Funds Requisition

“Conditional Subordinate Bond Funds Requisition” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Disqualified Project Fund Requisition Exceptions

“Disqualified Project Fund Requisition Exceptions” mean the following exceptions to the requirements of Section 3.03(a):

(a) The Borrower is unable to certify to the certifications contained in Section 3.03(a)(xi), Section 3.03(a)(xiv), Section 3.03(a)(xviii)(3) or Section 3.03(a)(xx), except to the extent such certifications are waived by the Bondholders; or

(b) The Construction Monitor is unable to deliver the certification described in Section 3.03(a)(xviii)(5) as it relates to its certification of Section 3.03(a)(xiv).

Project Development Account

“Project Development Account” means the account of that name established by the Collateral Agent pursuant to Section 3.03(a) of the Collateral Agency Agreement.

Project Fund Requisition

“Project Fund Requisition” means an Unconditional Project Fund Requisition or a Conditional Project Fund Requisition.

Second Supplement Effective Date

“Second Supplement Effective Date” means August 7, 2019, the date of the execution and delivery of the second supplement to this Indenture.

Subordinate Bond Indenture

“Subordinate Bond Indenture” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Subordinate Bonds

“Subordinate Bonds” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Subordinate Bond Proceeds Account

“Subordinate Bond Proceeds Account” means the account by that name established by the Collateral Agent pursuant to the terms of the Collateral Agency Agreement.

Subordinate Bondholders

“Subordinate Bondholders” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Subordinate Indenture Trustee

“Subordinate Indenture Trustee” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Subordinate Loan Documents

“Subordinate Loan Documents” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Subordinate Loan Obligations

“Subordinate Loan Obligations” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Unconditional Project Fund Requisition

“Unconditional Project Fund Requisition” means a written request, in the form attached hereto as Exhibit C-1, by the Borrower for payment or transfer from the Project Fund under this Indenture.

EXHIBIT B**Amended and Restated Definitions**Bond Financing Documents

“Bond Financing Documents” means this Indenture, the Bonds, the Loan Agreement, the Collateral Agency Agreement, the Collateral Instruments, the Licensor’s and Investors’ Undertaking, the Additional Equity Agreement, the Tax Certificate and any other documents delivered to or for the benefit of the Trustee or the Collateral Agent by any Borrower Party in connection with the Loan Agreement or this Indenture, all as heretofore amended and as may be amended as permitted by this Indenture and the Loan Agreement.

Collateral Agency Agreement

“Collateral Agency Agreement” means the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of the Second Supplement Effective Date, among the Borrower, the Trustee, the Subordinate Bond Trustee and the Collateral Agent, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Bond Financing Documents.

Committed Equity

“Committed Equity” means, collectively, the TIAA Additional Capital Contributions, the SICO Capital Contributions, and the Holdco Capital Contributions.

Condemnation

“Condemnation” shall have the meaning ascribed to such term in the Collateral Agency Agreement.

Material Adverse Effect

“Material Adverse Effect” means a material adverse effect on (i) the business, financial condition, results of operations or properties of the Borrower, (ii) the ability of the Borrower to perform any of its material obligations under the Loan Agreement, the Collateral Agency Agreement, the Collateral Instruments, the other Transaction Documents or any other material related agreement to which the Borrower is a party (other than the Subordinate Loan Documents) or (iii) the legality, validity or enforceability of, or the rights and remedies of the Authority, the Trustee or the Holders under, the Bond Financing Documents or any other related agreement to which the Borrower is a party (other than the Subordinate Loan Documents), in each case described in the foregoing clauses (i) through (iii), that is reasonably expected to have a material adverse effect on the ability of the Borrower to make Loan Repayments as the same become due.

Permitted Project Agreement

“Permitted Project Agreement” means any Project Document deemed necessary by the Borrower or the Construction Monitor to achieve the Plant Substantial Completion Date, but only if the Construction Monitor certifies to the Trustee that, after entering into the Project Document (a) the amounts then held in the Project Account and other funds available to the Borrower, including any amounts available in the Project Development Account or the Subordinate Bond Proceeds Account under the Collateral Agency Agreement and any unused amounts of Committed Equity, are not less than the amount required to cause Plant Construction to occur without delaying the then anticipated Plant Substantial Completion Date and (b) the amounts required to be paid under the Project Document, together with all other Project Documents previously certified by the Construction Monitor as “Permitted Project Agreements” will not increase the amount calculated as “Total Other Construction Costs” in the Construction Budget by more than \$6,000,000.

Pledge Agreement

“Pledge Agreement” means the Pledge Agreement, dated the Delivery Date, by and between Holdco and the Collateral Agent, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms of the Loan Agreement and of this Indenture, pursuant to which Holdco pledges the Pledged Parent Collateral.

Requisition

“Requisition” means a Project Fund Requisition, a Conditional Project Development Account Requisition, a Conditional Subordinate Bond Funds Requisition or a requisition in the form attached hereto as Exhibit D.

Secured Debt

“Secured Debt” means, collectively, (1) the aggregate principal amount of the Bonds and all “Obligations” of the Borrower Parties under the Bond Financing Documents and (2) the Subordinate Loan Obligations.

Stop Funding Notice

“Stop Funding Notice” means a notice from the Required Bondholders to the Trustee and the Borrower that directs the Trustee not to fund a Conditional Project Fund Requisition, a Conditional Subordinate Bond Funds Requisition, or a Conditional Project Development Account Requisition.

EXHIBIT C

EXHIBIT C-1

FORM OF UNCONDITIONAL PROJECT FUND REQUISITION

REQUISITION FOR MONEY FROM THE PROJECT FUND

No. _____

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

[Date]

CALPLANT I PROJECT SERIES 2017 (AMT) BONDS

Ladies and Gentlemen:

The undersigned, an Authorized Representative of CalPlant I, LLC, a California limited liability company (the “Borrower”), refers to that certain Indenture, dated as of June 1, 2017 (as amended or supplemented from time to time, the “Indenture”), by and between the California Pollution Control Financing Authority (the “Authority”) and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the “Indenture Trustee”). Capitalized terms used herein without definition have the meanings given to such terms in the Indenture. The Borrower hereby gives you notice pursuant to Section 3.03 of the Indenture that it requests a payment from the Project Fund established under the Indenture, and in that connection sets forth below the terms on which such payment is requested to be made:

Funds are to be disbursed to the payees in each case as set forth on Schedule 1 attached hereto, which amounts constitute Costs of the Tax-Exempt Project.

The Borrower hereby certifies to the Indenture Trustee and the Authority that, on the date of this Requisition (after giving pro forma effect to the requested payment) that the [conditions to lending specified in Section 3.03 of the Indenture have been satisfied (and, to the extent not expressly set forth in this Requisition, all of the statements required under Section 3.03 of the Indenture to be made by the Borrower in this Requisition are hereby made by the Borrower)][Borrower has delivered a Required Bondholders Approval Certificate together with this Requisition]¹.

¹ Insert one of the two alternative bracketed clauses.

IN WITNESS WHEREOF, the Borrower, by the undersigned duly authorized Responsible Officer, has caused this Requisition to be executed and delivered as of the day and year first above written.

CalPlant I, LLC

By: _____

Name: _____

Title: _____

Schedule 1

WITHDRAWALS FROM PROJECT FUND

Payee	Payee Address	Purpose	Wiring or Other Payment Instructions	Amount

Exhibit "A"

Invoices

Exhibit "B"
Change Orders

Exhibit “C”

Form of Construction Monitor Certificate

[date]

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

Subject: CalPlant I, LLC (the “Borrower”)

Ladies and Gentlemen:

The undersigned, a duly authorized officer of _____ (the “Construction Monitor”), hereby provides this certificate (this “Certificate”) to you in accordance with Section 3.03 of that certain Indenture, dated as of June 1, 2017, by and between the California Pollution Control Financing Authority (the “Authority”), and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the “Indenture Trustee”), as amended by the First Supplemental Indenture, dated as of December 20, 2018, by and between the Authority and the Indenture Trustee, and as further amended by the Second Supplemental Indenture, dated as of August 7, 2019, by and between the Authority and the Indenture Trustee (as so amended, the “Indenture”). Except as provided herein, all terms used herein which are defined in the Indenture shall have the meanings given therein.

This Certificate is related to a request by the Borrower dated [_____], and designated Borrowing Requisition No. ___ (the “Borrowing Requisition”), for payment of amounts to be advanced to the Borrower by the Indenture Trustee from amounts on deposit in the Project Fund relating to payments to the Persons listed on Schedule 1 thereto and for the purposes set forth therein. The Construction Monitor has discussed matters set forth in this Certificate, where it deems such discussions to be pertinent, with the Contractors, the Borrower and other appropriate third parties, including the Technical Advisor. The Construction Monitor has performed the services required in connection with the delivery of this Certificate in accordance with the terms and conditions of the contract for construction monitoring services dated _____, 2018 between the Construction Monitor and the Borrower (the “Construction Monitor Agreement”) in a professional manner using principles and procedures in accordance with the standard of care for the level of services as practiced by other construction monitors on industrial facilities. The Construction Monitor has made such reviews, examinations and investigations as the Construction Monitor believes in its professional judgment to be reasonably necessary for the purposes of making the certifications set forth herein and has relied on certain information from third parties, including the Technical Advisor, and such information has been deemed reliable in the good faith judgment of the Construction Monitor.

On the basis of the foregoing and on the understanding and assumption that the Construction Monitor has been provided true, correct and complete information from such other parties as to the matters set forth herein, the Construction Monitor, subject to the terms and

conditions of the Construction Monitor Agreement, hereby, makes the following certifications to the Indenture Trustee as of the date hereof:

1. We have (a) reviewed the (i) Construction Agreements and other related documents and specifications referred to in the Construction Agreements, (ii) the SICO Supply Agreements (collectively, the foregoing described in clauses (i) and (ii) are referred to as the “Plant Construction Documents”) and (iii) other materials and data in connection with Plant Construction made available to us and (b) performed such other investigations as we believe to be necessary for the purpose of making the certifications set forth herein. We have visited the Plant on a periodic basis and have observed the status of construction progress and startup activities at the Plant. We last visited the Plant on [_____], 201____. We have reviewed the project schedules and applications for payment provided under the Plant Construction Documents. We have also reviewed each amendment under the Plant Construction Documents, including any change orders and project schedule updates from the Contractors and SICO (which we hereby confirm are in form and substance reasonably consistent with other similar projects and in accordance with Prudent Operating Practice).

2. [Subject to the exceptions described in Appendix A attached hereto, based]¹ [Based] on our review of the information discussed above, and any other information or data that we deemed necessary to making the certifications herein, we are of the opinion that:

- (a) Based on the information we have been provided and the limited site visits we have conducted, we are not aware of any equipment or material procurements or engineering performed under the Plant Construction Documents that is not in accordance with generally accepted engineering practices.
- (b) Since the date of our last Certificate, if any, and based on the information provided to us, we are not aware of any claim by any of the Contractors or SICO that it is entitled to a material change in (i) the date by which “Substantial Completion” (as defined in the applicable Construction Agreements with (A) Casey Industrial, Inc., (B) Phoenix Industrial, Inc. and (C) International Line Builders, Inc.) is to occur, (ii) the date by which “First Board” (as defined in the Equipment Supply Agreement) is to occur, (iii) the date by which “Mechanical Completion” (defined in the SICO Installation Agreement) is to occur, (iv) the project schedules under the Plant Construction Documents, or (v) the “contract price” or the “contract sum” (as either such term is defined in the Plant Construction Documents), in each case except as specified in any applicable change orders.
- (c) To the best of our knowledge, all payments to date from and after the designation of the undersigned as the Construction Monitor, and any payment to be made under the Plant Construction Documents with the funds from the Borrowing Requisition pursuant to which this certification is provided, correspond to provisions of the Plant Construction Documents.

¹ The bracketed phrase is to be inserted only if the Borrowing Requisition is accompanied by a Required Bondholders Approval Certificate.

- (d) The change orders, if any, listed on Schedule 1 hereto are the only change orders that, to our knowledge, have been entered into by the Borrower with respect to the Plant Construction Documents since the date of the Borrower's requisition (either under the terms of the Indenture or the Collateral Agency Agreement) immediately preceding the Borrowing Requisition. The work contemplated by such change orders under the Plant Construction Documents is necessary and [complies] with the terms of the relevant Plant Construction Document.
- (e) Each item for which payment is requested in the Borrowing Requisition and stated to be for the costs of Plant Construction is or was necessary in connection with the Plant Construction.
- (f) Invoices or other satisfactory evidence for each item of costs of Plant Construction provided for in the Borrowing Requisition are attached to the Borrowing Requisition, including invoices for costs previously paid and for which reimbursement is being requested.
- (g) [The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are anticipated to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____]² (the "Anticipated Plant Substantial Completion Date"), barring events currently unanticipated. The unused amounts in the Project Fund and other funds available to the Borrower, including any amounts available in the Project Development Account under the Collateral Agency Agreement, any unused amounts of Committed Equity, and unused amounts in the Subordinate Bond Proceeds Account, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated. The unused amounts in the Capitalized Interest Account, together with (1) other funds on deposit in the Project Development Account maintained under the Collateral Agency Agreement and (2) any unused Committed Equity (and in either case not otherwise necessary in order to cause the Plant Substantial Completion Date to occur) are sufficient to pay all interest due and payable on the 2017 Bonds through the Anticipated Plant Substantial Completion Date.]³

² Insert the currently anticipated Plant Substantial Completion Date.

³ Insert the bracketed paragraph only if Plant Substantial Completion Date has not yet occurred.

The person signing this Certificate is a duly qualified representative of the Construction Monitor and as such is authorized to execute this Certificate on behalf of the Construction Monitor.

Very truly yours,

By: _____

Name:

Title:

Schedule 1

Change Orders

[to be included only when applicable]

<u>Change Order</u>	<u>Adjustment to the Scope of Work, if any</u>	<u>Adjustment to Guaranteed Values, if any</u>	<u>Adjustment to Guaranteed Final Project Completion Date, if any</u>	<u>Adjustment to Project Payment Schedule, if any</u>	<u>Adjustment to Contract Price or Contract Sum, if any</u>	<u>Adjustment to any other terms and conditions, if any</u>
<i>[Insert additional rows as necessary]</i>						

**[Appendix A
Exceptions]¹**

¹ To be inserted only if the Borrowing Requisition is accompanied by a Required Bondholders Approval Certificate.

EXHIBIT D

Exhibit "C"

Form of Construction Monitor Certificate

[date]

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

Subject: CalPlant I, LLC (the "Borrower")

Ladies and Gentlemen:

The undersigned, a duly authorized officer of _____ (the "Construction Monitor"), hereby provides this certificate (this "Certificate") to you in accordance with Section 3.03 of that certain Indenture, dated as of June 1, 2017, by and between the California Pollution Control Financing Authority (the "Authority") and UMB Bank, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (in such capacity, the "Indenture Trustee"), as amended by the First Supplemental Indenture, dated as of December 20, 2018, by and between the Authority and the Indenture Trustee, and as further amended by the Second Supplemental Indenture, dated as of August 7, 2019, by and between the Authority and the Indenture Trustee (as so amended, the "Indenture"). Except as provided herein, all terms used herein which are defined in the Indenture shall have the meanings given therein.

This Certificate is related to a request by the Borrower dated [_____], and designated Borrowing Requisition No. __ (the "Borrowing Requisition"), for payment of amounts to be advanced to the Borrower by the Indenture Trustee from amounts on deposit in the Project Fund relating to payments to the Persons listed on Schedule 1 thereto and for the purposes set forth therein. The Construction Monitor has discussed matters set forth in this Certificate, where it deems such discussions to be pertinent, with the Contractors, the Borrower and [other] appropriate third parties, including the Technical Advisor. The Construction Monitor has performed the services required in connection with the delivery of this Certificate in accordance with the terms and conditions of the contract for construction monitoring services dated _____, 2018 between the Construction Monitor and the Borrower (the "Construction Monitor Agreement") in a professional manner using principles and procedures in accordance with the standard of care for the level of services as practiced by other construction monitors on industrial facilities. The Construction Monitor has made such reviews, examinations and investigations as the Construction Monitor believes in its professional judgment to be reasonably necessary for the purposes of making the certifications set forth herein and has relied on certain information from third parties, including the Technical Advisor, and such information has been deemed reliable in the good faith judgment of the Construction Monitor.

On the basis of the foregoing and on the understanding and assumption that the Construction Monitor has been provided true, correct and complete information from such other parties as to the matters set forth herein, the Construction Monitor, subject to the terms and conditions of the Construction Monitor Agreement, hereby, makes the following certifications to the Indenture Trustee as of the date hereof:

1. We have (a) reviewed the (i) Construction Agreements and other related documents and specifications referred to in the Construction Agreements, (ii) the SICO Supply Agreements (collectively, the foregoing described in clauses (i) and (ii) are referred to as the “Plant Construction Documents”) and (iii) other materials and data in connection with Plant Construction made available to us and (b) performed such other investigations as we believe to be necessary for the purpose of making the certifications set forth herein. We have visited the Plant on a periodic basis and have observed the status of construction progress and startup activities at the Plant. We last visited the Plant on [_____], 201____. We have reviewed the project schedules and applications for payment provided under the Plant Construction Documents. We have also reviewed each amendment under the Plant Construction Documents, including any change orders and the project schedule updates from the Contractors and SICO (which we hereby confirm are in form and substance reasonably consistent with other similar projects and in accordance with Prudent Operating Practice).

2. Subject to the exceptions described in Appendix A attached hereto, based on our review of the information discussed above, and any other information or data that we deemed necessary to making the certifications herein, we are of the opinion that:

- (a) Based on the information we have been provided and the limited site visits we have conducted, we are not aware of any equipment or material procurements or engineering performed under the Plant Construction Documents that is not in accordance with generally accepted engineering practices.
- (b) Since the date of our last Certificate, if any, and based on the information provided to us, we are not aware of any claim by any of the Contractors or SICO that it is entitled to a material change in (i) the date by which “Substantial Completion” (as defined in the applicable Construction Agreements with (A) Casey Industrial, Inc., (B) Phoenix Industrial, Inc. and (C) International Line Builders, Inc.) is to occur, (ii) the date by which “First Board” (as defined in the Equipment Supply Agreement) is to occur, (iii) the date by which “Mechanical Completion” (defined in the SICO Installation Agreement) is to occur, (iv) the project schedules under the Plant Construction Documents, or (v) the “contract price” or the “contract sum” (as either such term is defined in the Plant Construction Documents), in each case except as specified in any applicable change orders.
- (c) To the best of our knowledge, all payments to date from and after the designation of the undersigned as the Construction Monitor, and any payment to be made under the Plant Construction Documents with the funds from the Borrowing Requisition

pursuant to which this certification is provided, correspond to provisions of the Plant Construction Documents.

- (d) The change orders, if any, listed on Schedule 1 hereto are the only change orders that, to our knowledge, have been entered into by the Borrower with respect to the Plant Construction Documents since the date of the Borrower's requisition (either under the terms of the Indenture or the Collateral Agency Agreement) immediately preceding the Borrowing Requisition. The work contemplated by such change orders under the Plant Construction Documents is necessary and complies with the terms of the relevant Plant Construction Document.
- (e) Each item for which payment is requested in the Borrowing Requisition and stated to be for the costs of Plant Construction is or was necessary in connection with the Plant Construction.
- (f) Invoices or other satisfactory evidence for each item for the payment of costs of Plant Construction provided for in the Borrowing Requisition are attached to the Borrowing Requisition, including invoices for costs previously paid and for which reimbursement is being requested.
- (g) [The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are anticipated to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____] ¹ (the "Anticipated Plant Substantial Completion Date"), barring events currently unanticipated. The unused amounts in the Project Fund and other funds available to the Borrower, including any amounts available in the Project Development Account under the Collateral Agency Agreement, any unused amounts of Committed Equity, and unused amounts in the Subordinate Bond Proceeds Account, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated. The unused amounts in the Capitalized Interest Account, together with (1) other funds on deposit in the Project Development Account maintained under the Collateral Agency Agreement and (2) any unused Committed Equity (and in either case not otherwise necessary in order to cause the Plant Substantial Completion Date to occur) are sufficient to pay all interest due and payable on the 2017 Bonds through the Anticipated Plant Substantial Completion Date.] ²

¹ Insert the currently anticipated Plant Substantial Completion Date.

² Insert the bracketed paragraph only if Plant Substantial Completion Date has not yet occurred.

The person signing this Certificate is a duly qualified representative of the Construction Monitor and as such is authorized to execute this Certificate on behalf of the Construction Monitor.

Very truly yours,

By: _____

Name:

Title:

Schedule 1

Change Orders

[to be included only when applicable]

<u>Change Order</u>	<u>Adjustment to the Scope of Work, if any</u>	<u>Adjustment to Guaranteed Values, if any</u>	<u>Adjustment to Guaranteed Final Project Completion Date, if any</u>	<u>Adjustment to Project Payment Schedule, if any</u>	<u>Adjustment to Contract Price or Contract Sum, if any</u>	<u>Adjustment to any other terms and conditions, if any</u>
<i>[Insert additional rows as necessary]</i>						

Appendix A

Exceptions

[Insert exceptions]

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

and

BOKF, N.A.,
TRUSTEE

THIRD SUPPLEMENTAL INDENTURE

Dated as of October 13, 2020

Relating to

\$42,000,000
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
SOLID WASTE DISPOSAL REVENUE BONDS
(CalPlant I Project)
SERIES 2020 (AMT)

TABLE OF CONTENTS

ARTICLE XII AMENDMENTS TO FIRST SUPPLEMENTAL INDENTURE	3
ARTICLE XIII AMENDMENTS TO SECOND SUPPLEMENTAL INDENTURE	3
ARTICLE XIV AMENDMENTS TO INDENTURE	3
SECTION 14.01. Definitions; Amendments to Definitions.	3
SECTION 14.02. Amendments to Indenture	10
ARTICLE XV AUTHORIZATION AND ISSUANCE OF 2020 BONDS	14
SECTION 15.01. Terms of the 2020 Bonds.	14
SECTION 15.02. Issuance of the 2020 Bonds.....	16
SECTION 15.03. Application of Proceeds of the 2020 Bonds.....	16
ARTICLE XVI REDEMPTION OF 2020 BONDS	16
SECTION 16.01. Terms of Redemption of 2020 Bonds.	16
SECTION 16.02. Notice of Redemption	17
SECTION 16.03. Selection of 2020 Bonds for Redemption	18
ARTICLE XVII 2020 FUNDS AND ACCOUNTS	18
SECTION 17.01. Contingency Fund.	18
SECTION 17.02. Debt Service Fund–2020 Capitalized Interest Account.	21
SECTION 17.03. 2020 Project Fund.	22
ARTICLE XVIII MISCELLANEOUS	24
SECTION 18.01. Liability of Authority Limited to Revenues.....	24
SECTION 18.02. Limitation of Rights to Parties and Bondholders.....	24
SECTION 18.03. Severability of Invalid Provisions.....	24
SECTION 18.04. Governing Law; Venue	24
SECTION 18.05. Notices.....	25
SECTION 18.06. Waiver of Personal Liability	26
SECTION 18.07. Opinion of Bond Counsel.....	26
SECTION 18.08. Effect on Indenture.....	27
SECTION 18.09. Execution in Several Counterparts.....	27
EXHIBIT H FORM OF 2020 BOND	H-1
EXHIBIT I CONTINGENCY FUND CAPITAL BUDGET	I-1

THIRD SUPPLEMENTAL INDENTURE

THIS THIRD SUPPLEMENTAL INDENTURE (this “*Third Supplemental Indenture*”) is dated as of October 13, 2020 (the “*Third Supplement Effective Date*”), by and between the CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the “*Authority*”), and BOKF, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America, having a Corporate Trust Office in Tulsa, Oklahoma (the “*Trustee*”), and being qualified to accept and administer the trusts created by the Indenture referred to below, as amended by this Third Supplemental Indenture.

RECITALS

WHEREAS, CalPlant I, LLC, a California limited liability company (herein called the “*Borrower*”), has acquired and is constructing certain solid waste disposal facilities for the recycling of waste rice straw located in Glenn County California, as more particularly described in Exhibit A to the Loan Agreement (the “*Tax-Exempt Project*”), which activities qualify as a “project” under the Act; and

WHEREAS, the Borrower caused an application to be filed with the Authority by its affiliate, CalAg LLC, for financial assistance to acquire, construct, rehabilitate, improve, install and equip the Tax-Exempt Project and subsequently, pursuant to and in accordance with the California Pollution Control Financing Authority Act (commencing with Section 44500 of Division 27 of the Health and Safety Code of the State of California), as supplemented and amended (the “*Act*”), the Authority issued its Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT) (the “*2017 Bonds*”) pursuant to that certain Indenture, dated as of June 1, 2017, by and between the Authority and UMB Bank, as initial trustee as amended by the First Supplemental Indenture, dated December 20, 2018, as further amended by the Second Supplemental Indenture, dated August 7, 2019 (as so amended, the “*Existing Indenture*”) to, among other things, provide funds to finance a portion of the costs of the Tax-Exempt Project; and

WHEREAS, in connection with the issuance of the 2017 Bonds, the Authority and the Borrower entered into that certain Loan Agreement, dated as of June 1, 2017, as subsequently amended by that certain First Amendment to Loan Agreement, dated as of December 20, 2018, as further amended by that certain Second Amendment to Loan Agreement, dated as of August 7, 2019 (as so amended, the “*Existing Loan Agreement*”); and

WHEREAS, the Borrower requires additional funds to complete the Tax-Exempt Project; and

WHEREAS, the Borrower has duly filed an application with the Authority for additional financial assistance to construct, rehabilitate, improve, install and equip the Tax-Exempt Project; and

WHEREAS, the Authority has adopted a resolution approving the issuance of additional bonds to finance, or reimburse the financing of, a portion of the costs of the Tax-Exempt Project for the Borrower; and

WHEREAS, pursuant to and in accordance with the Act, the Authority has authorized and undertaken to issue not to exceed \$53,000,000 of Additional Bonds, designated as the “Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2020 Bonds (AMT)” (the “**2020 Bonds**” and, together with the 2017 Bonds and any Additional Bonds, the “**Bonds**”) pursuant the Existing Indenture, as supplemented by this Third Supplemental Indenture (collectively, the “**Indenture**”), to provide funds to finance a portion of the costs of the Tax-Exempt Project and make provisions for working capital, including by funding a deposit to the Contingency Fund (defined herein), to fund a deposit to the Reserve Fund, to fund capitalized interest on the 2020 Bonds, and to pay certain costs related to the authorization, issuance, sale and delivery of the 2020 Bonds; and

WHEREAS, to provide for the authentication and delivery of the 2020 Bonds, to establish and declare the terms and conditions upon which the 2020 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest thereon, the Authority has authorized the execution and delivery of this Third Supplemental Indenture; and

WHEREAS, the Authority has undertaken to finance a portion of the cost of construction, rehabilitation, improvement, installation and equipping of, including provisions for working capital for, the Tax-Exempt Project by loaning the proceeds derived from the sale of the 2020 Bonds to the Borrower pursuant to the Existing Loan Agreement, as amended by the Third Amendment to Loan Agreement, dated as of the Third Supplement Effective Date (collectively, the “**Loan Agreement**”), by and between the Authority and the Borrower, under which the Borrower is required to make loan payments sufficient to pay when due the principal of, premium, if any, and interest on, the Bonds and related expenses; and

WHEREAS, the Borrower has determined that the estimated amount necessary to finance, or reimburse the financing of the cost of the Tax-Exempt Project, in addition to the 2017 Bonds, the Subordinate Bonds and the other amounts available to Borrower, will require the issuance, sale and delivery of the 2020 Bonds in the aggregate amount of \$42,000,000; and

WHEREAS, all acts and proceedings required by law necessary to make the 2020 Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Third Supplemental Indenture a valid and binding agreement for the uses and purposes set forth in the Indenture in accordance with its terms, have been done and taken, and the execution and delivery of this Third Supplemental Indenture have been in all respects duly authorized; and

WHEREAS, pursuant to Section 2.10 of the Indenture, the Authority may issue Additional Bonds with the written consent of the Required Bondholders and, if Subordinate Loan Obligations remain outstanding and if, after such issuance, the Maximum Annual Debt Service of the Bonds Outstanding would exceed the Maximum Annual Debt Service of the Bonds Outstanding prior to such issuance, with the written consent of the Subordinate Bondholders holding a majority of the Outstanding Subordinate Bonds (the “**Required Subordinate Bondholders**”); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Indenture may be amended with the written consent of the Required Bondholders and the Borrower, which shall have been filed with the Trustee; and

WHEREAS, the Borrower has furnished a Required Bondholders Approval Certificate certifying that, among other things, (i) it has received written consent from the Required Bondholders to the issuance of the 2020 Bonds as well as, among other items, the amendment of the Indenture pursuant to the terms of this Third Supplemental Indenture and the amendment of the Existing Loan Agreement pursuant to the terms of the Third Amendment to Loan Agreement, dated as of the Third Supplement Effective Date (together, the “*Loan Agreement*”), by and between the Authority and the Borrower; and (ii) it has received written consent from the Required Subordinate Bondholders to the issuance of the 2020 Bonds.

NOW THEREFORE, the parties hereto agree as follows:

**ARTICLE XII
AMENDMENTS TO FIRST SUPPLEMENTAL INDENTURE**

Section 1 of the First Supplemental Indenture is hereby deemed to be Section 12.01 and all subsection numbers therein that begin with the number 1 are deemed to begin with the number 12. Section 2 of the First Supplemental Indenture is hereby deemed to be Section 12.02. Section 3 of the First Supplemental Indenture is hereby deemed to be Section 12.03. Section 4 of the First Supplemental Indenture is hereby deemed to be Section 12.04.

**ARTICLE XIII
AMENDMENTS TO SECOND SUPPLEMENTAL INDENTURE**

Section 1 of the Second Supplemental Indenture is hereby deemed to be Section 13.01 and all subsection numbers therein that begin with the number 1 are deemed to begin with the number 13. Section 2 of the Second Supplemental Indenture is hereby deemed to be Section 13.02. Section 3 of the Second Supplemental Indenture is hereby deemed to be Section 13.03. Section 4 of the Second Supplemental Indenture is hereby deemed to be Section 13.04.

**ARTICLE XIV
AMENDMENTS TO INDENTURE**

SECTION 14.01. Definitions; Amendments to Definitions.

(a) Except as amended, supplemented or otherwise defined herein, capitalized terms used in this Third Supplemental Indenture have the meanings specified in the Existing Indenture.

(b) For all purposes of the Indenture and of any Supplemental Indenture, including this Third Supplemental Indenture, and of any certificate, opinion or other document therein mentioned, the following terms shall have the following meanings:

“Allocation Resolution” means Resolution No. 19-073, adopted by the California Debt Limit Allocation Committee on July 17, 2019, entitled “A Resolution Transferring a Portion of the 2019 State Ceiling on Qualified Private Activity Bonds for an Exempt Facility Program and Converting a Carryforward Allocation of 2018 State Ceiling to a Carryforward Allocation of 2018 State Ceiling for an Exempt Facility Program.”

“Contingency Fund” means the fund by that name established pursuant to Section 17.01 of this Third Supplemental Indenture.

“Contingency Fund Capital Budget” means the budget attached to this Third Supplemental Indenture as Exhibit I.

“Existing Defaults” means those Incipient Defaults and Event of Defaults specified on Exhibit D attached to the Third Amendment to the Loan Agreement, dated as of the date of the Third Supplement Effective Date, by and between the Authority and the Borrower.

“Governmental Obligations” means (a) non-callable, nonredeemable direct obligations of the United States of America, and (b) obligations the timely payment of the principal of, and interest on, which is fully and unconditionally guaranteed by the United States of America, and (c) securities or receipts evidencing ownership interests in obligations or specified in portions (such as principal or interest) of obligations described in (a) or (b).

“ILB Construction Agreement” means that Construction Services Agreement, dated September 27, 2018, between the Borrower, as owner, and International Line Builders, Inc., as contractor.”

“Interest Payment Date” means, with respect to the 2020 Bonds, without duplication, each Principal Payment Date and each January 1 and July 1, commencing January 1, 2021. If any Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day.

“Principal Payment Date” means, with respect to the 2020 Bonds, each date on which a 2020 Bond matures, and each Mandatory Sinking Fund Payment Date commencing July 1, 2023.

“Third Supplemental Indenture” means this Third Supplemental Indenture, dated as of the Third Supplement Effective Date, by and between the Authority and the Trustee.

“Third Supplement Effective Date” means October 13, 2020, the date of the execution and delivery of this Third Supplemental Indenture.

“2020 Bonds” means the California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2020 (AMT) authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Section 15.01 of this Third Supplemental Indenture.

“2020 Capitalized Interest Account” means the account by that name established within the Debt Service Fund pursuant to Section 17.02 of this Third Supplemental Indenture.

“2020 Delivery Date” means October 13, 2020, the date of initial issuance and delivery of the 2020 Bonds.

“2020 Offering Memorandum” means the Limited Offering Memorandum dated October 5, 2020, relating to the 2020 Bonds, including all appendices attached thereto.

“2020 Project Fund” means the fund by that name established pursuant to Section 17.03 of this Third Supplemental Indenture.

(c) Amended and Supplemental Definitions. Pursuant to Section 9.01 of the Indenture, for all purposes of the Indenture and of any Supplemental Indenture, including this Third Supplemental Indenture, and of any certificate, opinion or other document therein mentioned, the provisions of the Indenture are hereby amended and supplemented as follows:

(i) The following defined terms in Section 1.01 of the Indenture are hereby amended as follows (with deletions bracketed and struck through and additions bolded and underlined):

“**Bond Purchase Agreement**” means a Bond Purchase Agreement among one or more underwriters, the Treasurer of the State of California, and the Authority and approved by the Borrower. With respect to the 2017 Bonds, “Bond Purchase Agreement” means the Bond Purchase Agreement, dated May 24, 2017, among the Underwriters, the Treasurer of the State of California, and the Authority and approved by the Borrower. **With respect to the 2020 Bonds, “Bond Purchase Agreement” means the Bond Purchase Agreement, dated October 5, 2020, among the Underwriters, the Treasurer of the State of California, and the Authority and approved by the Borrower.**

“**Collateral Agency Agreement**” means the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of the Second Supplement Effective Date, among the Borrower, the Trustee, the Subordinate Bond Trustee and the Collateral Agent, **as amended by the First Amendment to Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of the Third Supplement Effective Date, among the Borrower, the Trustee, the Subordinate Bond Trustee and the Collateral Agent,** as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Bond Financing Documents.

“**Conditional Project Fund Requisition**” means a written request, in the form attached hereto as Exhibit C-2, by the Borrower for payment or transfer from the Project Fund **or the 2020 Project Fund** under this Indenture.

“**Construction Agreements**” means (a) the Standard Form of Agreement Between Owner and Contractor dated as of August 23, 2018, between the Borrower, as owner, and Casey Industrial, Inc., as contractor, (b) the

Construction Services Agreement, dated September 27, 2018, between the Borrower, as owner, and Phoenix Industrial, Inc., as contractor, (c) the **ILB Construction [Services] Agreement**, ~~dated September 27, 2018, between the Borrower, as owner, and International Line Builders, Inc., as contractor~~ and (d) the SICO Installation Agreement, as each of the same may be (i) amended in accordance with its terms, but only as permitted by the Bond Financing Documents, and (ii) replaced as permitted by the Bond Financing Documents.

“**Costs of the Tax-Exempt Project**” means the sum of the items, or any such item, authorized to be paid from the Project Fund, **the 2020 Project Fund or the Contingency Fund** pursuant to the provisions of Section 3.03 **of the Indenture** ~~[hereof]~~, **Section 17.01 and Section 17.03 of the Third Supplemental Indenture** and the Tax Certificate, but shall not include any Costs of Issuance.

“**Delivery Date**” means **June 14, 2017**, the date of initial issuance and delivery of ~~[a Series of]~~ the **2017** Bonds. ~~[The Delivery Date for the 2017 Bonds is June 14, 2017.]~~

“**Financial Officer**” means, with respect to any Person, the controller, treasurer~~[-or]~~, chief financial officer **or vice president of finance** of such Person.

“**Force Majeure Adjusted Date**” means the earlier to occur of (a) the ~~[fourth]~~**fifth** anniversary of the Delivery Date plus the amount of time that a Force Majeure Event has delayed the occurrence of the Commercial Operations Date as determined by the Construction Monitor (if the Force Majeure Event occurs before Plant Acceptance) or the Technical Advisor (if the Force Majeure Event occurs after Plant Acceptance) and (b) the ~~[fifth]~~**sixth** anniversary of the Delivery Date.

“**GAAP**” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination. If at any time any change in GAAP (from GAAP as in effect on the Delivery Date) would affect the computation of any financial ratio or requirement set forth in any Bond Financing Document, the Borrower may propose in good faith any amendment of the Bond Financing Documents necessary to preserve the original intent of such ratio or requirement in light of such change in GAAP, ~~[as to]~~ which amendment the **Borrower must obtain the prior written consent of the** Required Bondholders ~~[will have a Veto Right, but in the absence of the exercise of the Veto Right the amendment will become~~

binding].

“Mandatory Sinking Fund Payment” means the payments so designated and required to be made pursuant to Section 4.01(a) of this Indenture **and Section 16.01(a) of the Third Supplemental Indenture.**

“Mandatory Sinking Fund Payment Date” means~~[, with respect to the 2017 Bonds,]~~ any date on which a Mandatory Sinking Fund Payment is payable pursuant to Section 4.01(a) of this Indenture **or Section 16.01(a) of the Third Supplemental Indenture.**

“Material Company” means each of (a) SICO, but only until all its material obligations under the SICO Supply Agreements have been discharged~~[(b) CFP]~~ and ~~[(e)]~~**(b)** each of the Contractors, but only until all its material obligations under the applicable Construction Agreement have been discharged. From and after any replacement of any Material Company pursuant to the Construction Replacement Provisions~~[and (if applicable) the CFP Replacement Provisions]~~, then the replacement counterparty shall be deemed to a Material Company and the counterparty it replaces shall be deemed to be no longer a Material Company.

“Material Contract” means each of the Construction Agreements, the SICO Supply Agreements, ~~[the CFP Agreement,]~~ and each other material contract in relation to the Plant entered into by the Borrower with a Material Company. From and after any replacement of any Material Contract pursuant to the Construction Replacement Provisions ~~[and (if applicable) the CFP Replacement Provisions]~~, then the replacement contract shall be deemed to be a Material Contract and the contract it replaces shall be deemed to be no longer a Material Contract.

“Par Call Date” for each maturity of ~~[2017]~~ Bonds, means the applicable date, if any, on which such maturity of ~~[2017]~~ Bonds is first callable at par or if such maturity of ~~[2017]~~ Bonds is not callable at par, the maturity date.

“Permitted Project Agreement” means any Project Document deemed necessary by the Borrower or the Construction Monitor to achieve the Plant Substantial Completion Date, but only if **(a)** the Construction Monitor certifies to the Trustee that, after entering into the Project Document ~~[(a)]~~ the amounts then held in the Project Account and other funds available to the Borrower, including any amounts available in the Project Development Account or the Subordinate Bond Proceeds Account under the Collateral Agency Agreement, ~~[and]~~ any unused amounts of Committed Equity, **and unused amounts in the Contingency Fund included in the Contingency Fund Construction Budget, but only to the extent that (i) a particular item is added to the Construction Budget, (ii) the amount for such item does not exceed the amount set forth in the Contingency Fund Construction Budget, and (iii) the date by which such amounts must**

have been expended as set forth in the Contingency Fund Construction Budget has not expired, are not less than the amount required to cause Plant Construction to occur without delaying the then anticipated Plant Substantial Completion Date and (b) the ~~[amounts required to be paid under the Project Document, together with all other Project Documents previously certified by the Construction Monitor as “Permitted Project Agreements” will not increase the amount calculated as “Total Other Construction Costs” in the Construction Budget by more than \$6,000,000]~~ **Borrower obtains the prior written consent of the Required Bondholders.**

“**Project Documents**” means the Construction Agreements, the SICO Supply Agreements, each Rice Straw Supply Agreement, the Resin Supply Agreement, ~~[the CFP Agreement,]~~ the License Agreement, each other material agreement in relation to the Plant entered into by the Borrower with a Material Company and any guarantees, and any alternate or replacement agreements therefor or amendments, supplements or successor agreements thereto, and in any event not including purchase orders and similar agreements entered into in the ordinary course of business. Project Documents shall include (a) any agreement, other than a purchase order or similar agreement entered into in the ordinary course of business, under which the Borrower is expected to pay or receive an amount in excess of 15% of its Borrower Revenues for the prior Fiscal Year and (b) any other agreement that the Borrower, acting reasonably, determines is material to the construction, maintenance or operation of the Plant or to its financial condition. For the avoidance of doubt, Project Documents shall not include the Subordinate Loan Documents.

“**Required Bondholders Approval Certificate**” means, with respect to (and to the extent required in connection with) any Requisition or any other matter for which a consent, approval or waiver by the Required Bondholders is required or permitted under the Bond Financing Documents, a certificate executed by a Borrower Representative, certifying that (A) the Borrower has received written instruments, attached to the certificate and executed on behalf of the applicable Beneficial Owners as identified by the Borrower based on information believed by the Borrower in good faith to be reliable, (B) in such instruments, the signers have represented that the Beneficial Owner on whose behalf the instrument has been signed has approved the Requisition or other such matter requiring or permitting a consent, approval or waiver ~~[(and waived any applicable Veto Right)],~~ and (C) the Beneficial Owners with respect to which such instruments have been executed constitute, in the Borrower’s good faith determination, the Required Bondholders.

“**Tax Certificate**” means each Tax Certificate and Agreement of the Borrower and the Authority ~~[dated the Delivery Date]~~ **delivered at the time of issuance and delivery of a Series of Bonds, as the same may be amended or supplemented in accordance with its terms.**

“Unconditional Project Fund Requisition” means a written request, in the form attached hereto as Exhibit C-1, by the Borrower for payment or transfer from the Project Fund or the 2020 Project Fund under this Indenture.

(ii) The term Investment Securities in Section 1.01 is deleted in its entirety and replaced with the following:

“Investment Securities” means any of the following securities listed below, if and to the extent the same are permitted by law for investment of funds: (i) Governmental Obligations; (ii) bonds, notes or other obligations of the State or any political subdivision of the State, which at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service; (iii) obligations of Federal National Mortgage Association, the Government National Mortgage Association, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, National Veteran Business Development Corporation, Federal Farm Credit Banks, Federal Agricultural Mortgage Corporation and SLM Corporation; (iv) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (i), (ii) or (iii) above and that have a market value at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account; (iv) certificates of deposit, time deposits or demand deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit, time deposits or demand deposit shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully collateralized by such securities as are described above in clauses (i) through (iv), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit, time deposits or demand deposits; (v) commercial paper which is rated at the time of purchase at least A-1 or its equivalent by S&P or Moody’s Investor Services and which matures not more than 270 days after the date of purchase; and (vi) Money market funds registered under the Investment Company Act of 1940, and having a rating AAA or better by either Standard & Poor’s or Moody’s Investors Services, including money market funds of the Trustee or its affiliates.

(iii) The term Reserve Fund Requirement in Section 1.01 is deleted in its entirety and replaced with the following:

“Reserve Fund Requirement” means (1) prior to the Commercial Operations Date, an amount equal to \$25,490,000, and (2) on or after the Commercial Operations Date, the least of (i) Maximum Annual Debt Service on the Bonds then Outstanding, (ii) one hundred twenty-five

percent (125%) of the average Annual Debt Service on the Bonds then Outstanding, or (iii) ten percent (10%) of the initial principal amount of the Bonds.

(iv) The terms “CFP,” “CFP Agreement,” “CFP Replacement Provisions,” “Stop Funding Notice,” “Veto Process” and “Veto Right” in Section 1.01 of the Indenture are deleted in their entirety. Notwithstanding anything to the contrary herein, any action or determination of the Borrower that would previously have been subject to a Veto Right or Veto Process pursuant to the terms of the Indenture prior to the Third Supplement Effective Date shall, on and after the Third Supplement Effective Date, be subject to receipt of a Required Bondholders Approval Certificate. All references to Veto Process or Veto Right in the Loan Agreement shall be deemed to refer to the requirement set forth in Section 6.08(b) of the Indenture (as amended by this Third Supplemental Indenture).

SECTION 14.02. Amendments to Indenture. Pursuant to Section 9.01 of the Indenture, for all purposes of the Indenture and of any Supplemental Indenture, including this Third Supplemental Indenture, and of any certificate, opinion or other document therein mentioned, the provisions of the Indenture are hereby amended and supplemented as follows:

(a) The final sentence of Section 2.04(b) of the Indenture is hereby amended as follows (with deletions bracketed and struck through):

Transfers are subject to DTC requirements while the [2017] Bonds are held in book-entry form.

(b) The first sentence of Section 2.05 of the Indenture is hereby amended as follows (with additions bolded and underlined):

Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount, **tenor** and Series of Bonds of other Authorized Denominations.

(c) The final sentence of Section 2.05 of the Indenture is hereby amended as follows (with deletions bracketed and struck through):

Transfers are subject to DTC requirements while the [2017] Bonds are held in book-entry form.

(d) Section 2.10(a) of the Indenture is hereby amended as follows (with additions bolded and underlined):

(a) The Authority shall be in compliance with all agreements and covenants contained herein; **provided that this Section 2.10(a) shall not be applicable in connection with the issuance of the 2020 Bonds.**

(e) Section 2.10(b)(7) of the Indenture is hereby amended as follows (with additions bolded and underlined):

(7) The amounts, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Reserve Fund **or any other fund established pursuant to such Supplemental Indenture, including for purposes of paying capitalized interest, and the amounts, if any, to be applied from such proceeds to pay Costs of Issuance, and such application of proceeds is authorized in connection with the issuance of Additional Bonds subject to the requirements of the Tax Certificate, including any Tax Certificate executed in connection with the issuance of such Series of Additional Bonds;**

(f) The first paragraph of Section 2.11 of the Indenture is hereby amended as follows (with deletions bracketed and struck through and additions bolded and underlined):

At any time after the sale of any Additional Bonds in accordance with the Act, the Authority shall execute such Additional Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon such Additional Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the written Request of the Authority, but only upon receipt by the Trustee of the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the [Delivery Date] **date of initial issuance and delivery** of such Additional Bonds by the Trustee (unless the Authority shall direct the Trustee to accept any of such documents bearing a prior date):

(g) Section 5.02(a) of the Indenture is hereby amended as follows (with struck through and additions bolded and underlined):

(a) The Borrower has agreed in the Loan Agreement to promptly pay or cause to be paid Loan Repayments to the Trustee for deposit in the Revenue Fund. These payments are expected to be made pursuant to Section 4.02 of the Collateral Agency Agreement. Subject to Section 6.06, the Trustee shall deposit all Revenues received from the Borrower upon receipt in the Revenue Fund. All money in the Revenue Fund shall be set aside by the Trustee, subject to Section 4.01 **and Section 16.01(a) of the Third Supplemental Indenture**, in the following respective special accounts within the Revenue Fund (each of which the Trustee is hereby instructed to establish and maintain):

- (i) Debt Service Fund and the Principal Account, the Interest Account, the Redemption Account and the Capitalized Interest Account therein;
- (ii) Rebate Fund;
- (iii) Reserve Fund; and
- (iv) Administrative Costs Fund.

All money in each of such funds and accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section.

(h) The third paragraph of Section 5.02(b) of the Indenture is hereby amended as follows (with additions bolded and underlined):

On or before each Interest Payment Date for any of the Outstanding Bonds or other date on which interest is due on Outstanding Bonds, the Trustee shall pay from the Interest Account the amount required for the interest payable on such date. On or before each Principal Payment Date, Mandatory Sinking Fund Payment Date **or** other date on which principal is due on Outstanding Bonds, the Trustee shall pay from the Principal Account the principal amount of Outstanding Bonds (including any Mandatory Sinking Fund Payment) payable on such due date.

(i) Section 5.02(f) of the Indenture is hereby amended (1) by deleting the reference to 2017 wherever it appears, and (2) by amending the second sentence of the first paragraph as follows (with deletions bracketed and struck through and additions bolded and underlined):

If on the Business Day immediately preceding an Interest Payment Date, or any other date on which the principal or redemption price of, or interest on, [2017] Bonds is due, the amount in the Principal Account, the Interest Account, the Redemption Account, the Capitalized Interest Account, **the 2020 Capitalized Interest Account** or the Revenue Fund available for such payment is less than the principal amount or redemption price of, or interest on, the [2017] Bonds due on such date, the Trustee shall apply amounts from the Reserve Fund to the extent necessary to make good the deficiency.

(j) The first sentence of Section 5.03 is hereby amended as follows (with additions bolded and underlined):

All moneys in any of the funds or accounts established pursuant to this Indenture shall be invested by the Trustee, as directed in writing by the Borrower or its agent, solely in Investment Securities, provided that upon the occurrence and continuation of an Event of Default, all such moneys shall be invested only in Investment Securities described in paragraph (vi) of the definition thereof **unless otherwise directed by the Required Bondholders.**

(k) Section 6.08 of the Indenture is hereby amended and restated in its entirety as follows:

(a) The Trustee shall provide information to Holders and Beneficial Owners as provided in the Loan Agreement and in this Indenture. Such information shall be sent to Holders at their addresses on the registration books maintained by the Bond Registrar and to Beneficial Owners by filing with EMMA.

(b) Upon written request from the Borrower to the Trustee that the Trustee deliver to the Holders and the Beneficial Owners a notice from the Borrower (a copy of which notice shall be included with the Borrower's request to the Trustee) to the effect that an event or action requiring the consent of the Required Bondholders is proposed to occur under this Indenture or under the Loan Agreement, the Trustee shall promptly provide such notice from the Borrower to the Holders and the Beneficial Owners. Except for requisitions from the Project Fund or 2020 Project Fund requiring the consent of the Required Bondholders, concurrently with the submittal of the written request to the Trustee, the Borrower shall provide the Authority with a copy of the written request submitted to the Trustee, including a copy of the notice.

(c) If the Borrower submits a notice to the Trustee to the effect that the amount on deposit in the Reserve Fund is or, if an anticipated transfer is made, would be (x) less than 50% of the then applicable Reserve Fund Requirement or (y) less than 25% of the then applicable Reserve Fund Requirement, then the Trustee shall promptly deliver written notice to the Holders informing the Holders that (i) if the amount of funds on deposit in the Reserve Fund is, or would be, if an anticipated transfer is made, less than 50% of the then applicable Reserve Fund Requirement, or (ii) if the amount of funds on deposit in the Reserve Fund is, or would be, if an anticipated transfer is made, less than 25% of the then applicable Reserve Fund Requirement, no such transfer may be made until the Required Bondholders direct the Trustee to make such transfer.

(d) Any direction shall be binding upon the Holder or Beneficial Owner of the Bond giving such direction and, anything herein to the contrary notwithstanding, upon any subsequent Holder or Beneficial Owner of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Holder or Beneficial Owner has notice of the relevant event). A direction, however, may be revoked by a writing to the Trustee, by the Holder or Beneficial Owner who gave the direction or by a subsequent Holder or Beneficial Owner of the Bond at any time prior to the filing by the Trustee of the statement described in the next sentence. Upon the receipt of direction to take a specified action from the requisite aggregate principal amount of Holders or Beneficial Owners, the Trustee shall make and file with the Authority, the Collateral Agent and the Borrower a written statement that the Holders or Beneficial Owners of the required percentage of Bonds have filed direction in response to such event. That written statement shall be conclusive evidence that the directions have been so filed.

(e) If the Holders or Beneficial Owners of the required percentage in aggregate principal amount of Bonds outstanding shall have provided direction, no Holder or Beneficial Owner shall have any right to object to any subsequent action taken or required to be taken by (i) the Trustee or Collateral Agent upon receipt of such direction or (ii) the Borrower upon

the receipt of certification of such direction.

(f) Any notice delivered by the Trustee to the Beneficial Owners by filing with EMMA shall be deemed effective notice for all purposes of the Bond Financing Documents.

(g) For all purposes of this Indenture and the other Bond Financing Documents, in any circumstance in which a consent, approval or waiver by the Required Bondholders is required or permitted for any purpose, such consent, approval or waiver may be evidenced by a Required Bondholders Approval Certificate specifying the circumstance with respect to which the Required Bondholders Approval Certificate is given. Upon delivery to the Trustee of a Required Bondholders Approval Certificate, the Trustee and the Collateral Agent and, as applicable, the Authority shall be entitled to rely thereon for all purposes of this Indenture and the other Bond Financing Documents, and to treat the Required Bondholders Approval Certificate as definitively establishing the consent, approval or waiver with respect to the circumstance for which the Bondholders Approval Certificate is given.

(h) At any time and from time to time upon notice from the Borrower to the Trustee, the Trustee shall use commercially reasonable efforts to obtain (including by making a request of DTC and otherwise) a list of the then current names and contact information for the Beneficial Owners. The Trustee shall commence making such efforts promptly following the delivery to the Trustee of the Borrower's notice, and shall thereafter promptly deliver to the Borrower all information obtained by the Trustee in response to such efforts.

ARTICLE XV AUTHORIZATION AND ISSUANCE OF 2020 BONDS

SECTION 15.01. Terms of the 2020 Bonds. There shall be issued under and secured by the Indenture a Series of Additional Bonds to be issued in the form of one fully registered bond and to be additionally designated "Series 2020", in the aggregate principal amount of \$42,000,000, to be dated the 2020 Delivery Date and to mature (subject to prior redemption at the prices and dates and upon the terms and conditions hereinafter set forth) on the following dates and bear interest at the following rates except as otherwise provided in Section 15.01(e) of this Third Supplemental Indenture:

Maturity Date (July 1)	Principal Amount	Interest Rate
July 1, 2032*	\$42,000,000	7.5%

* Term Bonds

(a) The 2020 Bonds shall be issuable in Authorized Denominations. The 2020 Bonds shall be issued in substantially the form set forth in Exhibit H of this Third Supplemental

Indenture with such variations, insertions or omissions as are appropriate and not inconsistent therewith and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto. The 2020 Bonds shall be numbered and lettered from one upward preceded by the letters “RA” prefixed to the number and may bear such additional letters, numbers, legends or designations as the Bond Registrar determines are desirable.

(b) The 2020 Bonds shall bear interest from and including the date of first authentication and delivery thereof until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions hereof, whether at maturity, upon redemption or otherwise. Except as otherwise provided in Section 15.01(e) of this Third Supplemental Indenture, the 2020 Bonds shall bear interest at the rate shown in the table set forth above in this Section 15.01. Each 2020 Bond authenticated and registered on any date prior to the close of business on the first Record Date shall bear interest from the date of said 2020 Bond. Each 2020 Bond authenticated during the period between any Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other 2020 Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any 2020 Bond of a Series, interest is in default on Outstanding 2020 Bonds of that Series, such 2020 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding 2020 Bonds. Interest on the 2020 Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The first Interest Payment Date for the 2020 Bonds shall be January 1, 2021.

(c) Payment of the interest on any 2020 Bond shall be made to the Person appearing on the bond registration books of the Bond Registrar as the Bondholder thereof on the Record Date, such interest to be paid by the Paying Agent to such Bondholder (i) by check mailed by first class mail on the Interest Payment Date, to such Bondholder’s address as it appears on the registration books or at such other address as has been furnished to the Bond Registrar as provided below, in writing by such Bondholder not later than the Record Date, or (ii) upon written request at least three (3) Business Days prior to the applicable Record Date of the Bondholder of 2020 Bonds aggregating not less than \$1,000,000 in principal amount of such 2020 Bonds, by wire transfer in immediately available funds at an account maintained in the United States at such wire address as such Bondholder shall specify in its written notice (any such written request shall remain in effect until rescinded in writing by such Bondholder); except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest rate shall be the rate on the 2020 Bonds on the day before such default occurred, and such defaulted interest shall be paid to the Bondholder in whose name any such 2020 Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest. Both the principal of and premium, if any, on the Bonds shall be payable upon surrender thereof in lawful money of the United States of America at the Corporate Trust Office of the Trustee.

(d) The 2020 Bonds shall be subject to redemption as provided in Section 16.01.

(e) During the period in which an Event of Default has occurred and is continuing, the 2020 Bonds shall bear interest at a per annum rate equal to the Default Rate; provided, however, this provision shall not apply prior to January 2, 2022.

(f) The 2020 Bonds are subject to the Restricted Period.

SECTION 15.02. Issuance of the 2020 Bonds. At any time after the execution and delivery of this Third Supplement Indenture or from time to time thereafter, upon the execution of the 2020 Bonds by the Authority and delivery thereof to the Trustee, as hereinabove provided, and without any further action on the part of the Authority, the Trustee shall authenticate upon Request of the Authority, and deliver the 2020 Bonds in an aggregate principal amount not exceeding \$42,000,000.

SECTION 15.03. Application of Proceeds of the 2020 Bonds. The proceeds received by the Authority from the sale of the 2020 Bonds shall be deposited with the Trustee, who shall forthwith deposit (i) \$3,832,500.00 of such proceeds into the 2020 Capitalized Interest Account; (ii) \$3,990,000.00 of such proceeds into the Reserve Fund; (iii) \$15,029,480.56 of such proceeds into the 2020 Project Fund; and (iv) \$16,402,500.00 of such proceeds into the Contingency Fund.

ARTICLE XVI REDEMPTION OF 2020 BONDS

SECTION 16.01. Terms of Redemption of 2020 Bonds. All prepayments pursuant to Section 8.2 of the Loan Agreement (other than Mandatory Sinking Fund Payments) shall be deposited in the Redemption Account from the Revenue Fund; provided that, to the extent that any amounts on deposit in the Principal Account were deposited therein to pay the principal amount of any such 2020 Bonds to be prepaid, the Trustee shall first transfer such amounts from the Principal Account to the Redemption Account prior to making any deposits in the Redemption Account from the Revenue Fund.

The 2020 Bonds shall be redeemed on the following terms:

(a) Mandatory Sinking Fund Redemption of 2020 Bonds. The 2020 Bonds shall be subject to semi-annual sinking fund redemption prior to their stated maturity in part, by lot, on or after July 1, 2023, at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium. The 2020 Bonds shall be redeemed in the following amounts and on the following dates:

Mandatory Sinking Fund Payment Dates	Mandatory Sinking Fund Payment
July 1, 2023	\$1,810,000
January 1, 2024	1,825,000
January 1, 2025	1,830,000
July 1, 2025	1,825,000
January 1, 2026	1,965,000
July 1, 2026	1,965,000
January 1, 2027	2,120,000
July 1, 2027	2,115,000
January 1, 2028	2,275,000
July 1, 2028	2,280,000
January 1, 2029	2,450,000
July 1, 2029	2,455,000
January 1, 2030	2,640,000
July 1, 2030	2,640,000
January 1, 2031	2,845,000
July 1, 2031	2,840,000
January 1, 2032	3,060,000
July 1, 2032*	3,060,000

* Maturity

(b) Mandatory Redemption. The 2020 Bonds are subject to mandatory redemption as provided in Section 4.01(c), Section 4.01(d) and Section 4.01(e) of the Indenture.

(c) Optional Redemption of 2020 Bonds. The 2020 Bonds are not subject to redemption at the option of the Borrower.

SECTION 16.02. Notice of Redemption. Notice of redemption shall be mailed by first class mail not less than thirty (30) days nor more than sixty (60) days before mandatory sinking fund redemption pursuant to Section 16.01(a) and not less than twenty (20) days in the case of all other redemptions before such redemption date, to the respective Holders and Beneficial Owners of any 2020 Bonds designated for redemption at their addresses on the registration books maintained by the Bond Registrar. Each notice of redemption shall state the redemption date, the place or places of redemption, if less than all of the 2020 Bonds are to be redeemed, the distinctive number(s) and Series of the 2020 Bonds to be redeemed, and in the case of 2020 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of the 2020 Bonds the principal thereof or of said specified portion of the principal thereof in the case of a 2020 Bond to be redeemed in part only, and that from and after such redemption date interest thereon shall cease to accrue, and the Trustee shall require that such 2020 Bonds be then surrendered. Neither failure to receive such notice nor any defect therein shall affect the sufficiency of such redemption.

(a) Notice of redemption of the 2020 Bonds shall be given by the Trustee, at the expense of the Borrower, for and on behalf of the Authority.

(b) At the same time that it sends notice of redemption to Owners of the 2020 Bonds, the Trustee shall also send a copy of the notice by first class mail, by electronic mail, by telecopy or by overnight delivery to the Authority, the Securities Depositories and an Information Service. Failure to provide notice to the Authority, the Securities Depositories or an Information Service shall not affect the validity of proceedings for the redemption of the 2020 Bonds.

SECTION 16.03. Selection of 2020 Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the 2020 Bonds, those maturities of 2020 Bonds shall be redeemed as selected by the Borrower and, if the Borrower makes no such selection, in inverse order of maturity and, within any maturity, the Trustee will select the 2020 Bonds to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. Notwithstanding the foregoing, with respect to any mandatory redemption from excess proceeds or upon receipt of Loss Proceeds, all maturities of 2020 Bonds shall be redeemed on a pro rata basis, on the basis of the outstanding principal thereof, as nearly as practicable, as reasonably determined by the Borrower, and, within any maturity, the Trustee will select the 2020 Bonds to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate.

ARTICLE XVII 2020 FUNDS AND ACCOUNTS

SECTION 17.01. Contingency Fund. The Trustee shall establish and maintain a separate fund (the “*Contingency Fund*”), which Contingency Fund shall be funded as provided in Section 15.03. All money in such fund shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes authorized in this Third Supplemental Indenture. Amounts in the Contingency Fund not to exceed \$7,500,000 in the aggregate may be requisitioned by the Borrower to pay Costs of the Tax-Exempt Project set forth in the Contingency Fund Capital Budget, in an amount for any line item set forth therein not to exceed the amount set forth therein for such line item on or prior to the date set forth in the Contingency Fund Capital Budget. If amounts for a particular line item are not expended prior to the date set forth in the Contingency Fund Capital Budget for such line item, or in an amount less than the amount set forth therein for such line item, such amount or excess amount may only be requisitioned and expended with the prior consent of the Required Bondholders. The remaining balance of the Contingency Fund may be used to pay for expenses set forth in an Operating Budget which has been approved by the Required Bondholders in accordance with Section 5.16(a) or (b) of the Loan Agreement; provided however, such amounts for expenses may only be requisitioned and used if (i) no other moneys are available for such purpose under the Collateral Agency Agreement or the 2020 Project Fund or the Borrower’s operating accounts, and (ii) the Borrower has used all other contingency amounts set forth in the Operating Budget. If the foregoing conditions cannot be met, such amounts may only be requisitioned with the prior consent of the Required Bondholders. The moneys in the Contingency Fund shall be held by the Trustee in trust and shall be paid in the manner set forth below. All payments from the Contingency Fund shall be reflected in the Trustee’s regular accounting statements.

(a) Before a payment or transfer is made from the Contingency Fund, the Borrower shall file with the Trustee a sequentially numbered Requisition (a “Contingency Fund Requisition”) stating with respect to each payment to be made:

- (i) the requisition number;
- (ii) the name and address of each Person to whom payment is due;
- (iii) the purpose for which such payment is to be made;
- (iv) the amount to be paid;
- (v) that each obligation mentioned therein has been properly incurred and is a proper charge against the Contingency Fund;
- (vi) that none of the items for which payment is requested has been previously paid from the Contingency Fund, the Project Fund or the 2020 Project Fund;
- (vii) if the Contingency Requisition is for non-working capital reimbursement items, that an invoice evidencing each item for payment is attached thereto, including invoices for costs previously paid and for which reimbursement is being requested;
- (viii) that no action, suit, proceeding or investigation by or before any Governmental Authority or any arbitrator is pending or, to the Borrower's knowledge, threatened in writing against or affecting any member of the Group or any Material Company, the Tax-Exempt Project or the Plant which would reasonably be expected to have a Material Adverse Effect;
- (ix) that all Taxes due and payable in connection with the Plant and the Site (to the extent required to be paid by Borrower and subject to the provisions of Section 5.5 of the Loan Agreement) and the execution, delivery, recording and filing of the Bond Financing Documents have been duly paid in full by or on behalf of the Borrower;
- (x) that, with respect to each payment or transfer requested for an item specified in the Contingency Fund Capital Budget, the following documents are attached to a Requisition in the form of Exhibit C-1 or C-2 of the Indenture, as applicable:
 - (1) in the case of a payment or transfer requested under any of the Construction Agreements, a progress payment invoice (attached as Exhibit "A" to the applicable Requisition) from the applicable Contractor in accordance with terms of the applicable Construction Agreement;
 - (2) in the case of a payment or transfer requested under either of the SICO Supply Agreements, a payment invoice (attached as Exhibit "A" to the applicable Requisition) from SICO in accordance with the terms of the applicable SICO Supply Agreement;
 - (3) in the case of a payment or transfer requested under any of the Construction Agreements, a certified lien waiver by the applicable Contractor, substantially in the form required by the applicable Construction Agreement and sufficient to permit the issuance of the ALTA 33 endorsement referred to in Section 17.01(a)(xii) of this Third Supplemental Indenture;

(4) in the case of a payment or transfer requested under any of the Construction Agreements, a list of all change orders (issued in accordance with the terms of the applicable Construction Agreement) not previously submitted to the Trustee, together with a list of all change orders to date and a list of all proposed change orders (attached as Exhibit “B” to the applicable Requisition) along with the certification of the Construction Monitor in the form of Exhibit “C” to the applicable Requisition (provided that the certification of the Construction Monitor shall not be required with respect to any payments that are deferred pursuant to written deferral agreements with respect to the SICO Supply Agreements or the ILB Construction Agreement);

(5) in the case of a payment or transfer requested prior to Plant Acceptance, a certification by the Construction Monitor in the form of Exhibit “C” to the applicable Requisition, after any consultation with the Technical Advisor required by the Construction Monitor; and

(6) in the case of a payment requested under any of the Construction Agreements or the SICO Supply Agreements, any similar certification from the Contractor or SICO, as applicable;

(xi) with respect to each payment or transfer requested for an item specified in the Contingency Fund Capital Budget, that all change orders that have been entered into in respect of the Constructions Agreements and the SICO Supply Agreements have been submitted to the Construction Monitor and the Trustee;

(xii) that in the case of a payment or transfer requested prior to Plant Acceptance and requested under any of the Construction Agreements or the SICO Supply Agreements, there is attached an ALTA 33 endorsement to the Collateral Agent’s title insurance policy with respect to the Deed of Trust, demonstrating that no Liens encumber the Plant or the Site, other than Permitted Liens; provided that, in the case of any payment or transfer requested prior to Plant Acceptance and at least sixty (60) days following the date of the last ALTA 33 endorsement to such title insurance policy, an ALTA 33 endorsement (demonstrating that no Liens encumber the Plant or the Site, other than Permitted Liens) shall be provided with the corresponding Requisition whether or not the payment or transfer is required under any of the Construction Agreements or the SICO Supply Agreements;

(xiii) in the case of a payment requested under any of the Construction Agreements or the SICO Supply Agreements, any similar certification from the Contractor or SICO, as applicable; and

(xiv) that, during the occurrence and continuation of an Event of Default under the Indenture (other than the Existing Defaults), Required Bondholders shall not have delivered written instruction to the Trustee not to fund such requisition, or a Loan Default Event under Section 7.1(h) of the Loan Agreement has occurred and is continuing.

(b) If the Trustee receives a completed Contingency Fund Requisition and the Contingency Fund Requisition is for items that are included in the Construction Budget, prior to

the date set forth therein and less than the maximum amount set forth therein for such items or the Operating Budget, the Trustee shall fund the Contingency Fund Requisition within five (5) Business Days after the Trustee's receipt of the completed Contingency Fund Requisition. If the Contingency Fund Requisition is for items that are not included in the Construction Budget or the Operating Budget, the Trustee shall promptly deliver written notice to the Holders and the Beneficial Owners (A) attaching a copy of the Contingency Fund Requisition and all related documentation provided by the Borrower to the Trustee and (B) requesting the Holders and the Beneficial Owners consent to the funding of the Contingency Fund Requisition. The Trustee shall fund the Contingency Fund Requisition within two (2) Business Days after the Trustee's receipt of written approval by the Required Bondholders.

(c) On July 1, 2022, or as soon thereafter as is practical, the Trustee shall transfer any balance remaining in the Contingency Fund, after provision for any requisitions properly submitted prior to such date, into the Reserve Fund to meet the Reserve Requirement.

(d) Notwithstanding anything to the contrary herein, subject to the conditions set forth in this paragraph, if the Authority notifies the Borrower and the Trustee in writing that Additional Payments are due pursuant to the Loan Agreement with respect to the Authority's Reserved Rights, amounts on deposit in the Contingency Fund, in an unreimbursed aggregate amount not to exceed \$100,000 (the "***Additional Payments Limit***") shall constitute and be deemed to constitute Excluded Moneys. If payment to the Authority of such Additional Payments has not been made by or on behalf of the Borrower on or before the Business Day following the delivery of such notice of Additional Payments, the Trustee shall immediately pay to the Authority any and all such Additional Payments not otherwise paid by the Collateral Agent from Excluded Moneys held in the Contingency Fund up to the Additional Payments Limit. The payment by the Trustee of such amounts to the Authority does not satisfy the Borrower's obligation to make such payment of Additional Payments. The Trustee shall notify the Collateral Agent of such payment and the Collateral Agent shall make such payment thereafter to the Trustee for deposit in the Contingency Fund. Any subsequent payment by the Borrower of the applicable Additional Payments included in such notice of the Authority (and not in excess of the amount specified in such notice) received by the Authority or the Trustee shall be deposited by the Trustee into the Contingency Fund. This provision shall terminate and no amounts in the Contingency Fund shall thereafter constitute Excluded Moneys upon the occurrence of the transfer set forth in Section 17.01(c) above. The Authority hereby represents and warrants that as of the date hereof it does not have any knowledge of any Additional Payments that are due or that are accruing and may come due assuming all Costs of Issuance for the 2020 Bonds have been paid on or prior to the date hereof.

SECTION 17.02. Debt Service Fund—2020 Capitalized Interest Account. The Trustee shall establish and maintain a separate account (the "***2020 Capitalized Interest Account***") which 2020 Capitalized Interest Account shall be funded as provided in Section 15.03. All money in such fund shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes authorized in the Indenture. Amounts in the 2020 Capitalized Interest Account shall be transferred by the Trustee to the Interest Account prior to and in place of any transfers to the Interest Account from the Reserve Fund required or authorized by Section 5.02(b) of the Indenture and applied to the payment of interest on the 2020 Bonds.

SECTION 17.03. 2020 Project Fund. The Trustee shall establish and maintain a separate fund (the “**2020 Project Fund**”), which shall be funded as provided in Section 15.03. All money in such fund shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes authorized in the Indenture. Amounts in the 2020 Project Fund shall only be used to pay Costs of the Tax-Exempt Project in the manner set forth below.

(a) Before each payment or transfer is made from the 2020 Project Fund by the Trustee, the Borrower shall file with the Trustee a sequentially numbered Requisition of the Borrower in the form attached to the Indenture as Exhibit C-1 or C-2, as applicable, modified to reflect that the draw is on the 2020 Project Fund rather than the Project Fund and that the draw is pursuant to this Section 17.03 rather than Section 3.03, stating with respect to each payment to be made (and provided that no more than three (3) Requisitions may be submitted in any calendar month) the requirements set forth in Section 3.03(a) of the Indenture (with references therein to the “Project Fund” being deemed references to the “2020 Project Fund”) other than Sections 3.03(a)(xi), (a)(xii), (a)(xiii), (a)(xiv) and the following:

(i) that none of the items for which payment is requested has been previously paid from the Contingency Fund or the Project Fund;

(ii) that, during the occurrence and continuation of an Event of Default under the Indenture (other than the Existing Defaults), Required Bondholders shall not have delivered written instructions to the Trustee not to fund such requisition, or a Loan Default Event under Section 7.1(h) of the Loan Agreement has occurred and is continuing;

(iii) that the Borrower reasonably believes that the Commercial Operations Date will occur on or before the fifth anniversary of the Delivery Date (unless a Force Majeure Event has occurred, in which case on or before the Force Majeure Adjusted Date);

(iv) that, other than with respect to any requisition submitted on the 2020 Delivery Date, since the 2020 Delivery Date, no event, development or circumstance has occurred which would reasonably be expected to have a Material Adverse Effect;

(v) that, taken together, (a) unused amounts in the 2020 Project Fund, (b) other funds available under the Collateral Agency Agreement available to pay the Costs of the Tax-Exempt Project, (c) any unused amounts of Committed Equity and (d) unused amounts in the Contingency Fund included in the Contingency Fund Construction Budget, but only to the extent that (i) a particular item is added to the Construction Budget, (ii) the amount for such item does not exceed the amount set forth in the Contingency Fund Construction Budget, and (iii) the date by which such amounts must have been expended as set forth in the Contingency Fund Construction Budget has not expired, are not less than the aggregate unpaid amount required to cause the Commercial Operations Date to occur materially in accordance with all Laws and Governmental Approvals, the Material Contracts (as well as with any other Project Documents, the failure to comply with which would be reasonably likely to result in a Material Adverse Effect) and the Bond Financing Documents prior to the fifth anniversary of the Delivery Date (unless a Force Majeure Event has occurred, in which case prior to the Force Majeure Adjusted Date), and to pay or provide for all reasonably anticipated non-construction costs of Plant Construction, all as set forth in the then current Construction Budget; and

(vi) that paragraph 2(g) of the form of Construction Monitor Certificate attached as Exhibit “C” to the form of Unconditional Project Fund Requisition and the form of Conditional Project Fund Requisition is hereby deleted and the following shall be included in the certificate if the Plant Substantial Completion Date has not yet occurred:

“The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are anticipated to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____] (the “Anticipated Plant Substantial Completion Date”), barring events currently unanticipated. The unused amounts in the 2020 Project Fund and other funds available to the Borrower, including any amounts available in the Project Development Account under the Collateral Agency Agreement, any unused amounts of Committed Equity, unused amounts in the Subordinate Bond Proceeds Account, and unused amounts in the Contingency Fund included in the Contingency Fund Construction Budget, but only to the extent that (i) a particular item is added to the Construction Budget, (ii) the amount for such item does not exceed the amount set forth in the Contingency Fund Construction Budget, and (iii) the date by which such amounts must have been expended as set forth in the Contingency Fund Construction Budget has not expired, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated.”

(b) With respect to any Requisition for any deferred amounts to be paid under the SICO Supply Agreements or the ILB Construction Agreement, a Construction Monitor certificate shall not be required.

(c) If the Trustee receives a completed Unconditional Project Fund Requisition (except in the case of any Unconditional Project Fund Requisition received by the Trustee on the 2020 Delivery Date, which the Trustee shall fund on the 2020 Delivery Date), the Trustee shall fund such Unconditional Project Fund Requisition within five (5) Business Days after the Trustee’s receipt of the completed Unconditional Project Fund Requisition; provided that the Trustee shall not honor any Project Fund Requisition if three (3) or more Project Fund Requisitions previously have been submitted within the calendar month under this Section 17.03. If the Borrower delivers a Conditional Project Fund Requisition, the Trustee shall promptly deliver written notice to the Holders and the Beneficial Owners (A) attaching a copy of the Conditional Project Fund Requisition and all related documentation provided by the Borrower to the Trustee and (B) requesting the Holders and the Beneficial Owners consent to the funding of the Conditional Project Fund Requisition. If the Required Bondholders do not provide requisite consent in response to the Trustee’s notice within fifteen (15) days of the Trustee’s notice of the Conditional Project Fund Requisition, then the Trustee shall not fund the Conditional Project Fund Requisition. If the Required Bondholders provide requisite consent, the Trustee shall fund the Conditional Project Fund Requisition within two (2) Business Days after the Trustee’s receipt of written approval by the Required Bondholders.

(d) Upon Plant Acceptance, or as soon thereafter as is practical, the Trustee shall transfer any balance remaining in the 2020 Project Fund, after provision having been made for payment of such costs not yet due by retaining such costs in the 2020 Project Fund, into the Contingency Fund.

ARTICLE XVIII MISCELLANEOUS

SECTION 18.01. Liability of Authority Limited to Revenues. Notwithstanding anything in the Indenture or in the Bonds contained to the contrary, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement.

SECTION 18.02. Limitation of Rights to Parties and Bondholders. Nothing in the Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Authority, the Trustee, the Borrower, the Direct Participants, the Holders of the Bonds and the Beneficial Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the Borrower, the Direct Participants, the Holders of the Bonds and the Beneficial Owners of the Bonds; provided that the parties agree that the California Debt Limit Allocation Committee is a third-party beneficiary of the Indenture for purposes of enforcing the Allocation Resolution.

SECTION 18.03. Severability of Invalid Provisions. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

SECTION 18.04. Governing Law; Venue. The Indenture shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and

performed in the State. The Indenture shall be enforceable in the State, and any action arising out of the Indenture shall be filed and maintained in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement. In the event of any action or proceeding (a) between the Borrower as a third-party beneficiary of the Indenture and the Trustee, (b) between the Borrower and the Trustee (as assignee of the Authority) under the Loan Agreement, or (c) between the Borrower and the Collateral Agent under the Collateral Agency Agreement, the losing party in such action or proceeding shall pay all costs and expenses incurred by the prevailing party in connection therewith, including but not limited to attorneys' fees, provided that any such payment required to be made by the Trustee or Collateral Agent shall be made only from and to the extent of amounts for which the Trustee or Collateral Agent has been indemnified by Beneficial Owners. In any action or proceeding to which the Authority is a party, nothing in the Indenture shall be construed to provide for the award of attorney's fees and costs to any party for the enforcement of the Indenture, as described in Section 1717 of the California Civil Code

SECTION 18.05. Notices. Notices shall be delivered to each Bondholder by first-class mail, postage prepaid, at the address set forth for such Bondholder on the registration books of the Trustee or by e-mail. Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Corporate Trust Office of the Trustee, which as of the Third Supplement Effective Date is as follows:

BOKF, N.A.
 2405 Grand Boulevard, Suite 840
 Kansas City, Missouri 64108
 Attn: Kenneth J. Dotson, Senior Vice President
 E-mail: kdotson@bokf.com

or at such other address as may have been filed in writing by the Trustee with the Authority. Any notice to or demand upon the Authority or the Borrower shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by e-mail (except in the case of notices of an Event of Default) or by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be, as follows:

To the Authority:

California Pollution Control Financing Authority
 P.O. Box 942809
 Sacramento, CA 94209
 Attn: Executive Director

To the Borrower:

CalPlant I, LLC
 6101 Highway 162
 Willows, CA 95988-9641
 Attn: Gerald Uhland
 E-mail: juhland@calag.com

With a copy to:

Hepner & Myers LLP
1241 Johnson Avenue, Suite 360
San Louis Obispo, CA 93401
Attn: Irv Hepner, Esq.
E-mail: ihepner@HepnerMyers.com

If to the Collateral Agent:

BOKF, N.A.
2405 Grand Boulevard, Suite 840
Kansas City, Missouri 64108
Attn: Kenneth J. Dotson, Senior Vice President
E-mail: kdotson@bokf.com

If to the Construction Monitor:

Harris Group
1776 Lincoln Street, Suite 1000
Denver, CO 80203
Attn: Steven J. Brunner
E-mail: steve.brunner@harrisgroup.com

If to the Technical Advisor:

Stephen Vajda Consulting
3072 Bewicke Avenue
North Vancouver, BC
Canada, V7N 4B8
Attn: Stephen Vajda
E-mail: vajda-consulting@shaw.ca

or such other addresses as may have been filed in writing with the Trustee.

SECTION 18.06. Waiver of Personal Liability. No member, officer, official agent or employee of the Authority, and no officer, official agent or employee of the State of California or any department, board or agency of the foregoing shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, official, agent or employee from the performance of any official duty provided by law or by the Indenture.

SECTION 18.07. Opinion of Bond Counsel. Whenever in the Indenture, the Loan Agreement, or the Collateral Agency Agreement it is required that prior to the taking of any action an Opinion of Bond Counsel is required to be delivered to the effect that such action will not adversely affect the Tax-Exempt status of the Tax-Exempt Bonds and such opinion is not given

by Orrick, Herrington & Sutcliffe LLP (or any successor thereto, “Orrick”), none of the Authority or the Borrower shall be entitled to rely on or refer to the original final bond opinion delivered by Orrick on the 2020 Delivery Date in connection with the issuance of the 2020 Bonds without the consent of Orrick. In addition, such successor Bond Counsel shall also render an opinion that interest on the 2020 Bonds is Tax-Exempt and will remain so after the action in question.

SECTION 18.08. Effect on Indenture. Except as specifically amended by this Third Supplemental Indenture, the terms and provisions of the Existing Indenture are in all other respects ratified and confirmed and remain in full force and effect without modification or limitation. No reference to this Third Supplemental Indenture need be made in any notice, writing or other communication relating to the Indenture, any such reference to the Indenture following the Third Supplement Effective Date to be deemed a reference thereto as amended by this Third Supplemental Indenture.

SECTION 18.09. Execution in Several Counterparts. This Third Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

[Signature Pages Follow]

IN WITNESS WHEREOF, the CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY has caused this Third Supplemental Indenture to be signed in its name and its seal to be hereunto affixed and attested by its authorized officers, and the Trustee has caused this Third Supplemental Indenture to be signed in its corporate name by one of the officers thereunto duly authorized all as of the date first above written.

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

By: _____
Deputy Treasurer
For Chairperson, State Treasurer Fiona Ma

By: _____
Executive Director

[Seal]

[Signature Page Continues]

BOKF, N.A., as Successor Trustee

By: _____

Name:

Its: Authorized Officer

EXHIBIT H

FORM OF 2020 BOND

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE 2020 DELIVERY DATE (WITH CERTAIN EXCEPTIONS AS SET FORTH IN THE INDENTURE HEREINAFTER MENTIONED). THE PURCHASER HEREOF AGREES TO PROVIDE NOTICE TO ANY PROPOSED TRANSFEREE OF A BENEFICIAL OWNERSHIP INTEREST IN THE PURCHASED BONDS OF THE RESTRICTION ON TRANSFERS.

EACH TRANSFEREE OF THIS BOND, BY ITS PURCHASE HEREOF, IS DEEMED TO HAVE REPRESENTED THAT SUCH TRANSFEREE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE 2020 DELIVERY DATE AND WILL ONLY TRANSFER, RESELL, REOFFER, PLEDGE OR OTHERWISE TRANSFER THIS BOND TO A SUBSEQUENT TRANSFEREE WHO IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE 2020 DELIVERY DATE (WITH CERTAIN EXCEPTIONS AS SET FORTH IN THE INDENTURE HEREINAFTER MENTIONED).

A TRANSFER OF THIS BOND TO ANY PERSON OTHER THAN A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 OR AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS IN EFFECT ON THE 2020 DELIVERY DATE WILL BE VOID AND THE PURPORTED TRANSFEROR WILL REMAIN THE OWNER OF RECORD (WITH CERTAIN EXCEPTIONS AS SET FORTH IN THE INDENTURE HEREINAFTER MENTIONED).

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. RA-_____

\$_____

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
SOLID WASTE DISPOSAL REVENUE BONDS
(CALPLANT I PROJECT)
SERIES 2020 (AMT)

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

<u>MATURITY DATE</u>	<u>DELIVERY DATE</u>	<u>INTEREST RATE</u>	<u>CUSIP</u>
July 1, 2032	October 13, 2020	7.5%	130536RM9

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

The California Pollution Control Financing Authority, a public instrumentality and political subdivision of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of Revenues as hereinafter provided) to the registered owner identified above or registered assigns, on the maturity date set forth above, the principal sum set forth above and to pay (but only out of Revenues as hereinafter provided) interest thereon from the interest payment date to which interest has been paid or, if this Bond is authenticated on or before [_____, 2020], from the Delivery Date specified above, until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, and to pay (but only out of Revenues as hereinafter provided) interest on overdue principal at the rate borne by this Bond plus 2.00% (the "Default Rate") on the date on which such principal or interest became due and payable, except as the provisions hereinafter set forth with respect to redemption prior to maturity or purchase may become applicable hereto. Interest shall be computed at the interest rate per annum set forth above, payable on January 1 and July 1 in each year (each, an "Interest Payment Date"), commencing on January 1, 2021, based on a 360-day year of twelve 30-day months. The principal of and premium, if any, on this Bond are payable at final maturity, acceleration or redemption in lawful money of the United States of America upon surrender hereof at the Corporate Trust Office of BOKF, N.A., as Trustee, or its successor in trust (the "Trustee"). Interest payments on this Bond shall be made to the Person appearing on the bond registration books of the Trustee, as bond registrar (the "Bond Registrar"), as the Bondholder thereof on the applicable Record Date, which is the date as of the close of business on the fifteenth day of the calendar month preceding any Interest Payment Date (the "Record Date"), and shall be paid (i) by check mailed on the Interest Payment Date to such Bondholder's address as it appears on the registration books or at such other address as has been furnished to the Bond Registrar as provided

below, in writing by such Bondholder not later than the Record Date or (ii) upon written request, at least three (3) Business Days prior to the applicable Record Date of the Bondholder of Bonds aggregating not less than \$1,000,000 in principal amount, by wire transfer in immediately available funds at an account maintained in the United States at such wire address as such Bondholder shall specify in its written notice (any such written request shall remain in effect until rescinded in writing by such Bondholder); except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Bondholder in whose name any such Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

This Bond is one of a duly authorized issue of bonds of the Authority designated as “California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project)” (the “Bonds”), unlimited in aggregate principal amount, except as otherwise provided in the Indenture hereinafter mentioned, which issue consists of or may consist of one or more series of varying dates, maturities, interest rates, redemption and other provisions, all issued pursuant to the provisions of Division 27 of the California Health and Safety Code as amended and supplemented (the “Act”). The Bonds are limited obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from, and secured by a pledge of and charge and lien on, the Revenues. Proceeds from the sale of the Bonds will be loaned by the Authority to CalPlant I, LLC, a California limited liability company (the “Borrower”), under the terms of a Loan Agreement, dated as of June 1, 2017, as amended and supplemented, including as amended and supplemented by a Third Amendment to Loan Agreement, dated as of October 13, 2020 (collectively, the “Agreement”), between the Authority and the Borrower. The Bonds are all issued under and secured by and entitled to the benefits of an Indenture, dated as of June 1, 2017, as amended and supplemented, including as amended and supplemented by a Third Supplemental Indenture, dated as of October 13, 2020 (collectively, the “Indenture”), between the Authority and the Trustee; all receipts of the Trustee credited under the provisions of the Indenture against such payments (all of the foregoing, the “Revenues”), and there shall be no other recourse against the Authority or any property now or hereafter owned by it.

This Bond is also one of a duly authorized series of bonds of the Authority additionally designated as “Series 2020”, limited in aggregate principal amount as provided in, and issued under and secured by, the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the registered Bondholders of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder, to all of the provisions of which Indenture and of the Agreement the Holder of this Bond, by acceptance hereof, assents and agrees.

All terms not herein defined shall have the meanings ascribed to them in the Indenture.

The Bonds are issuable as fully registered bonds without coupons in Authorized Denominations of, during the Restricted Period, \$250,000 or any integral multiple of \$5,000 in excess of thereof, or, thereafter, \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged at

the Corporate Trust Office of the Trustee, for a like aggregate principal amount of Bonds of other Authorized Denominations of like maturity.

This Bond is transferable by the Bondholder hereof, in person, or by its attorney duly authorized in writing, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, in an Authorized Denomination or Denominations, for the same aggregate principal amount, and of like maturity, will be issued to the transferee in exchange therefor. The Authority and the Trustee may treat the Bondholder hereof as the absolute Bondholder hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

The Bonds are subject to redemption as set forth in the Indenture.

The Holder of this Bond shall have no right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Loan Agreement, the Act, or any other applicable law with respect to this Bond, except as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future member, director, officer, employee or agent of the Authority, or through the Authority, or any successor to the Authority, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member, director, officer, employee or agent as such is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of any of the Bonds.

The Indenture contains provisions permitting the Authority and the Trustee to enter into a Supplemental Indenture but only with the written consent of the Required Bondholders and the Borrower; provided that no Unanimous Consent Amendment shall take effect without the written consent of the Holders of all of the Bonds then Outstanding. Under certain circumstances described in the Indenture, the Authority and the Trustee may enter into a Supplemental Indenture without consent of Holders, but with the consent of the Borrower.

The Indenture prescribes the manner in which it may be discharged and after which the Bonds shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of payment of the principal of and premium, if any, and interest on the Bonds as the same become due and payable, including a provision that under certain circumstances the Bonds shall be deemed to be paid if certain securities, as defined in the Indenture, maturing as to principal and interest in such amounts and at such times as to insure the availability of sufficient moneys to pay the principal of, premium, if any, and interest on such Bonds and all necessary and proper fees, compensation and expenses of the Trustee shall have been deposited with the Trustee.

No member, officer, official, agent or employee of the Authority, and no officer, official, agent or employee of the State of California or any department, board or agency of the foregoing shall be individually or personally liable for the payment of the principal of or premium

or interest on this Bond or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, California Pollution Control Financing Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chairperson and its seal to be affixed hereto, all as of the above date.

[SEAL]

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By _____
Chairperson

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: _____.

This is one of the Bonds described in the within mentioned Indenture.

BOKF, N.A., as Trustee

By _____

Authorized Signature

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued upon such registration of transfer is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ [name, address and tax i.d. number of transferee] the within mentioned Registered Bond and do(es) hereby irrevocably constitute and appoint _____ attorney, to register the transfer of the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____ , _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Note: Signature(s) must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

EXHIBIT I
CONTINGENCY FUND CAPITAL BUDGET

Description	Amount	Outside Date for Use
Installation of mechanical blenders and secondary sifter	\$3,500,000	December 31, 2021
Construction cost overrun	\$1,000,000	December 31, 2020
Additional SICO support in ramp-up not deferred	\$1,000,000	June 30, 2021
Post start-up capital cost	\$2,000,000	December 31, 2020

APPENDIX C

LOAN AGREEMENT

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LOAN AGREEMENT

Between

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

And

CALPLANT I, LLC

Dated as of June 1, 2017

relating to
\$228,165,000
California Pollution Control Financing Authority
Solid Waste Disposal Revenue Bonds
(CalPlant I Project)
Series 2017 (AMT)

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS.....	2
SECTION 1.1 DEFINITION OF TERMS.....	2
SECTION 1.2 NUMBER AND GENDER.....	2
SECTION 1.3 ARTICLES, SECTIONS, ETC.....	2
ARTICLE 2 REPRESENTATIONS.....	2
SECTION 2.1 FINDINGS OF THE AUTHORITY.....	2
SECTION 2.2 REPRESENTATIONS OF THE AUTHORITY.....	3
SECTION 2.3 REPRESENTATIONS OF THE BORROWER.....	3
ARTICLE 3 CONSTRUCTION OF THE PROJECT; ISSUANCE OF THE 2017 BONDS.....	10
SECTION 3.1 AGREEMENT TO CONSTRUCT THE PROJECT AND THE PLANT.....	10
SECTION 3.2 DEPOSITS WITH THE TRUSTEE; ISSUANCE OF BONDS.....	11
SECTION 3.3 ESTABLISHMENT OF FINAL TAX-EXEMPT PROJECT COMPLETION DATE AND PLANT SUBSTANTIAL COMPLETION DATE; NOTIFICATION OF FINAL TAX- EXEMPT COMPLETION, PLANT SUBSTANTIAL COMPLETION DATE, PLANT ACCEPTANCE AND COMMERCIAL OPERATIONS DATE; OBLIGATION OF BORROWER TO COMPLETE.....	11
SECTION 3.4 INVESTMENT OF MONEYS IN FUND.....	12
SECTION 3.5 ISSUANCE OF ADDITIONAL BONDS.....	12
ARTICLE 4 LOANS OF PROCEEDS; REPAYMENT PROVISIONS.....	13
SECTION 4.1 LOAN OF BOND PROCEEDS; ISSUANCE OF BONDS.....	13
SECTION 4.2 REPAYMENT AND PAYMENT OF OTHER AMOUNTS PAYABLE.....	13
SECTION 4.3 UNCONDITIONAL OBLIGATION.....	15
SECTION 4.4 ASSIGNMENT OF AUTHORITY'S RIGHTS.....	16
SECTION 4.5 AMOUNTS REMAINING IN FUNDS.....	16
ARTICLE 5 SPECIAL COVENANTS AND AGREEMENTS.....	16
SECTION 5.1 RIGHT OF ACCESS TO THE PLANT.....	16
SECTION 5.2 PURPOSE.....	17
SECTION 5.3 MAINTENANCE OF EXISTENCE; QUALIFICATION IN CALIFORNIA.....	17
SECTION 5.4 NO ASSIGNMENT.....	17
SECTION 5.5 RECORDS AND FINANCIAL STATEMENTS OF BORROWER.....	17
SECTION 5.6 SEPARATENESS.....	17
SECTION 5.7 INSURANCE.....	18

TABLE OF CONTENTS

(continued)

	Page
SECTION 5.8 MAINTENANCE AND REPAIR; TAXES; UTILITY AND OTHER CHARGES.....	18
SECTION 5.9 CONSTRUCTION MONITOR; TECHNICAL ADVISOR.....	19
SECTION 5.10 PROJECT MILESTONES	19
SECTION 5.11 DELIVERY OF COLLATERAL INSTRUMENTS; SECURITY INTERESTS	20
SECTION 5.12 GENERAL TAX COVENANTS; REBATE	20
SECTION 5.13 SPECIAL ARBITRAGE CERTIFICATIONS; REBATE	20
SECTION 5.14 ENFORCEMENT OF PROJECT DOCUMENTS; COMPLIANCE WITH PROJECT	20
SECTION 5.15 REPORTING REQUIREMENTS, NOTICES AND CERTIFICATES.....	21
SECTION 5.16 ANNUAL OPERATING BUDGET	29
SECTION 5.17 COMPLIANCE WITH LAWS; ENVIRONMENTAL COMPLIANCE; GOVERNMENTAL APPROVALS.....	30
SECTION 5.18 FINANCING AND CONTINUATION STATEMENTS	31
SECTION 5.19 RIGHTS; APPROVALS.....	31
SECTION 5.20 MODIFICATIONS TO PRO FORMA FINANCIAL INFORMATION.....	31
SECTION 5.21 PERFORMANCE OF OBLIGATIONS	31
SECTION 5.22 CONTRACTS FOR FEEDSTOCK AND RESIN.....	32
SECTION 5.23 SUPPLIES AND SPARE PARTS	33
SECTION 5.24 MITIGATION OF FORCE MAJEURE	33
SECTION 5.25 PERSONNEL	33
SECTION 5.26 REMEDY	33
SECTION 5.27 CHANGE OF PLACE OF BUSINESS	33
SECTION 5.28 ADDITIONAL PROJECT DOCUMENTS	33
SECTION 5.29 PAYMENT OF TAXES	34
SECTION 5.30 LIENS	34
SECTION 5.31 MERGER, DISSOLUTION, SALE OF SUBSTANTIALLY ALL ASSETS	34
SECTION 5.32 SALE OF ASSETS	34
SECTION 5.33 SALE OF PROJECT FINANCED WITH PROCEEDS OF BONDS	35
SECTION 5.34 CHANGE OF BUSINESS, STRUCTURE.....	35
SECTION 5.35 FINANCIAL INDEBTEDNESS	36
SECTION 5.36 DERIVATIVE TRANSACTIONS	36
SECTION 5.37 NEW MATERIAL AGREEMENTS	37
SECTION 5.38 ABANDONMENT OF PLANT	37
SECTION 5.39 MODIFICATION AND TERMINATION OF PROJECT DOCUMENTS.....	37
SECTION 5.40 DISTRIBUTIONS.	39
SECTION 5.41 TAX ELECTIONS.....	39

TABLE OF CONTENTS

(continued)

	Page
SECTION 5.42 TRANSACTIONS WITH PARTICIPATING AFFILIATES	39
SECTION 5.43 PROJECT DISBURSEMENTS	40
SECTION 5.44 MODIFICATIONS TO BOND FINANCING DOCUMENTS	40
SECTION 5.45 NO OTHER ACCOUNTS	40
SECTION 5.46 PURCHASE ORDERS	40
SECTION 5.47 PROCESS IMPROVEMENTS	40
ARTICLE 6 DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF PROCEEDS	40
SECTION 6.1 OBLIGATION TO CONTINUE PAYMENTS	40
SECTION 6.2 APPLICATION OF LOSS PROCEEDS	40
SECTION 6.3 PURSUIT OF CREDIT RATINGS	41
ARTICLE 7 LOAN DEFAULT EVENTS AND REMEDIES	41
SECTION 7.1 LOAN DEFAULT EVENTS	41
SECTION 7.2 REMEDIES ON DEFAULT	44
SECTION 7.3 AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES	45
SECTION 7.4 NO REMEDY EXCLUSIVE	45
SECTION 7.5 NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER	46
ARTICLE 8 PREPAYMENT	46
SECTION 8.1 REDEMPTION OF BONDS WITH PREPAYMENT MONEYS	46
SECTION 8.2 OPTIONS TO PREPAY INSTALLMENTS	46
SECTION 8.3 MANDATORY PREPAYMENT	46
SECTION 8.4 AMOUNT OF PREPAYMENT	46
SECTION 8.5 NOTICE OF PREPAYMENT	47
ARTICLE 9 NON-LIABILITY OF AUTHORITY; EXPENSES; INDEMNIFICATION	47
SECTION 9.1 NON-LIABILITY OF AUTHORITY	47
SECTION 9.2 EXPENSES	47
SECTION 9.3 INDEMNIFICATION	47
ARTICLE 10 MISCELLANEOUS	49
SECTION 10.1 NOTICES	49
SECTION 10.2 SEVERABILITY	50
SECTION 10.3 EXECUTION OF COUNTERPARTS	50
SECTION 10.4 AMENDMENTS, CHANGES, AND MODIFICATIONS	50
SECTION 10.5 OPINIONS OF BOND COUNSEL	50
SECTION 10.6 GOVERNING LAW; VENUE	51
SECTION 10.7 AUTHORIZED REPRESENTATIVE	51
SECTION 10.8 LIABILITY OF AUTHORITY LIMITED TO REVENUES	51
SECTION 10.9 WAIVER OF PERSONAL LIABILITY	51
SECTION 10.10 INDENTURE PROVISIONS	52
SECTION 10.11 NO PREVAILING PARTY	52

TABLE OF CONTENTS
(continued)

	Page
SECTION 10.12 TERM OF THE LOAN AGREEMENT	52
SECTION 10.13 BINDING EFFECT	52
SECTION 10.14 SURVIVAL OF FEE OBLIGATION.....	52
SECTION 10.15 COMPLETE AGREEMENT	52
SECTION 10.16 REQUIRED BONDHOLDERS	52
EXHIBIT A DESCRIPTION OF THE PROJECT	A-1
EXHIBIT B FINAL TAX-EXEMPT PROJECT COMPLETION CERTIFICATE	B-1
EXHIBIT C FORM OF ANNUAL BORROWER CERTIFICATE	C-1
EXHIBIT D INSURANCE REQUIREMENTS	D-1
EXHIBIT E BORROWER PROCEDURES AND RECORDS; SEPARATE IDENTITY	E-1
EXHIBIT F PERMITTING SCHEDULE	F-1
EXHIBIT G GREEN BONDS ANNUAL REPORT	G-1
EXHIBIT H CONDITIONS TO ISSUANCE AND SALE.....	H-1
EXHIBIT I STRUCTURE CHART.....	I-1
EXHIBIT J TRANSACTION EXPENSES	J-1
EXHIBIT K PLANT SUBSTANTIAL COMPLETION CERTIFICATE	K-1
EXHIBIT L RECORDINGS AND FILINGS	L-1
EXHIBIT M CONSTRUCTION BUDGET	M-1

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of June 1, 2017 (this “Loan Agreement”), between CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the “Authority”), and CALPLANT I, LLC, a California limited liability company (the “Borrower”).

WITNESSETH:

WHEREAS, the Authority is a public instrumentality and political subdivision of the State of California, created by the California Pollution Control Financing Authority Act (constituting Division 27 of the Health and Safety Code of the State of California as now in effect and as it may from time to time hereafter be amended or supplemented) (the “Act”) and authorized to finance certain capital projects consisting of solid waste pollution control facilities; and

WHEREAS, the Authority is further authorized to issue its bonds for the purpose of paying all or any part of the costs of a project, and for any other authorized purpose; to acquire and hold property, including funds, project agreements and other obligations of any kind, and pledge, encumber or assign the same, or the revenues therefrom or any portion of such revenues, or other rights, whether then owned or possessed, or thereafter acquired, for the benefit of the owners, and as security or additional security for any bonds or the performance of obligations under an indenture; to provide for the advance of bond proceeds and other funds pursuant to project agreements as necessary to pay or reimburse for project costs; and to enter into loan agreements; and

WHEREAS, the Borrower has duly caused an application to be filed with the Authority by its affiliate, CalAg LLC, for financial assistance to acquire, construct, rehabilitate, improve, install and equip certain solid waste disposal facilities for the recycling of waste rice straw located in Glenn County, California, as more particularly described in Exhibit A hereto (the “Tax-Exempt Project”), which activities qualify as a “project” under the Act; and

WHEREAS, the Authority has adopted its resolutions authorizing the making of a loan to the Borrower for the acquisition, construction, rehabilitation, installation and equipping of the Tax-Exempt Project at such location during the term of the 2017 Bonds (described below); and

WHEREAS, the Authority proposes to issue its California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT) (the “2017 Bonds” and, together with any Additional Bonds (as defined in the Indenture), the “Bonds”), in the aggregate principal amount of \$228,165,000 to finance, or reimburse the financing of, a portion of the cost of acquiring, constructing, installing and equipping the Tax-Exempt Project, to fund a reserve fund for the 2017 Bonds, to fund capitalized interest on the 2017 Bonds and to pay certain costs related to the authorization, issuance, sale and delivery of the 2017 Bonds, and to make a loan to the Borrower in the amount of \$228,165,000 in connection therewith upon the terms and conditions set forth herein; and

WHEREAS, the Authority will enter into an Indenture, dated as of June 1, 2017 (the “Indenture”), with UMB Bank, N.A., as trustee (the “Trustee”), pursuant to which the Bonds will be issued; and

WHEREAS, the Borrower, the Trustee and UMB Bank, N.A., as collateral agent (the “Collateral Agent”), will enter into a Collateral Agency Agreement, dated the Delivery Date (the “Collateral Agency Agreement”), securing payments to be made by the Borrower hereunder;

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE 1 DEFINITIONS

SECTION 1.1 DEFINITION OF TERMS. Unless the context otherwise requires, capitalized terms used in this Loan Agreement shall have the meanings specified in Section 1.01 of the Indenture, as originally executed or as it may from time to time be supplemented or amended as provided therein.

SECTION 1.2 NUMBER AND GENDER. The singular form of any word used herein, including the terms defined in Section 1.01 of the Indenture, shall include the plural, and vice versa. The use herein of a word of any gender shall include all genders.

SECTION 1.3 ARTICLES, SECTIONS, ETC. Unless otherwise specified, references to Articles, Sections and other subdivisions of this Loan Agreement are to the designated Articles, Sections and other subdivisions of this Loan Agreement as amended from time to time. The words “hereof,” “herein,” “hereby,” “hereunder” and words of similar import refer to this Loan Agreement as a whole. The headings or titles of the several articles and sections, and the table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

ARTICLE 2 REPRESENTATIONS

SECTION 2.1 FINDINGS OF THE AUTHORITY. The Authority makes the following findings:

(a) On April 26, 2000, the Authority gave its preliminary approval for the financing of the Tax-Exempt Project, and the Authority extended and amended said preliminary approval from time to time, including most recently on December 17, 2013. On May 16, 2017, the Authority adopted its resolution approving financing of the Tax-Exempt Project. On October 20, 2016, a public hearing with respect to the 2017 Bonds and the Tax-Exempt Project was held in accordance with the provisions of the Code.

(b) (i) The Borrower together with its Participating Affiliates is a “participating party” as such term is defined in the Act; (ii) the Tax-Exempt Project is a “project” as such term is defined in the Act; (iii) the loan to be made hereunder with the

proceeds of the 2017 Bonds will promote the purposes of the Act by providing funds to finance the acquisition, construction, rehabilitation, improvement, installation and equipping of the Tax-Exempt Project; (iv) said loan is in the public interest, serves the public purposes and meets the requirements of the Act; and (v) the portion of such loan allocable to the Costs of the Tax-Exempt Project does not exceed the total cost thereof as determined by the Borrower and approved by the Authority.

(c) No member of the Authority, or any officer or employee of the Authority who participated in the making of this Loan Agreement, is financially interested (within the meaning of Government Code Section 1090) in the Borrower or in this Loan Agreement or the Indenture.

SECTION 2.2 REPRESENTATIONS OF THE AUTHORITY. The Authority makes the following representations as the basis for its undertakings herein contained:

(a) The Authority is a public instrumentality and political subdivision of the State of California. Under the provisions of the Act, the Authority has the power to enter into the transactions contemplated by this Loan Agreement and the Indenture, and to carry out its obligations hereunder. By proper action, the Authority has been duly authorized to issue and sell the 2017 Bonds and to execute, deliver and duly perform its obligations under this Loan Agreement, the 2017 Bonds and the Indenture.

(b) The Authority will issue the 2017 Bonds under and the 2017 Bonds will be secured by the Indenture, pursuant to which the Authority's interest in this Loan Agreement (except Reserved Rights) will be pledged to the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds as provided in the Indenture.

(c) The Authority has not pledged and will not pledge its interest in this Loan Agreement for any purpose other than as provided in the Indenture.

(d) The execution and delivery of this Loan Agreement, the Indenture and the Tax Certificate by the Authority do not, and consummation of the transactions contemplated hereby and thereby and fulfillment of the terms hereof or thereof by the Authority will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the Authority is now a party or by which it is now bound.

(e) The Authority is not in default under any of the provisions of the laws of the State which default would affect its existence or its powers referred to in subsection (a) of this Section 2.2 or its authority to perform its obligations under the Indenture or this Loan Agreement.

SECTION 2.3 REPRESENTATIONS OF THE BORROWER. The Borrower makes the following representations as the basis for its undertakings herein contained:

(a) The Borrower is a limited liability company duly organized and validly existing under the laws of the State, is in good standing in the State, is duly qualified to

transact business in the State and is not in violation of any provision of its articles of organization or operating agreement.

(b) The structure chart attached hereto as Exhibit I is true, complete and accurate in all material respects and shows the following information:

- (x) for each Person shown (including each member of the Group), including current name and company registration number, its jurisdiction of organization and/or its jurisdiction of establishment, a list of equity holders (but, in the case of the Borrower, not above the level of the holders of equity interests in Holdco, and, in the case of the Licensor, not above the level of the members of the sole member of the Licensor) and indicating whether a company is a dormant subsidiary or is not a company with limited liability; and
- (y) for each Person shown, all minority interests in such Person (but, in the case of the Borrower, not above the level of the holders of equity interests in Holdco, and, in the case of the Licensor, not above the level of the members of the sole member of the Licensor) and any Person in which such Person (but, in the case of the Borrower, not above the level of the holders of equity interests in Holdco, and in the case of the Licensor, not above the level of the members of the sole member of the Licensor) holds shares in its issued share capital or equivalent ownership interest of such Person.
- (z) Holdco owns 100% of the equity interests in Borrower free and clear from all Liens.

(c) All necessary transfers, share exchanges and other steps resulting in the final structure are set out in Exhibit I have been or will be taken in compliance with all relevant laws and regulations and all requirements of relevant regulatory authorities.

(d) The Borrower has full power and authority to (i) conduct its business as now conducted and as proposed to be conducted, (ii) construct and operate the Plant as contemplated by the Transaction Documents and as described in the Offering Memorandum; and (iii) execute, deliver and perform its obligations under this Loan Agreement, the Collateral Agency Agreement, the other Transaction Documents and all other documents contemplated hereby to which the Borrower is a party.

(e) All necessary action on the part of the Borrower required to authorize the execution delivery and performance of this Loan Agreement, the Collateral Agency Agreement, the Transaction Documents and all other documents contemplated hereby to which the Borrower is a party has been duly and effectively taken.

(f) Each of this Loan Agreement, the Collateral Agency Agreement, the Transaction Documents and all other documents contemplated hereby to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower

and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with the terms thereof, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(g) Neither the execution and delivery of this Loan Agreement, the Collateral Agency Agreement, or any other Transaction Documents, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions hereof and thereof, conflicts with or results in a breach of any of the terms, conditions or provisions of the Borrower's organizational documents or of any material actions or of any material agreement or instrument to which the Borrower is now a party or by which it is bound, or constitutes a default (with due notice or the passage of time or both) under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of the Borrower under the terms of any material instrument or agreement to which the Borrower is now a party or by which it is bound.

(h) The Costs of the Tax-Exempt Project are as set forth in the Construction Budget in effect on the Delivery Date (and attached hereto as Exhibit M) and the Financial Model, and have been determined in accordance with standard engineering/construction and accounting principles or have otherwise been determined in good faith by the Borrower. All the representations of the Borrower in the Bond Financing Documents are true and correct as of the date thereof.

(i) The Tax-Exempt Project consists of various equipment and facilities described in Exhibit A and the Borrower will not make any changes to the Tax-Exempt Project or to the operation thereof which would affect the qualification of the Tax-Exempt Project under the Act or impair the exemption from federal income taxation of the interest on the Tax-Exempt Bonds. In particular, the Borrower will comply with all requirements set forth in the Tax Certificate. The Borrower intends that it will own and operate the Tax-Exempt Project as solid waste disposal facilities pursuant to the Act until the earlier of the end of the useful life of the Tax-Exempt Project or the time the principal of, the premium, if any, and the interest on the Tax-Exempt Bonds will have been paid in full.

(j) The Borrower has and will have valid fee title to the Site and all property it purports to own (including the Site) free and clear of Liens, other than Permitted Liens, and the Borrower's interest in the Site (together with any Liens thereon, including Permitted Liens) shall be sufficient interest in real estate to construct and operate the Plant.

(k) All material Governmental Approvals required to construct, own and operate the Plant are set forth on the Permitting Schedule attached hereto as Exhibit F. Except as set forth in the Permitting Schedule, the Governmental Approvals set forth in Part I of the Permitting Schedule are final and in full force and effect, and if applicable laws or regulations specify a period for bringing administrative appeals, all such appeals

periods have expired, and the Governmental Approvals set forth in Part II of the Permitting Schedule are not required given the stage of development of the Plant. The Borrower reasonably expects that all Governmental Approvals required to construct, own and operate the Plant will be obtained when required in due course on commercially reasonable terms.

(l) Except as described in the Permitting Schedule attached hereto as Exhibit F, no Governmental Approval is required to be obtained by the Borrower in connection with (i) the execution and delivery of, and performance by the Borrower of its respective obligations, and the exercise of its rights, under this Loan Agreement, the Collateral Agency Agreement, any other Transaction Documents and all other documents contemplated hereby to which the Borrower is a party, or (ii) the validity and enforceability of this Loan Agreement, the Collateral Agency Agreement or any other Transaction Documents and all other documents contemplated hereby to which the Borrower is a party.

(m) The Borrower and the Plant are in material compliance with all Laws (including any Environmental Requirements) applicable to the Borrower or the Plant, and with the terms of all other Governmental Approvals obtained by it.

(n) (i) The Borrower and the Plant are, and have been in material compliance with Environmental Requirements; (ii) there are no past, pending or, to the Borrower's knowledge, threatened Environmental Claims against the Borrower or the Plant that individually or in the aggregate would be expected to have a Material Adverse Effect, and (iii) except as would not be reasonably expected to have a Material Adverse Effect, neither the Borrower nor, to the Borrower's knowledge, any other Person, has used, released or discharged, generated or stored any Hazardous Material at the Site, and to the Borrower's knowledge, there are no Hazardous Materials used or present at the Site except, in either case, in material compliance with applicable Environmental Requirements.

(o) No Incipient Default or Event of Default has occurred and is continuing.

(p) To the best knowledge of the Borrower, no employee, member, officer, or other official of the Authority has any financial, ownership or managerial interest in the Borrower, any Material Company, any Participating Affiliate of the Borrower, or in any Project Documents or any other transactions contemplated by this Loan Agreement.

(q) The Borrower and all Participating Affiliates anticipated by the Borrower to be an owner or operator of the Tax-Exempt Project or a portion thereof are engaged in operations within the State that require financing pursuant to this Loan Agreement to aid and assist in the control, remediation or elimination of pollution of the environment of the State.

(r) There is no action, suit, proceeding, inquiry or investigation, before or by any court or other governmental authority, pending, or to the Borrower's knowledge, after reasonable investigation, threatened, against or affecting the Borrower or any

member of the Group or the Plant or any material part thereof, which, if determined adversely to the Borrower or any member of the Group or their interests, would reasonably be expected to have a Material Adverse Effect, and the Borrower, to the best of its knowledge after reasonable inquiry, is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any governmental authority, which default would reasonably be expected to have a Material Adverse Effect.

(s) The Borrower has not engaged in any business other than the ownership, construction, operation of and financing for the Plant and the activities related or incident thereto, and the Borrower has no obligations or liabilities other than those directly related to the conduct of such ownership, construction, operation and financing.

(t) All insurance required to be maintained (i) by the Borrower under this Loan Agreement and the other Transaction Documents to which the Borrower is a party; and, to the best knowledge of the Borrower, (ii) by the Contractor under the Construction Agreement and SICO under the Equipment Supply Agreement, has been obtained and is in full force and effect, other than insurance not reasonably required at such stage of the construction of the Plant. All premiums due with respect thereto have been paid.

(u) The Pro Forma Financial Information attached to the Offering Memorandum as Appendix K discloses all material assumptions and was prepared in good faith and represents, in the opinion of the Borrower, reasonable projections on the Delivery Date of the future performance of the Borrower (it being understood that projections contain significant uncertainty and actual results may differ significantly from projections).

(v) The Borrower has timely filed or caused to be filed (or applied for an extension relating to the same) all income tax returns and all other tax returns which are required to be filed by it and has paid or caused to be paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower, except such taxes, if any as are being contested in good faith.

(w) Neither the Borrower nor any ERISA Affiliate has any material liability under ERISA or under the Code with respect to any Pension Plan or Multiemployer Plan;

(x) None of the execution, delivery or performance by the Borrower of each of this Loan Agreement, the Collateral Agency Agreement, the other Transaction Documents or any other document contemplated hereby to which the Borrower is a party violates or constitutes a default or requires consent by any other Persons under any material Law applicable to the Borrower or the Plant or any of the material contractual obligation to which the Borrower is party; none of the execution, delivery or performance of this Loan Agreement, the Collateral Agency Agreement, the other Transaction Documents or any other document contemplated hereby to which the Borrower is a party results in, or requires, the creation or imposition of any Lien on any of the Collateral or any other properties or revenues of the Borrower except for Permitted Liens.

(y) Upon the execution and delivery thereof, the Collateral Instruments will be effective to create the lien on and security interests in and to the Borrower's rights in the Collateral that the Collateral Instruments purport to create, and on or prior to the Delivery Date, all documents which are necessary to be recorded and filed for the perfection of the liens purported to be created under the Collateral Instruments will have been executed and delivered to the Collateral Agent, or its designee in proper form for filing, registration or recordation so that, when filed, registered or recorded by the Collateral Agent or its designee, the liens and security interests created by Collateral Instruments will constitute perfected liens on and security interests in all right, title, estate and interest of the Borrower in and to the Collateral described therein (other than any item of Collateral as to which a lien or security interest cannot be perfected by filing or recording), prior and superior to all other Liens, subject only to Permitted Liens. The recordings and filings shown on Exhibit L attached hereto are all the recordings and filings necessary as of the Delivery Date, in order to establish, protect and perfect in favor of the Collateral Agent, the liens on a security interest in the right, title, estate and interest of the Borrower in and to the Collateral described in Collateral Instruments (other than any item of Collateral as to which a security interest cannot be perfected by filing or recording).

(z) The Borrower has not entered into any agreement, or taken any action, that would limit, amend or modify the terms of any provision of this Loan Agreement, the Collateral Agency Agreement, the other Transaction Documents or any other document contemplated hereby to which the Borrower is a party by actions, by conduct of the parties or otherwise.

(aa) As of the Delivery Date,

(i) None of this Loan Agreement, the Collateral Agency Agreement, the other Transaction Documents nor any document, certificate or written statement furnished to the Trustee or the Authority by the Borrower, or information, statements, representations, covenants or warranties provided or agreed to by the Borrower in this Loan Agreement, the Collateral Agency Agreement, any other Transaction Document or any other document contemplated hereby to which the Borrower is a party, contains, to the best of its knowledge, an untrue statement of a material fact; and

(ii) The Offering Memorandum does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

provided, however, that with respect to the representations made in this subsection (aa), (x) any projections or forward-looking statements made by the Borrower herein and therein (1) are based on assumptions believed to be reasonable by the Borrower as to all relevant legal and factual matters, (2) any such assumptions that are material are appropriately disclosed in the Offering Memorandum, (3) are consistent in all material respects with the provisions of this Loan Agreement, the Collateral Agency Agreement,

the other Transaction Documents and any other document contemplated hereby to which the Borrower is a party, (4) have been prepared in good faith and with due care and (5) fairly represent the reasonable expectations of the Borrower as to the matters covered thereby as of their date and, (y) the Third Party Reports are (1) based on information and assumptions that were provided by and/or reviewed with and agreed to by the Borrower, (2) reflect the Borrower's expected courses of action and the expected financial and operating results of the Borrower and the Plant, and (3) present conclusions and analysis that the Borrower believes are reasonable.

(bb) As of the Delivery Date,

(i) Each of the Transaction Documents (which for these purposes shall only include such contracts as are included in such definition as of the Delivery Date) have been duly authorized, executed and delivered by the Borrower and, to the best knowledge of the Borrower, by all other parties thereto, and constitute legal, valid and binding obligations of each of the Borrower and (to the best knowledge of the Borrower) the other parties thereto, enforceable against the Borrower and (to the best knowledge of the Borrower) each such other party in accordance with the terms thereof, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law);

(ii) No Transaction Document executed and delivered on or prior to the Delivery Date has been modified, amended or terminated. As of the Delivery Date, no change orders have been issued, and no other change orders are pending, under the Construction Agreement or the Equipment Supply Agreement. Neither the Contractor nor SICO have made any claims or requests for change orders under the Construction Agreement or the Equipment Supply Agreement, respectively, and to the best knowledge of Borrower, no grounds exist on which a claim by the Contractor or SICO could be based or that would entitle either the Contractor or SICO to a change order under the Construction Agreement or the Equipment Supply Agreement, respectively.

(iii) As of the Delivery Date, each of the Transaction Documents executed and delivered on or prior to the Delivery Date is in full force and effect (except, in the case of any Project Document other than a Material Contract, where the failure of such Project Document to be in full force and effect would not be reasonably likely to result in a Material Adverse Effect) and (a) the Borrower is not in default under any Transaction Document and (b) to the best knowledge of Borrower, no defaults by any other party thereto have occurred and are continuing thereunder and no event or circumstance exists that, with the giving of notice or the passage of time, would constitute a default under any Transaction Document.

(cc) As of the Delivery Date, the Borrower is not a party to any material agreements with total payments as of the Delivery Date by or to the Borrower in excess of \$1,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation), other than for Transaction Expenses paid (or for which provision for payment has been made) on the Delivery Date, other than this Loan Agreement, the Collateral Agency Agreement, the other Bond Financing Documents, and the Transaction Documents.

(dd) The Borrower owns or holds a valid and enforceable license or right to use the Technology and Intellectual Property Rights necessary to construct, operate, use, maintain, convey and dispose of the Plant in a commercially reasonable manner and as contemplated in connection with the Plant and to comply with its obligations under Section 3.1 hereof.

(ee) Exhibit J sets forth a complete and accurate list of all Transaction Expenses, to the extent known as of the Delivery Date. The Transaction Expenses incurred and to be incurred will not exceed \$17,900,000.

(ff) The Borrower reasonably expects that, subject to Force Majeure Events, Tax-Exempt Project Completion Date and Plant Substantial Completion Date will occur no later than twenty-one (21) months following the Delivery Date, Plant Acceptance will occur no later than twenty-four (24) months following the Delivery Date, and the Commercial Operations Date will occur no later than twenty-four (24) months following Plant Acceptance.

ARTICLE 3

CONSTRUCTION OF THE PROJECT; ISSUANCE OF THE 2017 BONDS

SECTION 3.1 AGREEMENT TO CONSTRUCT THE PROJECT AND THE PLANT.

(a) The Borrower agrees that it will acquire, equip, construct, rehabilitate, install, commission and test or complete the acquisition, construction, equipping, rehabilitation, installation, commissioning and testing of, the Plant, and will acquire, equip, construct, rehabilitate and install all other facilities and real and personal property deemed necessary for the operation of the Plant, substantially in accordance with the Construction Budget and the Plans and Specifications. The Borrower agrees that it will ensure that such acquisition, equipping, construction, rehabilitation, installation, commissioning and testing of the Plant is accomplished (i) with due care and diligence, (ii) in accordance with Prudent Operating Practice, (iii) in all material respects in accordance with the Plans and Specifications, (iv) in all material respects in accordance with applicable Law and (v) in all respects in accordance with any requirements of, and so as not to vitiate in any way, the insurance required pursuant to Section 5.7 hereof. The Borrower further agrees to proceed with due diligence to complete the Tax-Exempt Project. Except as otherwise permitted pursuant to this Section 3.1 or Sections 5.35, 5.36 and 5.37 hereof, the Borrower also agrees that it will own and operate the Plant during the term of this Loan Agreement or, if shorter, the useful life of any component of the Plant.

(b) The Plans and Specifications and Construction Budget may be modified only in accordance with Section 5.39 of this Loan Agreement.

(c) After Plant Acceptance, the Borrower will demonstrate to the Trustee and the Technical Advisor, with copies of such materials to the Authority, by means of the Post Acceptance Run during which test run the Plant will achieve the production volume equivalency of 112,158 thousand square feet, $\frac{3}{4}$ " basis ("Msf $\frac{3}{4}$ ") annually (the "Design Capacity") for one continuous 60-day period ending no later than the end of the twenty-fourth month immediately following Plant Acceptance, subject to Force Majeure Events. To avoid counterproductive activities while at the same time meeting the Borrower's customer requirements, the volume produced for the Post Acceptance Run will include all MDF thicknesses and qualities per the purchase order specifications during the 60-day period. No special runs or scheduling will be required to establish the beginning date of the Post Acceptance Run, and to avoid any confusion or doubt, the Post Acceptance Run will be deemed fully satisfied and complete through the computation of daily production records for any continuous 60-day period. The exact 60-day volume (18,437 Msf $\frac{3}{4}$ ") is determined by dividing 112,158 Msf $\frac{3}{4}$ " by 365 (days per year) multiplied by 60 (days). Upon verification by the Technical Advisor that the Post Acceptance Run has been achieved, the Borrower and the Technical Advisor will deliver a certificate (the "PAR Certificate") to the Trustee and the Post Acceptance Run will be deemed accepted and fully satisfied.

SECTION 3.2 DEPOSITS WITH THE TRUSTEE; ISSUANCE OF BONDS. To provide funds for the purposes of financing a portion of the Costs of the Tax-Exempt Project, Costs of Issuance, capitalized interest on the 2017 Bonds and reserve funds for the 2017 Bonds, the Issuer will issue, sell and deliver the 2017 Bonds to the Underwriters as set forth in the Bond Purchase Agreement. The 2017 Bonds will be issued pursuant to the Indenture with the terms set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the 2017 Bonds and the terms and conditions under which the 2017 Bonds will be issued, sold and delivered. The proceeds from the sale of the 2017 Bonds will be paid over to the Trustee for the benefit of the Borrower and deposited as provided in Section 3.02 of the Indenture.

SECTION 3.3 ESTABLISHMENT OF FINAL TAX-EXEMPT PROJECT COMPLETION DATE AND PLANT SUBSTANTIAL COMPLETION DATE; NOTIFICATION OF FINAL TAX-EXEMPT COMPLETION, PLANT SUBSTANTIAL COMPLETION DATE, PLANT ACCEPTANCE AND COMMERCIAL OPERATIONS DATE; OBLIGATION OF BORROWER TO COMPLETE.

(a) As soon as the Tax-Exempt Project is completed, an Authorized Representative of the Borrower, on behalf of the Borrower, will evidence the Final Tax-Exempt Project Completion Date by providing to the Trustee, the Collateral Agent and the Authority a Final Tax-Exempt Project Completion Certificate, substantially in the form attached hereto as Exhibit B, which shall be approved by the Construction Monitor (after consultation with the Technical Advisor as required by the Construction Monitor).

(b) As soon as the Plant is substantially completed, an Authorized Representative of the Borrower, on behalf of the Borrower, will evidence the Plant

Substantial Completion Date by providing to the Trustee, the Collateral Agent and the Authority a Plant Substantial Completion Certificate in the form attached hereto as Exhibit K, which shall be approved by the Construction Monitor.

(c) An Authorized Representative of the Borrower, on behalf of the Borrower, shall provide notice to the Authority, the Collateral Agent and the Trustee of the achievement of Plant Acceptance and the Commercial Operations Date by providing a certification of such achievement approved by the Construction Monitor (after consultation with the Technical Advisor as required by the Construction Monitor).

(d) If the moneys in the Project Fund available for payment of the Costs of the Tax-Exempt Project should be insufficient, together with other moneys available under the Collateral Agency Agreement for costs of Plant Construction and with the Committed Equity, to pay the costs of the Tax-Exempt Project in full, the Borrower agrees to pay directly, or to deposit with the Collateral Agent moneys sufficient to pay, any costs of completing Plant Construction in accordance with the Plans and Specifications in excess of the moneys available for such purpose. The Authority makes no express or implied warranty that the moneys deposited in the Project Fund or other funds available pursuant to the Collateral Agency Agreement or Committed Equity will be sufficient to pay all the amounts which may be incurred for Costs of the Tax-Exempt Project or such costs of Plant Construction.

SECTION 3.4 INVESTMENT OF MONEYS IN FUND. Any moneys in any fund or account held by the Trustee shall, at the written request of an Authorized Representative of the Borrower, be invested or reinvested by the Trustee as directed in writing by the Borrower and as provided in the Indenture. Such investments shall be held by the Trustee and shall be deemed at all times a part of the fund or account from which such investments were made, and the interest accruing thereon, and any profit or loss realized therefrom, shall be credited or charged to such fund or account.

SECTION 3.5 ISSUANCE OF ADDITIONAL BONDS. If the Borrower is not in default hereunder, the Authority may by the adoption of an appropriate resolution or resolutions, at the request of the Borrower, authorize the issuance of Additional Bonds upon the terms and conditions provided herein and in Sections 2.10 and 2.11 of the Indenture, but in no event shall the Authority be liable for not issuing such Additional Bonds. Additional Bonds may only be issued if one of the following requirements is satisfied: (x) after giving effect to such issuance, no Bonds that were Outstanding prior to such issuance remain Outstanding after such issuance, (y) if the proceeds of Additional Bonds are used to refinance a portion of the Bonds Outstanding, Debt Service on the Bonds in each year before giving effect to the refinancing is greater than or equal to Debt Service on the Bonds in each year after giving effect to the refinancing, or (z) Required Bondholders have provided their written consent to the issuance of such Additional Bonds. Prior to the issuance of such Additional Bonds, the terms thereof, the purchase price to be paid therefor and the manner in which the proceeds therefrom are to be disbursed shall have been approved in writing by the Borrower; the Authority shall have entered into an amendment to this Loan Agreement to provide for a modification of the amount payable under Section 4.2 hereof as shall be necessary to pay the principal of, premium, if any, and interest on the Additional Bonds as provided in the supplemental indenture required by Sections 2.10 and 2.11

of the Indenture, and to extend the term of this Loan Agreement if the maturity of any of the Additional Bonds would otherwise occur after the expiration of the term of this Loan Agreement; and the Authority shall have otherwise complied with the provisions of Sections 2.10 and 2.11 of the Indenture with respect to the issuance of such Additional Bonds.

ARTICLE 4

LOANS OF PROCEEDS; REPAYMENT PROVISIONS

SECTION 4.1 LOAN OF BOND PROCEEDS; ISSUANCE OF BONDS. The Authority covenants and agrees, upon the terms and conditions in this Loan Agreement, to make a loan to the Borrower for the purpose of financing the Costs of the Tax-Exempt Project and the Costs of Issuance, paying capitalized interest on the 2017 Bonds and funding a reserve fund for the 2017 Bonds. The Authority further covenants and agrees that it will take all actions within its authority to keep this Loan Agreement in effect in accordance with its terms. Pursuant to said covenants and agreements, the Authority will issue the 2017 Bonds upon the terms and conditions contained in this Loan Agreement and the Indenture, and will cause the proceeds of the 2017 Bonds to be applied as provided in Article III of the Indenture. The 2017 Bonds will not be issued and the proceeds of the 2017 Bonds will not be lent to the Borrower until the conditions set forth in Exhibit H hereto have been met.

SECTION 4.2 REPAYMENT AND PAYMENT OF OTHER AMOUNTS PAYABLE.

(a) Until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for such payment shall have been made as provided in the Indenture, the Borrower covenants and agrees to pay or cause to be paid to the Trustee as a repayment on the loan made to the Borrower from Bond proceeds pursuant to Section 4.1 hereof, the following amounts:

(i) On or before three (3) Business Days prior to each Bond Payment Date, an amount equal to the sum of the following: (x) the aggregate amount of interest coming due on the Bonds on such Bond Payment Date (net of amounts in the Capitalized Interest Account or already held in the Interest Account to be applied to such interest), (y) the aggregate amount of scheduled principal becoming due (whether at maturity or as a Mandatory Sinking Fund Payment) on all Bonds on such Bond Payment Date or Mandatory Sinking Fund Payment Date, if any and as applicable in such Bond Year and (z) any additional amounts necessary to ensure that there are sufficient funds in the Interest Account to pay interest coming due on the Bonds on such Bond Payment Date and sufficient funds in the Principal Account to pay principal of (whether at maturity or upon redemption or acceleration), and premium, if any, coming due on such Bond Payment Date as provided in the Indenture.

(ii) On or before one (1) Business Day before each Bond Payment Date, any amount needed to restore the Reserve Fund to the applicable Reserve Fund Requirement.

Such Loan Repayments shall be made in federal funds or other funds immediately available at the Corporate Trust Office of the Trustee.

If at any time the amounts held by the Trustee in the Principal Account, the Interest Account and the Reserve Fund are sufficient to pay all of the principal of and interest and premium, if any, on, all Outstanding Bonds as such payments become due, the Borrower shall be relieved of any obligation to make any further payments under the provisions of this Section. Notwithstanding the foregoing, if on any date the amount held by the Trustee in such funds and accounts is insufficient to make any required payments of principal of (whether at maturity or upon redemption (including without limitation sinking fund redemption) or acceleration) and interest and premium, if any, on, the Bonds as such payments become due, the Borrower will forthwith pay such deficiency as a Loan Repayment hereunder.

(b) The Borrower also agrees to pay (i) the annual fee of the Trustee for its ordinary services rendered as Trustee, and its ordinary expenses incurred under the Indenture, as and when the same become due, (ii) the reasonable fees, charges and expenses (including reasonable legal fees and expenses) of the Trustee, as bond registrar and paying agent, the reasonable fees of any other paying agent on the Bonds as provided in the Indenture, and the reasonable fees, charges and expenses of the Construction Monitor and the Technical Advisor, as and when the same become due, (iii) the reasonable fees, charges and expenses of the Trustee for the necessary extraordinary services rendered by it and extraordinary expenses (including, but not limited to reasonable attorneys' fees and expenses) incurred by it under the Indenture, as and when the same become due, (iv) the annual fee of the Collateral Agent for its ordinary services rendered as the Collateral Agent, and its ordinary expenses incurred under the Collateral Agency Agreement, as and when the same becomes due, (v) the cost of printing any Bonds required to be furnished by the Authority at the expense of the Authority, (vi) reasonable administrative fees of the Authority, and (vii) any amounts required to be deposited in the Rebate Fund to comply with the provisions of Section 5.13 hereof and Section 6.06 of the Indenture and the payment of any rebate analyst. The Trustee's compensation shall not be limited by any provision of law regarding the compensation of a Trustee of an express trust. The provisions of this subsection shall survive any resignation or removal of the Trustee, the retirement of the Bonds and the termination of this Loan Agreement.

(c) The Borrower also agrees to pay, (i) as soon as practicable after receipt of request for payment thereof, all expenses required to be paid by the Borrower under the terms of the Bond Purchase Agreement; and (ii) all reasonable expenses of the Authority related to the Tax-Exempt Project which are not otherwise required to be paid by the Borrower under the terms of this Loan Agreement including, but not limited to, all Costs of Issuance, provided that the Authority shall have obtained the prior written approval of an Authorized Representative of the Borrower for any expenditures other than those provided for herein or in the Bond Purchase Agreement.

(d) The Borrower also agrees to pay fees and expenses of independent certified public accountants necessary for the preparation of annual or other audits,

reports or summaries thereof required by the Indenture or by the Authority, including a report of an independent certified public accountant with respect to any fund established under the Indenture; and reasonable expenses of the Authority pursuant to Sections 44525 and 44548 of the California Health and Safety Code, and any agency of the State or any other counsel selected by the Authority to act on its behalf in connection with the Bonds.

(e) In the event the Borrower should fail to make any of the payments required by Subsections (a) through (d) of this Section, such payments shall continue as obligations of the Borrower until such amounts will have been fully paid. The Borrower agrees to pay such amounts, when due (after giving effect to any applicable grace period expressly provided for), together with interest thereon, until such amount and all interest thereon have been paid in full. Interest thereon shall be at the average per annum rate of interest borne by the Bonds, or, if such rate is greater than the rate then permitted by law, at the maximum rate so permitted. Interest on overdue payments required under subsection (a) above shall be applied as provided in Section 5.02 of the Indenture.

(f) The Borrower has delivered or caused to be delivered to the Collateral Agent the Collateral Instruments creating Liens in favor of the Collateral Agent on all of the Collateral to secure the payment and performance of the Secured Debt now or hereafter existing under or in respect of the Bond Financing Documents, including this Loan Agreement and the Indenture, for the benefit of the Trustee and the Bondholders, in the manner and to the extent set forth in the Collateral Instruments.

(g) All payment obligations of the Borrower set forth in this Section 4.2, including Loan Repayments under Section 4.2(a), shall be deemed to be discharged by the transfer by the Trustee, from the Revenue Fund, of moneys into an appropriate Fund or Account pursuant to Section 5.01 of the Indenture.

SECTION 4.3 UNCONDITIONAL OBLIGATION. The obligations of the Borrower to make the payments required by Section 4.2 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim it might otherwise have against the Authority, and during the term of this Loan Agreement, the Borrower shall pay all payments required to be made on account of the loan (which payments will be net of any other obligations of the Borrower) as prescribed in Section 4.2 and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off. Until such time as the principal of, premium, if any, sinking fund installments, if any, and interest on, the Bonds shall have been fully paid, or provision for the payment thereof shall have been made as required by the Indenture, the Borrower (i) will not suspend or discontinue any payments provided for in Section 4.2 hereof; (ii) will perform and observe all of its other covenants contained in this Loan Agreement; and (iii) except as provided in Article VIII hereof, will not terminate this Loan Agreement for any cause, including, without limitation, the occurrence of any act or circumstances that may constitute failure of consideration, destruction of or damage to all or a portion of those facilities or equipment comprising the Plant, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either of these, or any failure of the Authority or the Trustee to perform and observe any covenant, whether express or implied, or any duty, liability or

obligation arising out of or connected with this Loan Agreement, the Indenture or the Collateral Agency Agreement, except to the extent permitted by this Loan Agreement; *provided* that if the Trustee and the Collateral Agent are the same legal entity acting in different capacities, the failure on the part of the Collateral Agent to transfer funds shall not result in any default on the part of the Borrower under the Bond Financing Documents if the Borrower instructed the Collateral Agent to transfer such funds in accordance with the terms of the Collateral Agency Agreement and the Collateral Agent failed to do so.

SECTION 4.4 ASSIGNMENT OF AUTHORITY'S RIGHTS. As security for the payment of the Bonds, the Authority will assign to the Trustee the Authority's rights under this Loan Agreement, including the right to receive payments hereunder (except Reserved Rights), and the Authority hereby directs the Borrower to make the payments required hereunder (except Excluded Moneys payable to the Authority) directly to the Trustee. The Borrower hereby assents to such assignment and agrees to make payments directly to the Trustee without defense or set-off by reason of any dispute between the Borrower and the Authority or the Trustee.

SECTION 4.5 AMOUNTS REMAINING IN FUNDS. It is agreed by the parties hereto that after payment in full of (i) the Bonds, or after provision for such payment shall have been made as provided in the Indenture, (ii) the fees, charges and expenses of the Trustee, the Collateral Agent and paying agents in accordance with the Indenture, and (iii) all other amounts required to be paid under this Loan Agreement, the Indenture, any amounts remaining in any fund or account held by the Trustee under the Indenture (excepting the Rebate Fund) shall be paid as provided in Section 10.01 of the Indenture, provided that the Borrower shall endeavor to use all funds held by the Trustee (excepting the Rebate Fund) in order to make the final payment on the Bonds.

ARTICLE 5 SPECIAL COVENANTS AND AGREEMENTS

SECTION 5.1 RIGHT OF ACCESS TO THE PLANT. The Borrower agrees that during the term of this Loan Agreement:

(a) The Authority, the Trustee, the Construction Monitor, the Technical Advisor and the duly authorized agents of any of them will have the right at all reasonable times during normal business hours to enter upon the site of the Plant to examine and inspect the Plant; provided, however, that reasonable notice will be given to the Borrower prior to such examination or inspection (provided, that so long as no Event of Default has occurred and is continuing, such visits or inspections will be at the expense of the Borrower only once per fiscal year; otherwise such visits or inspections may occur as frequently as is desired by the Authority, the Trustee, the Construction Monitor or the Technical Advisor but at the Authority's, the Trustee's, the Construction Monitor's or the Technical Advisor's expense; and provided further that, if any Event of Default has occurred and is continuing, the Authority, the Trustee, the Construction Monitor and the Technical Advisor (or any of their respective officers or designated representatives) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice).

(b) The Borrower will permit the Authority, the Trustee, the Construction Monitor, the Technical Advisor and their duly authorized agents to have access to those employees and agents of the Borrower who have or may have knowledge of matters with respect to which such Person seeks information, in each case (except where an Event of Default is continuing) upon reasonable notice and at reasonable times; and

(c) The Borrower will use all commercially reasonable efforts to ensure that each counterparty to each Project Document provides such cooperation, assistance and information in connection with such visit or inspection.

provided that, the Authority, the Trustee, the Construction Monitor, the Technical Advisor and their agents will be permitted access to the Plant or any information regarding the Plans and Specifications, or other technical data relating to the Plant, only if (i) in case no Event of Default has occurred and is continuing, such Person has first provided to the Borrower such written assurances as the Borrower may reasonably require in order to safeguard proprietary or otherwise competition-sensitive information, or (ii) in case an Event of Default has occurred and is continuing, such Person has been instructed by the Authority or the Trustee to safeguard the Borrower's proprietary or otherwise competition-sensitive information and to provide written confidentiality assurances, reasonably satisfactory to the Borrower, in writing in due course.

SECTION 5.2 PURPOSE. The Borrower will use the proceeds of the 2017 Bonds as provided in the Indenture and this Loan Agreement.

SECTION 5.3 MAINTENANCE OF EXISTENCE; QUALIFICATION IN CALIFORNIA. To the extent permitted by law, the Borrower covenants and agrees that during the term of this Loan Agreement it will maintain (i) its legal existence as a limited liability company, (ii) its status in good standing in the State, (iii) its qualification to do business in the State and (iv) all relevant material rights, franchises and privileges necessary for the maintenance of its existence and for the development, construction, operation and maintenance of the Plant.

SECTION 5.4 NO ASSIGNMENT. The rights and obligations of the Borrower under this Loan Agreement may not be assigned in whole or in part.

SECTION 5.5 RECORDS AND FINANCIAL STATEMENTS OF BORROWER. The Borrower covenants and agrees at all times to keep, or cause to be kept, proper books of record and account, separate from the books and records of any other Person (including any Participating Affiliates of the Borrower), prepared in accordance with GAAP, in which complete and accurate entries will be made of all transactions of or in relation to the business, properties and operations of the Borrower. Such books of record and account shall be available for inspection by the Authority, the Trustee, the Construction Monitor or the duly authorized agents of any of them at reasonable hours, under reasonable circumstances and after reasonable prior notice to the Borrower.

SECTION 5.6 SEPARATENESS. Notwithstanding any other provision hereof, the Borrower covenants to comply in all material respects with the requirements set forth in Exhibit E hereto in order to preserve and ensure the Borrower's separate and distinct identity, and the

Borrower will conduct its affairs in all material respects in accordance with the provisions set forth therein.

SECTION 5.7 INSURANCE. The Borrower agrees at all times to provide, maintain and keep in force, or cause to be provided, maintained and kept in force, insurance policies complying in all material respects with the requirements set forth in Exhibit D hereto. The Borrower agrees to deliver to the Trustee and, upon request, to the Authority, memorandum copies of such insurance policies or certificates of insurance and, commencing after the Commercial Operations Date, an annual certification, delivered within thirty (30) days following the annual renewal of the insurance policies, by a reputable insurance broker that the insurance on the Plant meets the requirements referenced in the preceding sentence. Further, the Borrower agrees to use commercially reasonable efforts to enforce the obligations of all providers of such insurance policies and to use commercially reasonable efforts to enforce the obligations of all other parties to Project Documents to maintain insurance as required thereunder; except in any case with respect to Project Documents that are not Material Contracts where such failure on the part of such party to maintain such insurance would not be reasonably likely to have a Material Adverse Effect.

SECTION 5.8 MAINTENANCE AND REPAIR; TAXES; UTILITY AND OTHER CHARGES.

(a) The Borrower agrees to own, construct, operate and maintain (or cause to be operated and maintained) the Plant during the term of this Loan Agreement (i) in as reasonably safe condition as its operations will permit, (ii) in good repair and in good operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof, (iii) in accordance with the requirements of the Collateral Instruments, (iv) in accordance with Prudent Operating Practice, (v) in a manner materially consistent with all applicable Governmental Approvals and Laws, including, without limitation, State law and the Act, (vi) in all material respects in accordance with all applicable manufacturers' specifications and recommendations and any conditions to any manufacturer's warranty; (vii) in all material respects in accordance with the terms of the Material Contracts (as well as with any other Project Documents, the failure to construct, operate or maintain the Plant with which would be reasonably likely to result in a Material Adverse Effect), and (viii) in all material respects in accordance with any requirements of, and so as not to vitiate in any way, the policies of insurance required to be maintained under Section 5.7. Except as required in connection with the construction of the Plant, the Borrower will not permit the Plant or any material portion thereof to be removed, demolished or materially altered, unless such material portion that has been removed, demolished or materially altered has been replaced or repaired as permitted under this Loan Agreement.

(b) The Borrower agrees to pay or cause to be paid during the term of this Loan Agreement all taxes, governmental charges of any kind lawfully assessed or levied upon the Plant or any part thereof, including any taxes levied against any portion of the Plant which, if not paid, will become a charge on the receipts from the Plant prior to or on a parity with the charge thereon and the pledge or assignment thereof to be created therefrom or under this Loan Agreement, all utility and other charges incurred in the

operation, maintenance, use, occupancy and upkeep of any portion of the Plant and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Plant, provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Borrower will be obligated to pay only such installments as are required to be paid during the term of this Loan Agreement. The Borrower may, at the Borrower's expense and in the Borrower's name, in good faith, contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during that period of such contest and any appeal therefrom unless by such nonpayment the Plant or any part thereof will be subject to loss or forfeiture.

SECTION 5.9 CONSTRUCTION MONITOR; TECHNICAL ADVISOR.

(a) Until Plant Acceptance, the Borrower will engage a Construction Monitor as may be necessary to comply with the terms hereof pursuant to an engagement letter in favor of the Trustee similar in scope to the engagement letter with the Construction Monitor delivered on the Delivery Date. If the Borrower reasonably believes that the Construction Monitor has not performed (or will not be able to perform) its obligations under any applicable engagement letter, upon thirty (30) days prior written notice to the Trustee and the Authority, or at any time on or after the date the Construction Monitor resigns, the Borrower may replace the Construction Monitor; and at any time upon the direction of the Required Bondholders, the Borrower shall replace the Construction Monitor. Such replacement Construction Monitor will be an industry-recognized firm with civil engineering, construction and construction management experience and qualified so to act in the State, and the Required Bondholders shall have the right to reject the proposed replacement Construction Monitor through the Veto Process. The prior Construction Monitor shall continue in such capacity until the replacement is completed.

(b) Until all of the Bonds have been paid in full, or provision made therefor in accordance with the provisions of the Indenture, the Borrower will engage a Technical Advisor as may be necessary to comply with the terms hereof pursuant to an engagement letter in favor of the Trustee similar in scope to the engagement letter with the Technical Advisor delivered on the Delivery Date. If the Borrower reasonably believes that the Technical Advisor has not performed (or will not be able to perform) its obligations under any applicable engagement letter, upon thirty (30) days prior written notice to the Trustee and the Authority, or at any time on or after the date the Technical Advisor resigns, the Borrower may replace the Technical Advisor; and at any time upon the direction of the Required Bondholders, the Borrower shall replace the Technical Advisor. Such replacement Technical Advisor will be an industry-recognized firm with technical experience in the panelboard industry and qualified so to act in the State, and the Required Bondholders shall have the right to reject the proposed replacement Technical Advisor through the Veto Process. The prior Technical Advisor shall continue in such capacity until the replacement is completed.

SECTION 5.10 PROJECT MILESTONES. Unless "Mechanical Completion" (as defined in the Construction Agreement) shall have first occurred, and without first obtaining the written

acknowledgment of the Technical Advisor to the effect that the “SICO Guaranteed Values” (as defined in the Equipment Supply Agreement) have been achieved, the Borrower will not execute a Final Acceptance Certificate under the terms of the Equipment Supply Agreement. Without first obtaining the written acknowledgment of the Construction Monitor to the effect that “Mechanical Completion” (as defined in the Construction Agreement) has occurred, the Borrower will not acknowledge that Mechanical Completion has occurred under the terms of the Construction Agreement. If the Borrower determines that any of the Equipment Performance Tests (as that term is defined in the Equipment Supply Agreement) are unnecessary in light of the demonstrable performance of the equipment provided under the Equipment Supply Agreement, and if, as a result, “Final Acceptance” (as that term is defined in the Equipment Supply Agreement”) may be deemed to have occurred, the Borrower shall, not less than sixty (60) days prior to such deemed occurrence, provide to the Trustee a statement of the Technical Advisor, substantiating the Borrower’s determination regarding the performance of such equipment and concurring in the opinion of the Borrower that such Equipment Performance Tests are unnecessary.

SECTION 5.11 DELIVERY OF COLLATERAL INSTRUMENTS; SECURITY INTERESTS. The Borrower hereby covenants to deliver to the Collateral Agent the Collateral Instruments creating Liens in favor of the Collateral Agent on all of the Collateral to secure the payment and performance of the Secured Debt now or hereafter existing under or in respect of the Bond Financing Documents, including this Loan Agreement and the Indenture, for the benefit of the Trustee and the Bondholders, in the manner and to the extent set forth in the Collateral Agency Agreement and the Collateral Instruments. The Borrower hereby covenants to preserve and maintain the first priority security interests granted under the Collateral Instruments in full force and effect (including by filing UCC continuation statements), subject to Permitted Liens. Promptly after acquiring title in any real property not covered by the Deed of Trust, the Borrower covenants to execute and record a supplement to the Deed of Trust subjecting such rights in such real property to the Deed of Trust.

SECTION 5.12 GENERAL TAX COVENANTS; REBATE. It is the intention of the parties hereto that interest on the Tax-Exempt Bonds will be and remain Tax-Exempt, and to that end the Borrower covenants to comply with all requirements in the Tax Certificate, in this Section and in Section 5.13 which are for the benefit of the Trustee and each and every Holder of the Bonds.

SECTION 5.13 SPECIAL ARBITRAGE CERTIFICATIONS; REBATE. The Borrower acknowledges that it has read Sections 5.03 and 6.06 of the Indenture and that it will comply with the requirements of those sections as if they were set forth in full in this Loan Agreement. The Borrower will calculate, or cause to be calculated, its rebate liability at such times as are required by Section 148(f) of the Code and any temporary, proposed or final Regulations as may be applicable to the Bonds from time to time. The Borrower shall provide to the Trustee and the Authority a copy of each calculation of rebate liability prepared by or on behalf of the Borrower.

SECTION 5.14 ENFORCEMENT OF PROJECT DOCUMENTS; COMPLIANCE WITH PROJECT. The Borrower will (i) use commercially reasonable efforts to enforce against any counterparty to a Project Document to which the Borrower is a party, each material covenant or obligation of such party in accordance with its terms, and (ii) comply with its obligations

under the Transaction Documents, except to the extent that the failure to do any of the foregoing would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.15 REPORTING REQUIREMENTS, NOTICES AND CERTIFICATES.

(a) The Borrower hereby agrees to provide to the Trustee and to file with EMMA the following documents, and to simultaneously provide to the Authority copies of the items specified in paragraphs (vi), (vii), (viii) and (xvi) below, but neither the Trustee nor the Authority shall have any obligation to review any such documents:

(i) As soon as available and in any event within thirty (30) days after the end of each Fiscal Quarter ending on or after September 30, 2017, unaudited balance sheets of the Borrower, unaudited statements of income and cash flows of the Borrower for such Fiscal Quarter and for the period commencing at the end of the previous Fiscal Quarter and ending with the end of such Fiscal Quarter, prepared in accordance with GAAP, certified by an Authorized Representative of the Borrower as fairly stating, in all material respects (subject to normal year-end audit adjustments) the financial condition of the Borrower as of the end of such Fiscal Quarter.

(ii) As soon as available and in any event within one hundred twenty (120) days after the end of each Fiscal Year, a copy of the annual audit report for such Fiscal Year for each of the Borrower (including therein balance sheets as of the end of such Fiscal Year and statements of income and cash flows of each of the Borrower for such Fiscal Year) setting forth in comparative form the respective audited figures as of the end of and for the previous Fiscal Year, if available, and accompanied by an unqualified opinion of the Auditors stating that such financial statements present fairly in all material respects the financial position of the Borrower for the periods indicated in conformity with GAAP applied on a basis consistent with prior periods, which report and opinion will not be subject to any “going concern” or like qualification or exception or any qualification or exception as to the scope of such audit. Along with such opinion and report the Borrower will provide a confirmation from the Auditors of any Debt Service Coverage Ratios calculated in or with respect to the Fiscal Year based on information other than audited financial statements.

(iii) Within one hundred twenty (120) days after the end of each Fiscal Year, a Certificate of the Borrower signed by a Financial Officer of the Borrower stating that its financial statements have been completed and that no event which constitutes an Incipient Default or an Event of Default has occurred and is continuing as of the end of such Fiscal Year, or specifying the nature of such event and the actions taken and proposed to be taken by the Borrower to cure such default.

(iv) Promptly upon receipt, copies of any detailed audit reports, management letters or recommendations submitted to the Borrower (or the audit

or finance committee of the Borrower) by the Auditors in connection with the accounts or books of the Borrower, or any audit of the Borrower.

(v) Copies of all other notices, reports and other documentation delivered or required to be delivered by the Borrower Parties and all notices, reports and other documentation received by the Borrower pursuant to the Collateral Agency Agreement. Notices, reports and other documentation delivered or required to be delivered will be provided promptly after it is received by the Borrower. Notices, reports and other documentation received will be delivered promptly and in any event within two (2) Business Days after receipt thereof.

(vi) Promptly upon knowledge of an Incipient Default or an Event of Default, a written notice of such Incipient Default or Event of Default (except to the extent that any of the foregoing have already been cured), such notice to include a description of the nature of such event and what steps are being taken to remedy such Incipient Default or Event of Default;

(vii) On or before January 15 of each year during which any of the Bonds are Outstanding, (i) a written disclosure of any significant change known to the Borrower which would adversely impact the Trustee's ability to perform its duties under the Indenture, or of any conflicts which may result because of other business dealings between the Trustee and the Borrower; and (ii) a representation of the Borrower that all material certificates, approvals, permits and authorizations described in Section 5.17(d) that are at the time necessary for the construction, as applicable, use or operation of the Plant continue in full force and effect, provided that with respect to any such certificate, approval, permit or authorization that must issue without discretion on the part of the issuer thereof, the Borrower need only disclose the absence of such certificate, approval, permit or authorization and the Borrower's plan to acquire it;

(viii) The Certificate set forth in Exhibit C on each January 15 commencing January 15, 2018.

(ix) A DSCR Certificate in the form of Exhibit G to the Indenture as of and within thirty (30) days following each Calculation Date. To the extent a DSCR Certificate has been based on the Borrower's unaudited financial statements in order to meet the deadline set out above, it will be tested by the Borrower retrospectively against the according audited financial statements as soon as those are available, such test to be presented to the Trustee and the calculation and according DSCR Certificate to be corrected retrospectively. Each DSCR Certificate will be signed by an Authorized Representative of the Borrower.

(x) On a monthly basis, no later than two (2) weeks after the end of preceding calendar month (until and including the end of the Fiscal Quarter in which the Commercial Operations Date occurs) beginning the calendar month

after the calendar month in which the Delivery Date occurs (each such calendar month a “Pre-COD Reporting Period”), in sufficient copies for the Holders and the Construction Monitor, a report (the “Construction Report”) setting out:

(A) in reasonable detail the work carried out on the Plant during each Month of the Pre-COD Reporting Period;

(B) all changes or modifications to the Plans and Specifications requested or required by the Borrower and resulting in Change Orders under the Equipment Supply Agreement or the Construction Agreement during the Pre-COD Reporting Period and the status thereof;

(C) all changes or modifications to the Plans and Specifications requested or required by the Contractor or SICO and resulting in Change Orders under the Equipment Supply Agreement or the Construction Agreement during the Pre-COD Reporting Period and the status thereof;

(D) the stage of construction as described in the Construction Agreement achieved by the end of that Pre-COD Reporting Period and any delay in achieving that stage by comparison with the construction schedule set out in the Construction Agreement;

(E) estimates of the date on which Plant Acceptance is expected to occur and, following Plant Acceptance, estimates of the date on which the Commercial Operations Date is expected to occur and, if either of such date is different from the date most recently so estimated, an explanation of the reasons therefor;

(F) a description of any material disputes or proceedings (whether actual or threatened) relating to the Plant during the Pre-COD Reporting Period;

(G) any accidents, emergencies or other events or circumstances which would reasonably be expected to have a material adverse impact on the construction schedule set out in the Construction Agreement;

(H) the status of construction of related infrastructure facilities;

(I) each Construction Report will include a comparison, for the relevant Pre-COD Reporting Period of the actual costs of Plant Construction and the funding applied (or expected to be applied) by the Borrower in meeting costs of the Plant Construction against the projections set out in the Construction Budget in respect of such Pre-COD Reporting Period; and

(J) each Construction Report will include a comparison, for the period from the date of this Loan Agreement to the last day of the Pre-

COD Reporting Period, of the actual costs of the Plant Construction and the funding applied (or expected to be applied) by the Borrower in meeting costs of the Plant Construction against the projections set out in the initial Construction Budget.

(K) a statement of the funds available to complete the Plant Construction and estimated costs to complete.

(xi) Notices of the Final Tax-Exempt Project Completion Date, the Plant Substantial Completion Date, Plant Acceptance and the Commercial Operations Date as provided in Section 3.3, together with summaries of the results of all Equipment Performance Tests under (and as defined) in the Equipment Supply Agreement within ten (10) days following the Borrower's receipt of the results of such Equipment Performance Tests.

(xii) Following the Commercial Operations Date, during the first twelve (12) months on a monthly basis commencing no later than four (4) weeks after the Commercial Operations Date and thereafter on a three (3) months basis (each such month and quarter respectively a "Post-COD Reporting Period"), and in each case within thirty (30) days following the end of the Post-COD Reporting Period, in sufficient copies for the Holders, a report (the "Operating Report") setting out:

(A) in reasonable detail the work carried out on the Plant during each month of the Post-COD Reporting Period;

(B) the status of the Plant and related infrastructure facilities, including paths, warehouses, store of water, utility services, disposal systems, lightning protection, and control technology;

(C) a description of any material disputes or proceedings (whether actual or threatened) relating to the Plant during the Post-COD Reporting Period;

(D) any accidents, emergencies or other events or circumstances which would reasonably be expected to have a material adverse impact on the operation of the Plant;

(E) the status of the operation of related infrastructure facilities;

(F) a statement, for the Post-COD Reporting Period of the aggregate quantity of medium density fiberboard (on a ¾" equivalent basis) sold by the Borrower and the average sales price at which such sales occurred;

(G) a statement, for the Post-COD Reporting Period of the aggregate quantity of medium density fiberboard (on a ¾" equivalent basis) produced by the Plant; and

(H) a report on the status of inventories of feedstock of the Plant.

(xiii) No later than five (5) days after its occurrence, notice of any incident or accident within the site or areas otherwise within or outside a Borrower's management or control, which has or would reasonably be expected to have a material adverse impact on the environment, health or safety (including, without limitation, explosions, spills or accidents which result in death, serious or multiple injury or major pollution) specifying, in each case, the nature of the incident or accident, the on-site and off-site impacts arising or likely to arise there from and the measures a Borrower is taking or plans to take to address those impacts and keep the Authority, the Construction Monitor (but only until the Plant Acceptance Date) and the Trustee informed of the on-going implementation of those measures. The same will apply to any major events which occur and have a material impact on the construction of the Plant.

(xiv) Notice of any matter or occurrence which has, or would reasonably be expected to have, a Material Adverse Effect, promptly after it becomes aware of such circumstances and, from time to time and if so requested by the Trustee or Authority, confirm to the Trustee and the Authority in writing that, save as stated in such confirmation, no Incipient Default has occurred and is continuing.

(xv) Prompt notice of (with copies of, as applicable):

(A) any information about the business, assets and financial conditions of the Borrower as the Trustee, the Authority, the Construction Monitor, the Technical Advisor, any Holder or any Beneficial Owner may reasonably require from time to time (including any requested amplification or explanation of any item in the financial statements or other material provided by the Borrower under this agreement, any changes to management of the Borrower and an up-to-date copy of its shareholders' register) and promptly upon a material adverse change in such business, assets or financial conditions, *provided* that the information to be provided under this Section 5.15(a)(xv) is limited to exclude any information that the Borrower in its good faith judgment deems capable of being used by competitors of the Borrower to the Borrower's detriment;

(B) any dispute, litigation, arbitration, regulatory or administrative proceeding or investigation by a Governmental Authority which are taking place, pending or, to the actual knowledge of the Borrower, threatened against the Borrower and/or any of its assets, or to the actual knowledge of Borrower, any party to a Project Document, which involves an amount in excess of \$1,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation) or is otherwise reasonably likely, if adversely determined, to have a Material Adverse Effect;

(C) any notice received or given by the Borrower or a Borrower Party constituting any step towards, or, the rescission, repudiation, termination or cancellation of any of the Project Documents together with details of any proposed action it proposes to take in relation to the same;

(D) any change in any law or regulation which, to the actual knowledge of the Borrower, is reasonably likely to have a material adverse effect on the ability of the Borrower to perform any of its obligations under the Transaction Documents; and

(E) the occurrence of any Loss Event with respect to the Tax-Exempt Project resulting in Loss Proceeds in excess of \$1,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation) in value individually or any series of such events or circumstances during any 12-month period resulting in Loss Proceeds in excess of \$5,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation) in value in the aggregate;

(F) the termination or cancellation of, or material amendment to, any Project Document, or the execution of a new Project Document;

(G) any written notice of the occurrence of any event giving rise (or, to the actual knowledge of the Borrower, that would reasonably be expected to give rise) to a material claim under any insurance policy maintained with an amount in excess of \$1,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation) with respect to the Plant with copies of any material documents relating thereto that are in the possession of the Borrower;

(H) any disposition of an asset of the Borrower with a value of \$1,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation) or more (other than inventory of the Borrower sold in the ordinary course of business);

(I) any event or circumstance actually known to the Borrower that would reasonably be expected to result in a material liability of the Borrower or any of its ERISA Affiliates under ERISA or under the Code with respect to any Pension Plan or Multiemployer Plan;

(J) the creation of any Lien known to the Borrower against the Collateral (other than Permitted Liens);

(K) any written notice indicating that any material Governmental Approval or Environmental Permit will not be granted or renewed, or will be granted or renewed on terms materially more burdensome than proposed;

(L) any event or circumstance actually known to the Borrower affecting any of the parties to the Project Documents that would reasonably be expected to materially impair the ability of such party to perform its obligations under such Project Document, if the non-performance of such obligations would be reasonably likely to result in a Material Adverse Effect;

(M) becoming aware of any current or pending or threatened litigation, arbitration or administrative proceeding to which it is named as a party, any facts or circumstances which are reasonably likely to result in any non-frivolous and non-vexatious litigation, arbitration or administration proceeding in respect of any Environmental Requirement being commenced or threatened against the Borrower or any non-frivolous and non-vexatious notice, claim or demand by any Person alleging a material liability of the Borrower under any Environmental Requirement ; and

(N) any other event that would reasonably be expected to have a Material Adverse Effect.

(xvi) The Borrower agrees to provide to the Authority (A) on February 1 of each year an annual Certificate of Compliance II (certificate found at <http://www.treasurer.ca.gov/cdlac/applications/exempt/index.asp>) until such time as the Borrower has filed the Final Tax-Exempt Project Completion Certificate required by Section 3.3(a) hereof, and (B) thereafter, a Certificate of Completion (certificate found at <http://www.treasurer.ca.gov/cdlac/applications/exempt/index.asp>), all as required by that certain Resolution No. 14-147-07, adopted by the Authority on May 16, 2017.

(b) Within thirty (30) days after the release of the quarterly financial statements referred to in Section 5.15(a)(i) hereof, commencing with the quarterly financial statement for the third Fiscal Quarter of 2018, and ending with the Fiscal Quarter in which the Commercial Operations Date shall occur, the Borrower shall schedule a quarterly conference call with the Trustee and any interested Holders and Beneficial Owners. Within thirty (30) days after the release of the annual financial statements referred to in Section 5.15(a)(ii) hereof, commencing with the annual financial statement for the year in which the Commercial Operations Date occurs, the Borrower shall schedule an annual conference call with the Trustee and any interested Holders and Beneficial Owners. The Borrower will make available for each such call representatives of senior management of the Borrower, appropriate representatives of the Construction Monitor and the Contractor (until Plant Acceptance shall have occurred), and appropriate representatives of SICO (until the Commercial Operations Date shall have occurred).

(c) At least thirty (30) days prior to the date upon which the Borrower has scheduled the annual conference call described in Section 5.15(b), reasonably detailed written notice with regards to such annual conference call, including but not limited to, the date and time, the appropriate telephone number and any required passwords, and any other information necessary for a Holder or Beneficial Owner to participate in such

annual conference call, and will direct the Trustee to send such notice to the Holders of the Bonds as provided in Section 6.08 of the Indenture.

(d) The Borrower will ensure that:

(i) the accounts to be delivered in respect of it under paragraphs (a)(i) and (ii) are prepared in accordance with GAAP, and that, in any such case, such financial statements provide a true and fair view of the financial position of the Borrower;

(ii) all other information delivered by Borrower under this Loan Agreement and the Collateral Agency Agreement is true in all material respects and (to the best knowledge of Borrower, but without any duty of investigation) does not omit anything which would make it misleading in a material respect, in each case subject to any written disclosure made to the Trustee and Authority by the Borrower provided that such disclosure will be deemed not to have been made for determining the occurrence of any Incipient Default; and

(iii) the Borrower will maintain as its Auditor a nationally recognized firm of accountants.

(e) If the Borrower wishes to change the date of its financial year end to any date other than December 31, it may do so if either:

(i) the next date on which the Borrower would be required to provide its audited consolidated annual financial statements is no later than twelve (12) months later than the date on which its then preceding audited consolidated annual financial statements were provided; or

(ii) the Borrower offers to provide the Authority and the Trustee access to the Auditors in accordance with subsection (f) below.

(f) If the Borrower changes its fiscal year and, as a result of the change, the next date on which the Borrower would be required to provide its audited consolidated financial statements in accordance with paragraph (a)(ii) is more than twelve (12) months after the date on which its then preceding audited consolidated financial statements were provided and the Authority, the Trustee or any Holder or Beneficial Owner wishes to discuss the financial position of the Borrower with the Auditors, the Trustee or the Authority may notify the Borrower, stating the questions or issues which the Authority, the Trustee or any Holder of Beneficial Owner wishes to discuss with the Auditors. In this event, the Borrower must ensure that the Auditors are authorized (at the expense of the Borrower):

(i) to discuss the financial position of the Borrower with the Authority, the Trustee, the interested Holders and the interested Beneficial Owners on request from the Trustee or Authority; and

(ii) to disclose to the Authority, the Trustee, the interested Holders and the interested Beneficial Owners any information which the Authority, the Trustee, the interested Holders or the interested Beneficial Owners may reasonably request.

(g) The Borrower will cause the Technical Advisor to deliver to the Authority a report on the environmental benefits of the project (“Green Bonds Report”) on the Delivery Date in connection with the issuance of the 2017 Bonds. The Borrower will cause the Technical Advisor to deliver to the Authority a report in the form of Exhibit G (“Green Bonds Annual Report”) within thirty (30) days following each anniversary of the Delivery Date until the Plant Substantial Completion Date.

(h) The Borrower will deliver a copy of the CFP Agreement to the Trustee.

(i) Within ten (10) Business Days of the Borrower obtaining knowledge that the amount on deposit in the Reserve Fund is, or is expected to be due to an anticipated transfer or transfers, less than (x) fifty percent (50%) of the then applicable Reserve Fund Requirement or (y) twenty-five percent (25%) of the then applicable Reserve Fund Requirement, the Borrower shall deliver notice to the Trustee of the balance in the Reserve Fund and direct the Trustee to send notice to the Holders and the Beneficial Owners of the Bonds as provided in Section 6.08 of the Indenture.

(j) Contemporaneously with the delivery of each Operating Report, the Borrower agrees to deliver to the Trustee a supplement to the Operating Report setting out the following additional information:

(i) compliance with the Operating Budget and, in case of material adverse deviations therefrom, an explanation of the reasons for the non-achievement of budget targets, their expected future impact and measures planned or implemented to cure such deviations (any deviation equal to or greater than \$100,000 and equal to or greater than five percent (5%) of the budget target in any line item shall be deemed to be a material deviation); and

(ii) a comparison, for the Post-COD Reporting Period of the actual Operating Expenses against the projections set out in the Operating Budget in respect of such Post-COD Reporting Period.

SECTION 5.16 ANNUAL OPERATING BUDGET.

(a) Beginning with the calendar year in which Plant Acceptance occurs, the Borrower must supply to the Trustee a proposed Operating Budget for (i) in the case of the calendar year in which Plant Acceptance occurs, the balance of the calendar year beginning with the date of Plant Acceptance and (ii) in the case of each other calendar year, for such calendar year. For the calendar year in which the Borrower anticipates that Plant Acceptance will occur, the Borrower will supply the proposed Operating Budget not later than 45 days prior to the date on which the Borrower anticipates that Plant Acceptance will occur, and for each other calendar year the Borrower will supply the proposed Operating Budget not later than November 15 of the immediately preceding

calendar year. The Trustee will promptly provide a copy of the proposed Operating Budget to each Holder and Beneficial Owner in accordance with Section 6.08 of the Indenture and notify the Holders and Beneficial Owners that Required Bondholders have the right to reject such Operating Budget through the Veto Process.

(b) In addition, the Borrower may propose modifications to the current Operating Budget by written notice to the Trustee to account for increases in “Operating Expenses” resulting from actual production being in excess of the quantities assumed by the applicable Operating Budget. The Trustee will promptly provide a copy of the proposed modifications to the Operating Budget to each Holder and Beneficial Owner in accordance with Section 6.08 of the Indenture and notify the Holders and the Beneficial Owners that the Required Bondholders have the right to reject such modifications to the Operating Budget through the Veto Process.

(c) In any circumstance in which an Operating Budget for a calendar year has not been agreed in accordance with the Bond Financing Documents, the previously agreed Operating Budget will apply. For the avoidance of doubt, the failure of the Borrower to achieve financial results in accordance with the Operating Budget will not, as such, constitute an Event of Default.

(d) If after the Commercial Operations Date, as of any Calculation Date immediately preceding the date on which the Borrower is required to supply to the Trustee a proposed Operating Budget (i) the Historic Debt Service Coverage Ratio as of such Calculation Date 1.15 or less or (ii) the production of the Plant in the twelve (12) – month period preceding such Calculation Date is less than 112,000 square feet of medium density fiberboard (on a ¾” equivalent basis), then the Borrower shall (x) obtain the approval of the Technical Advisor of such Operating Budget before supplying any such Operating Budget to the Trustee, and (y) request recommendations from the Technical Advisor with respect to improving the operations of the Plant, including production matters and expense items. For any calendar year for which the Borrower is obligated to obtain the Technical Advisor’s approval of the Operating Budget and request the Technical Advisor’s operations recommendations in accordance with the immediately preceding sentence, the Borrower will follow any recommendations made by the Technical Advisor, except to the extent that the Borrower objects in good faith to such recommendations and informs the Trustee in writing of such objections and the Borrower’s reasons for such objections.

SECTION 5.17 COMPLIANCE WITH LAWS; ENVIRONMENTAL COMPLIANCE; GOVERNMENTAL APPROVALS.

(a) The Borrower will comply in all respects with all Laws, Government Approvals and Environmental Requirements to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect. The Borrower will cause the Plant to be duly constructed, completed, operated and maintained in all material respects in accordance with all applicable Laws and Government Approvals.

- (b) The Borrower will:
 - (i) comply with all Environmental Requirements;
 - (ii) maintain, renew, obtain, hold at all times and ensure compliance with all Environmental Permits required in connection therewith; and
 - (iii) implement procedures to monitor compliance with and to prevent liability under any Environmental Requirements;

where failure to do so has or is reasonably likely to have a Material Adverse Effect.

(c) The Borrower will not cause any releases of Hazardous Materials at the Site that would be reasonably likely to result in an Environmental Claim against the Borrower or the Plant, other than those Environmental Claims that, individually or in the aggregate, would not be reasonably expected to result in a Material Adverse Effect.

(d) The Borrower will obtain and maintain all Governmental Approvals as and when necessary for the construction, use or operation of the Plant, as applicable, except where the failure to maintain such Governmental Approvals would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 5.18 FINANCING AND CONTINUATION STATEMENTS. The Borrower hereby agrees to file or cause to be filed all financing and continuation statements required to be filed, if any, by the Bond Financing Documents (including Section 5.11 hereof) and provide copies of such filings to the Trustee.

SECTION 5.19 RIGHTS; APPROVALS. The Borrower hereby agrees to maintain all relevant materials rights, franchises and privileges necessary for the maintenance of its existence and for the development, construction, operation and maintenance of the Plant, except, in all cases to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.20 MODIFICATIONS TO PRO FORMA FINANCIAL INFORMATION. If any circumstances require the Borrower to provide a notice under the provisions of Section 5.15(a)(xiv) hereof, the Borrower will deliver to the Trustee and the Authority, as soon as reasonably practicable following the delivery of such notice, in sufficient copies in the case of the Trustee for the Holders, revised pro forma financial information for the Borrower, in the form of the pro forma financial information included as Exhibit K to the Offering Memorandum, to take into account such circumstances.

SECTION 5.21 PERFORMANCE OF OBLIGATIONS. The Borrower will perform all of its obligations under the Bond Financing Documents as they fall due. The Borrower will perform and will use reasonable efforts to ensure that each Material Company will, perform all of their respective obligations in all material respects under the Project Documents as they fall due.

SECTION 5.22 CONTRACTS FOR FEEDSTOCK AND RESIN.

(a) At all times until there are no Bonds Outstanding, the Borrower will have contracts providing for the supply of 100% of the required rice straw feedstock for the projected operations of the Plant materially in the form of and on substantially the same terms as the Rice Straw Supply Agreements existing as of the Delivery Date (other than as to price) for a period extending (after giving effect to any unexercised renewal options) from and after the Delivery Date at least until December 31, 2033 and from and after January 1, 2033 until the final maturity date of the Bonds, or if such final maturity date has occurred but the Bonds remain Outstanding, at least one (1) further year. If at any time the Borrower shall not satisfy the requirements of the immediately preceding sentence,

(i) the Borrower shall promptly notify the Trustee of such failure and of the amount of rice straw then on hand or still under contract and the date on which such rice straw then on hand or to be delivered under contract is first projected to be less than the rice straw feedstock then required for 100% production, together with appropriate evidence demonstrating the basis for such notification;

(ii) the Borrower shall not be in default of this covenant while

(A) it is making commercially reasonable efforts to comply;
and

(B) there remains on hand at the Plant rice straw feedstock sufficient for 100% production for at least six (6) more weeks.

(b) From and after the Delivery Date and for a period of thirty-six (36) months thereafter, the Borrower will have contracts providing for the supply of 100% of the required resin for the projected operations of the Plant for a term of thirty-six (36) months. Thereafter the Borrower will have succeeding contracts providing for the supply of resin, each for a term of twelve (12) months and otherwise on substantially the same terms as the Resin Supply Agreement existing as of the Delivery Date (other than as to price), provided that such contracts may also from time to time provide for the supply of such alternative resin compounds as may be compatible with the SICO Equipment (as that term is defined in the Equipment Supply Agreement) and is shown to the reasonable satisfaction of the Technical Advisor not to adversely impact the ability of the Plant to operate in accordance with Prudent Operating Practice and applicable laws. If at any time the Borrower shall fail to satisfy the requirements of the immediately preceding sentence, the Borrower shall not be in default of this covenant if:

(i) the Borrower promptly notifies the Trustee of such failure and of the amount of resin then on hand or still under contract and the date on which such resin then on hand or to be delivered under contract is first projected to be less than the resin then required for 100% production for a six (6) week period,

together with appropriate evidence demonstrating the basis for such notification; and

(ii) the Borrower (A) is making commercially reasonable efforts to comply, with a replacement agreement and substitute contractor approved by the Technical Advisor and, if the Technical Advisor so desires, SICO, in particular with respect to the supplier's reputation, the quality and features of the resin and its compatibility with the SICO Equipment (as defined in the Equipment Supply Agreement) and (B) there remains on hand or still under contract at the Plant resin sufficient for normal projection for at least six (6) more weeks.

SECTION 5.23 SUPPLIES AND SPARE PARTS. The Borrower will at all times maintain adequate supplies of spare parts and other plant, materials and apparatus materially in accordance with Prudent Operating Practice, in order to assure operational availability.

SECTION 5.24 MITIGATION OF FORCE MAJEURE. The Borrower will use all commercially reasonable efforts to minimize the impact on the Tax-Exempt Project and the interests of the Bondholders of any Force Majeure Event.

SECTION 5.25 PERSONNEL. The Borrower will employ a sufficient number of suitably qualified and experienced management personnel and other staff to ensure the construction, commissioning, performance testing, completion, operation and maintenance of the Plant in accordance with Prudent Operating Practice.

SECTION 5.26 REMEDY. The Borrower will, subject to the terms of the Bond Financing Documents, promptly and diligently take all commercially reasonable steps which are consistent with any applicable dispute resolution procedures provided for in the relevant Project Documents to remedy any event or circumstance of which the Trustee or the Authority is required to be notified pursuant to this Loan Agreement and protect and defend the Plant or any Project Documents from any such event or circumstance.

SECTION 5.27 CHANGE OF PLACE OF BUSINESS. The Borrower will notify the Trustee and the Authority promptly of any change in the location of the place of business where it conducts its affairs and keeps its records.

SECTION 5.28 ADDITIONAL PROJECT DOCUMENTS. The Borrower acknowledges that it has collaterally assigned all of its right, title and interest in and to each Project Document to the Collateral Agent pursuant to the Collateral Agency Agreement. The Borrower covenants and agrees that to the extent that it enters into any Project Document after the Delivery Date which (a) obligates the Borrower to pay an amount in excess of \$1,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation) or (b) entitles to the Borrower to receive consideration in excess of \$1,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation), other than purchase orders for the sale of medium density fiberboard in the ordinary course of the Borrower's business, then with respect to such Project Document, the Borrower will comply with the following: (i) if the Project Document expressly provides for notice of default to be given in writing, the Collateral Agent will be designated as a "notice party" under any such Project Document in order to receive any notices

of default provided thereunder, and the Borrower will notify the other parties to any such Project Document of any change of name or address of the Collateral Agent, and (ii) the Borrower will use commercially reasonable efforts to require each other party to any such Project Document to execute and deliver to the Collateral Agent an acknowledgment of the collateral assignment that is typical for similar transactions.

SECTION 5.29 PAYMENT OF TAXES. Borrower will pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties (other than any Taxes that it is contesting in good faith and in respect of which, if material, an adequate reserve has been established and disclosed in the latest financial statements delivered to the Trustee and the Authority in accordance with Section 5.15(a)(i) or (ii)).

SECTION 5.30 LIENS.

(a) The Borrower agrees that it will not create, incur, assume or permit to exist any Lien upon or with respect to any of its property, assets or revenues, except for Permitted Liens.

(b) The Borrower will not

(i) sell, transfer or otherwise dispose of all or any substantial part of its assets on terms whereby they are to be leased to or re-acquired by any member of the Group;

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset, except for Permitted Liens.

SECTION 5.31 MERGER, DISSOLUTION, SALE OF SUBSTANTIALLY ALL ASSETS. The Borrower will not liquidate, wind up, or dissolve itself, sell or otherwise dispose of all or substantially all of its assets, combine or consolidate with or merge or amalgamate into another entity or permit one or more other entities to consolidate with or merge or amalgamate into it so that such Borrower is not the resulting or surviving entity, except with the consent of the Authority and the Required Bondholders.

SECTION 5.32 SALE OF ASSETS. The Borrower will not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or

involuntary to sell, lease, transfer or otherwise dispose of any asset; except for any sale, transfer or other disposal:

- (a) made in the ordinary course of business of the disposing entity;
- (b) of assets in exchange for other assets (other than cash or cash equivalents) comparable or superior as to type, value and quality;
- (c) of obsolete or redundant vehicles, plant and equipment for cash of reasonably equivalent value;
- (d) of cash or cash equivalents for reasonably equivalent value;
- (e) which involves the discounting of bills or notes (on recourse terms) in the ordinary course of business;
- (f) of receivables arising pursuant to a securitization, factoring or like arrangement on a non-recourse basis for reasonably equivalent value;
- (g) required by the Federal Trade Commission or any other relevant competition authority; or
- (h) any other disposal approved by the Required Bondholders.

SECTION 5.33 SALE OF PROJECT FINANCED WITH PROCEEDS OF BONDS.

The Borrower will not sell, transfer, lease or otherwise dispose of (including operating arrangements), or permit the sale, transfer, lease or disposal (including operating arrangements), of the Tax-Exempt Project financed with the proceeds of the Bonds or any portion thereof, other than equipment that has reached the end of its useful life or is otherwise unnecessary to the operations of the Plant.

SECTION 5.34 CHANGE OF BUSINESS, STRUCTURE.

- (a) The Borrower will not make any substantial change to the general nature of its business from that proposed to be carried on at the date of this Loan Agreement.
- (b) The Borrower will not acquire any equity interest in any Person.
- (c) The Borrower will not make any changes to the ownership structure of the Borrower as set out in the structure attached as Exhibit I in any manner that would constitute a breach of the terms of the Licensor's and Investors' Undertaking.
- (d) The Borrower will not, without the prior written consent of the Required Bondholders, enter into any partnership and the Borrower will not, without the prior written consent of the Required Bondholders, enter into a profit sharing agreement or profit sharing arrangement with any Person.

(e) Without the prior written consent of the Required Bondholders, the Borrower will not change its financial year end.

(f) Without the prior written consent of the Required Bondholders, the Borrower will not change its constitutive documents in any manner inconsistent with any Transaction Document.

SECTION 5.35 FINANCIAL INDEBTEDNESS.

(a) The Borrower will not incur Financial Indebtedness other than Permitted Financial Indebtedness.

(b) Permitted Financial Indebtedness means:

(i) trade accounts payable for property or services arising in the ordinary course of business and not overdue by more than ninety (90) days (unless subject to a good faith dispute by the Borrower, in which case not overdue by more than ninety (90) days after the resolution of such dispute).

(ii) Financial Indebtedness arising under any of the Bond Financing Documents;

(iii) Purchase money obligations incurred to finance discreet assets with payments in any calendar year in an amount not to exceed \$1,400,000 (as adjusted by the Inflation Factor from the Delivery Date to date of calculation) in the aggregate after taking into account any amounts included in clause (iv) below;

(iv) Financial Indebtedness arising under finance or capital leases of vehicles, plant, computers or other equipment with payments in any calendar year in an amount not to exceed \$1,400,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation) in the aggregate after taking into account any amounts included in clause (iii) above;

(v) Financial Indebtedness represented by the “Revolving Credit Facility” referred to in, and in accordance with and subject to the limitations set forth in the Collateral Agency Agreement;

(vi) Financial Indebtedness representing accrued sales commissions under the CFP Agreement and any interest thereon; and

(vii) any other Financial Indebtedness approved by the Required Bondholders.

SECTION 5.36 DERIVATIVE TRANSACTIONS. Without the prior written consent of the Required Bondholders, the Borrower will not enter into any rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond

index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing.

SECTION 5.37 NEW MATERIAL AGREEMENTS. The Borrower will not enter into any material agreement (other than the Project Documents existing as of the Delivery Date), without giving the right to the Required Bondholders to reject such material agreement through the Veto Process. For the purpose of this Section 5.37, only agreements (i) concerning a payment obligation in excess of \$2,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation) in any year or (ii) any agreement which when aggregated with other new contracts entered into by the Borrower in a calendar year provides for additional payment obligation in excess of \$5,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation) in any year will be deemed material.

SECTION 5.38 ABANDONMENT OF PLANT. The Borrower will not, without the prior written consent of the Required Bondholders, abandon or decommission the Plant.

SECTION 5.39 MODIFICATION AND TERMINATION OF PROJECT DOCUMENTS.

(a) *Amendment*. The Borrower will not:

(i) With respect to each Project Document other than Construction Contract, the Equipment Supply Agreement or the License Agreement (but including the CFP Agreement), amend, modify, supplement or waive any provision of, or grant any consent under, any such Project Document which would materially adversely affect the Borrower's business or financial condition so as to materially adversely affect the ability of the Borrower to comply with its obligations hereunder;

(ii) With respect to the Construction Agreement or the Equipment Supply Agreement, amend, modify, supplement, or waive any provision of, or grant any consent under, any such Project Document, provided that the Borrower shall be permitted to enter into any change orders or similar modifications and amendments (including corresponding waivers) (i) that do not increase the cost of construction of the Plant by more than the lesser of \$4,800,000 and the remaining amount available under the Occator contingent equity commitment or (ii) for which the Borrower has requested consent of the Bondholders and, within fifteen (15) days following the delivery of such request to the Trustee, the Required Bondholders have not exercised their Veto Right, so long as the Construction Monitor has certified to the Bondholders that after giving effect to such change order the Plant Substantial Completion Date will occur by twenty-three (23) months following the Delivery Date, barring events then currently unanticipated, and that undisbursed funds in the construction accounts, together with funds from other irrevocably committed sources, are reasonably expected to be sufficient to complete the construction of the Plant;

(iii) With respect to the License Agreement, amend, modify, supplement, or waive any provision of, or grant any consent under, the License Agreement in any manner adverse to the Borrower without first giving a rejection right to the Required Bondholders through the Veto Process; or

(iv) Agree to a settlement in respect of damages if the settlement would be reasonably likely to result in a Material Adverse Effect.

(b) *Termination and Replacement.* The Borrower will not:

(i) With respect to each Project Document, other than the Construction Agreement, the Equipment Supply Agreement, or the CFP Agreement, terminate any such Project Document if such termination would materially adversely affect the Borrower's business or financial condition so as to materially adversely affect the ability of the Borrower to comply with its obligations hereunder;

(ii) With respect to the Construction Agreement or the Equipment Supply Agreement, terminate either such Project Document unless the Borrower replaces such Project Document with (A) a replacement agreement (1) between the Borrower and another counterparty (taking into consideration any guarantor) of similar or greater creditworthiness and experience of the counterparty being so replaced, (2) that provides projected economic benefits for the Tax-Exempt Project that are, in light of the material risks and liabilities of such replacement contract, taken as a whole, at least as favorable as the benefits under the existing Project Document, and (3) that is otherwise in form and substance substantially similar to the Project Document being replaced, or (B) a replacement agreement that does not meet all of the requirements described in the preceding clause (A) but that is not rejected by the Required Bondholders through a Veto Process (the provisions set forth in this Section 5.39(b)(ii) being referred to herein as the "Construction Replacement Provisions"); or

(iii) With respect to the CFP Agreement, terminate the CFP Agreement unless (the provisions set forth in this Section 5.39(b)(iii) being referred to herein as the "CFP Replacement Provisions"):

(A) If such termination occurs before the completion of one year following the Commercial Operations Date, the Borrower replaces the CFP Agreement with either (1) a replacement agreement (x) between the Borrower and another counterparty (taking into consideration any guarantor) of similar or greater creditworthiness and experience of the counterparty being so replaced, (y) provides projected economic benefits for the Tax-Exempt Project that are, in light of the material risks and liabilities of such replacement contract, taken as a whole, at least as favorable as the benefits under the CFP Agreement, and (z) that is otherwise in form and substance substantially similar to the CFP Agreement, or (2) a replacement agreement that does not meet all of the

requirements described in the preceding clause (1) but that is not rejected by the Required Bondholders through a Veto Process; or

(B) If such termination occurs on or after the completion of one year following the Commercial Operations Date, either (1) the Borrower delivers a Certificate to the effect that the Forward Looking Debt Service Coverage Ratio for each of the next two Calculation Periods (using the Calculation Date next following the date of termination as the Calculation Date for these purposes) is not less than 1.20, which Certificate may take into consideration any replacement agreements entered into by the Borrower in connection with such termination, or (2) the Borrower submits a request for a waiver of the Certificate (and the requirements) described in the preceding clause (1) and the Required Bondholders do not reject the requested waiver through a Veto Process.

(c) *Tax-Exempt Project.* The Borrower shall not make any changes to the Plans and Specifications or the Project Documents that would cause the Tax-Exempt Project to deviate from the description of it set forth in Exhibit A hereto (including the provisions of the Tax Certificate incorporated therein) unless (1) and the Authority provides its written consent to such alteration or change, and (2) there shall have been delivered to the Authority and the Trustee an Opinion of Bond Counsel that such proposed changes will not adversely affect the Tax-Exempt status of interest on the Tax-Exempt Bonds. Subject to the limitations of the immediately preceding sentence, the Borrower may make (x) any changes to the Plans and Specifications and to the Construction Budget that reflect change orders or similar modifications and amendments (including corresponding waivers) permitted under the terms of this Section 5.39 and (b) any changes to the Construction Budget that reflect cost savings realized on line items and discretionary or required additions to other items, but without any increase in the aggregate amount projected to be spent in accordance with the Construction Budget.

SECTION 5.40 DISTRIBUTIONS.

The Borrower will not, without the prior written consent of the Required Bondholders, declare, pay or make any Distribution unless the Distribution Requirements are satisfied on the date of the declaration, payment or making of the Distribution. The Trustee shall have no obligation to determine whether the Distribution Requirements have been satisfied.

SECTION 5.41 TAX ELECTIONS. Without the prior written consent of the Required Bondholders, the Borrower will not file an election to be classified for U.S. federal income tax purposes as other than an entity that is disregarded as separate from its owner.

SECTION 5.42 TRANSACTIONS WITH PARTICIPATING AFFILIATES. The Borrower will not enter into any agreements or transactions with a Participating Affiliate of the Borrower unless such agreement or transaction is entered into on terms no less favorable to the Borrower than the Borrower would obtain in a comparable arm's-length transaction with a Person that is not a Participating Affiliate of the Borrower;

SECTION 5.43 PROJECT DISBURSEMENTS. The Borrower shall not knowingly submit any requisition for disbursements from the Project Fund under the Indenture that is a Disqualified Requisition.

SECTION 5.44 MODIFICATIONS TO BOND FINANCING DOCUMENTS. Except as provided by Section 5.39, the Borrower shall not, and shall ensure that none of the Borrower Parties, amend, terminate or otherwise modify any Bond Financing Documents (other than this Loan Agreement or the Indenture, which are governed by Section 6.07(b) and Article IX of the Indenture) without the prior written consent of the Trustee and the Authority in accordance with 6.07(c) of the Indenture.

SECTION 5.45 NO OTHER ACCOUNTS. The Borrower shall not open or maintain any accounts at any financial institution other than those established under the Collateral Agency Agreement and bank accounts with respect to which the Collateral Agent obtains a “Deposit Account Control Agreement” (as that term is defined in the Security Agreement described in Schedule 1 to the Collateral Agency Agreement) in favor of the Collateral Agent, as secured party.

SECTION 5.46 PURCHASE ORDERS. The Borrower shall not knowingly enter into any purchase order for the sale of goods produced by the Tax-Exempt Project in favor of any purchaser from which the Borrower has an existing receivable of more than \$25,000 and greater than forty (40) days aged.

SECTION 5.47 PROCESS IMPROVEMENTS. The Borrower will use commercially reasonable efforts (a) to identify means of improving the process represented by the Patent, with the goal of developing additional patent-eligible subject matter prior to the expiration of the Patent in 2021 and (b) if and to the extent the Borrower develops such additional patent-eligible subject matter that the Borrower in its good faith judgment believes to be commercially viable, to attempt to obtain U.S. patent protection for such subject matter.

ARTICLE 6 DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF PROCEEDS

SECTION 6.1 OBLIGATION TO CONTINUE PAYMENTS. If prior to full payment of the Bonds (or provision for payment thereof in accordance with the provisions of the Indenture) the Plant or the Site or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or is subject to Condemnation, the Borrower will nevertheless be obligated to continue to pay the amounts specified in Article IV hereof, to the extent not prepaid in accordance with Article VIII hereof.

SECTION 6.2 APPLICATION OF LOSS PROCEEDS. The Borrower shall deposit any Loss Proceeds received by the Borrower with the Collateral Agent on or before the next Transfer Date immediately preceding a Bond Payment Date. Such amounts shall be applied in accordance with the Collateral Agency Agreement. Should the Collateral Agent transfer any Loss Proceeds to the Trustee in accordance with Section 7.08 of the Collateral Agency Agreement, such amounts shall be used to redeem Bonds pursuant to Section 4.01(e) of the

Indenture. The Borrower shall apply any Excluded Loss Proceeds in accordance with Section 7.08 of the Collateral Agency Agreement.

SECTION 6.3 PURSUIT OF CREDIT RATINGS. Within one (1) year after the Debt Service Coverage Ratio calculated in accordance with Section 5.15(a)(ix) hereof has been no less than 2.00 for three (3) consecutive years, the Borrower shall seek a credit rating for the Bonds from at least one (1) nationally-recognized credit rating agency. If the Borrower obtains at least one (1) credit rating for the Bonds that meets the thresholds set forth in Section 2.04(b)(i) of the Indenture, it shall request that the Authority terminate the Restricted Period as provided in such section.

ARTICLE 7

LOAN DEFAULT EVENTS AND REMEDIES

SECTION 7.1 LOAN DEFAULT EVENTS. Any one of the following which occurs and continues will constitute a Loan Default Event:

(a) failure of the Borrower to make a payment required by Section 4.2(a)(i) hereof;

(b) failure of the Borrower to make any payment required by Section 4.2(b)-(d) hereof within five (5) Business Days after written notice delivered to the Borrower of such failure;

(c) failure of the Borrower to observe and perform its obligations with respect to insurance required by the first sentence of Section 5.7 hereof, which failure continues for a period ten (10) Business Days after any Authorized Representative of the Borrower obtains actual knowledge of such failure;

(d) failure of any Borrower Party to observe and perform any covenant, condition or agreement on its part required to be observed or performed by it under the Bond Financing Documents to which it is a party which continues for a period of thirty (30) days after written notice delivered to the Borrower, which notice will specify such failure and request that it be remedied, given to the Borrower by the Authority or the Trustee; *provided*, however, that if the failure stated in the notice cannot be corrected within such period and would not be reasonably likely to result in a Material Adverse Effect, such period will be extended if corrective action is instituted within such period and diligently pursued until the default is corrected, but such period shall in any event terminate before the earlier of any Material Adverse Effect shall have occurred and one hundred eighty (180) days;

(e) occurrence of an Event of Default under the Indenture;

(f) any representation or warranty made by the Borrower in any Bond Financing Document or in any certificate or document delivered by the Borrower to the Trustee or the Authority proves to have been incorrect in any material respect as of the date when made or deemed to have been made;

(g) the Borrower defaults in the performance of any obligation under or any payment when due of principal of or interest on any Financial Indebtedness (other than hereunder) under agreements or instruments involving in the aggregate in excess of \$1,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation) beyond the grace period, if any, provided in the instrument or agreement under which such Financial Indebtedness was created and as a result thereof the maturity of such Financial Indebtedness has been accelerated;

(h) an Act of Bankruptcy occurs with respect to the Borrower, provided, however, that an Act of Bankruptcy not commenced by the Borrower will only result in a Loan Default Event if the same remains undismissed, undischarged or unbonded for a period of ninety (90) days;

(i) the Borrower abandons all or substantially all of the Plant or otherwise ceases to develop, construct, operate or maintain the Plant, which abandonment or cessation will be deemed to have occurred if the Borrower fails, without reasonable cause, for ninety (90) consecutive days to take any action to develop, construct, operate or maintain, as applicable, the Tax-Exempt Project;

(j) a final judgment is entered against the Borrower for the payment of money in excess of \$1,000,000 (as adjusted by the Inflation Factor from the Delivery Date to the date of calculation), or any non-monetary final judgment is entered against the Borrower which is reasonably likely to result in a Material Adverse Effect, and, in each case, if such judgment remains unsatisfied without any procurement of a stay of execution within thirty (30) calendar days after the date of entry of judgment or at any time thereafter becomes unsatisfied and unstayed;

(k) except in accordance with its terms or as permitted pursuant to the terms of the Bond Financing Documents, (A) any Collateral Instrument is not or ceases to be effective to grant a lien on the Collateral described therein (other than on an immaterial portion thereof) or (B) any lien on the Collateral is not or ceases to be perfected, in each case, as set forth in the Bond Financing Documents, or (C) any Bond Financing Document to which the Borrower is a party or any material provision therein ceases to be in full force and effect except in accordance with its terms, and such event continues for thirty (30) days after the earlier of notice from the Trustee to the Borrower and the Borrower having actual knowledge of such event;

(l) an ERISA Event has occurred which, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect;

(m) failure to achieve the Commercial Operations Date by the fourth (4th) anniversary of the Delivery Date (unless a Force Majeure Event has occurred, in which case before the Force Majeure Adjusted Date);

(n) funds on deposit in any Funds and Accounts are used or withdrawn by or at the instruction of the Borrower other than for the purposes specified or as expressly

permitted in the Bond Financing Documents, unless such occurrence is caused by an administrative error and is remedied within five (5) Business Days after the Borrower obtains knowledge of the error;

(o) any Governmental Approval necessary for the execution, delivery and performance by the Borrower of the Bond Financing Documents and the other Transaction Documents or the ownership and operation of the Tax-Exempt Project by the Borrower is not obtained, maintained, or complied with, in each case, as and when required, and such failure would reasonably be expected to have a Material Adverse Effect, unless in each case, such failure is remedied within thirty (30) days after written notice from the Trustee to the Borrower, or such longer period as is reasonably necessary under the circumstances to remedy such failure, but in any event before any Material Adverse Effect shall have occurred;

(p) (i) a Material Contract ceases to be valid and binding and in full force and effect (except in accordance with its terms) or is terminated prior to its expiration date, (ii) any material provision of a Material Contract is declared null and void in a legal proceeding, or (iii) the Borrower or any counterparty to a Material Contract denies in writing further liability or obligation under such Material Contract (unless such Material Contract has expired or otherwise terminated in accordance with its terms); provided, however, that there will be no Loan Default Event under this clause (p) if, within ninety (90) days of the effective date of any of the events described in (i), (ii) or (iii), the Borrower satisfies the Construction Replacement Provisions or the CFP Replacement Provisions, as the case may be, with respect to such Material Contract;

(q) an Act of Bankruptcy occurs and is continuing with respect to a Material Company; provided, however, that there will be no Loan Event of Default under this clause (q) if, with respect to the Material Contract as to which the Material Company is the counterparty, within ninety (90) days of the Act of Bankruptcy, the Borrower satisfies the Construction Replacement Provisions or the CFP Replacement Provisions, as the case may be, with respect to such Material Contract;

(r) failure of any party to the Licensor's and Investors' Undertaking (other than the Collateral Agent) to observe any covenant required to be observed by it under the terms of the Licensor's and Investors' Undertaking beyond any applicable notice or cure period, which continues for a period of thirty (30) days after written notice delivered to the Borrower, which notice will specify such failure and request that it be remedied, given to the Borrower by the Authority or the Trustee; provided, however, that if the failure stated in the notice cannot be corrected within such period and would not be reasonably likely to result in a Material Adverse Effect, such period will be extended if corrective action is instituted within such period and diligently pursued until the default is corrected, but such period shall in any event terminate before the earlier of any Material Adverse Effect shall have occurred and one hundred eighty (180) days; and

(s) failure of (i) the Construction Surety to pay any valid claim under the Construction Bond, within the time period permitted under the terms of the Construction Bond, after due presentation to the Construction Surety of all documentation required

under the terms of the Construction Bond or (ii) either of the SICO Guarantors to pay any valid claim under its respective SICO Guarantee, within the time period permitted under the terms of the applicable SICO Guarantee, after due presentation to the applicable SICO Guarantor of all documentation required under the applicable SICO Guarantee.

SECTION 7.2 REMEDIES ON DEFAULT. Whenever any Loan Default Event has occurred and is continuing,

(a) Upon the occurrence and continuance of a Loan Default Event under Section 7.1(h), the unpaid balance of the amount payable under Section 4.2 of this Loan Agreement shall be due and payable immediately without any further action or notice.

(b) Upon the occurrence and continuance of any other Loan Default Event, the Trustee, by written notice to the Authority and the Borrower, shall declare the unpaid balance of the loan payable under Section 4.2(a) of this Loan Agreement to be due and payable immediately, provided that concurrently with or prior to such notice the unpaid principal amount of the Bonds shall have been declared to be due and payable under the Indenture. Upon any such declaration such amount shall become and shall be immediately due and payable as determined in accordance with Section 7.01 of the Indenture.

(c) The Trustee may have access to and may inspect, examine and make copies of the books and records and any and all accounts, data and federal income tax and other tax returns of the Borrower; provided that the Trustee shall be obligated to protect the confidentiality of such information to the extent provided by State and federal law and prevent its disclosure to the public, except the Authority.

(d) Subject to the terms of the Collateral Agency Agreement, the Authority or the Trustee may take whatever action at law or in equity as may be necessary or desirable to collect the payments and other amounts then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Loan Agreement.

(e) The Trustee may, and with respect to Collateral held under the Collateral Agency Agreement shall (subject to such Collateral Agency Agreement), instruct the Collateral Agent to take whatever action, including without limitation foreclosure under the Deed of Trust or other enforcement actions pursuant to the terms of the Collateral Instruments, at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due hereunder, whether on the stated due date or by declaration of acceleration or otherwise, for damages or for specific performance or otherwise to enforce performance and observance of any obligation, condition or covenant of the Borrower under this Loan Agreement, all as provided in Article V of the Collateral Agency Agreement.

The Borrower covenants that, in case a Loan Default Event shall occur with respect to the payment of any Loan Repayment payable under Section 4.2(a) hereof, then, upon demand of the Trustee, the Borrower shall pay to the Trustee the whole amount that then shall have become due

and payable under said Section, with interest on the amount then overdue at the Default Rate. Such overdue rate shall remain in effect until such overdue amount has been paid.

In case the Borrower shall fail forthwith to pay such amounts upon such demand, the Trustee shall be entitled and empowered to institute any action or proceeding at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Borrower and collect in the manner provided by law the moneys adjudged or decreed to be payable.

In case proceedings shall be pending for the bankruptcy or for the reorganization of the Borrower under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Borrower or in the case of any other similar judicial proceedings relative to the Borrower, or the creditors or property of the Borrower, then the Collateral Agent and the Trustee, as applicable, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Loan Agreement and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Collateral Agent or the Trustee, as applicable, allowed in such judicial proceedings relative to the Borrower, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute such amounts as provided in the Indenture after the deduction of its reasonable charges and expenses to the extent permitted by the Indenture. Any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Collateral Agent or the Trustee, as applicable, and to pay to the Collateral Agent or the Trustee, as applicable, any amount due it for reasonable compensation and expenses, including reasonable expenses and fees of counsel incurred by it up to the date of such distribution.

SECTION 7.3 AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES. In the event the Borrower should default under any of the provisions of this Loan Agreement and the Collateral Agent or the Trustee should employ attorneys or incur other expenses for the collection of the payments due under this Loan Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees to pay to the Collateral Agent or the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Collateral Agent or the Trustee. In the event the Borrower prevails in any such enforcement proceeding, the Trustee shall pay the reasonable attorneys' fees and expenses of the Borrower, provided that any such payment shall be made only from and to the extent of amounts for which the Trustee has been indemnified by Beneficial Owners.

SECTION 7.4 NO REMEDY EXCLUSIVE. Subject to the terms of the Collateral Agency Agreement, no remedy herein conferred upon or reserved to the Authority, the Collateral Agent or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power

may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority, the Collateral Agent or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein or in the Collateral Agency Agreement expressly required. The Collateral Agent, the Trustee and the Holders of the Bonds shall be considered third party beneficiaries for the purposes of enforcing the rights of the Authority and their own respective rights.

SECTION 7.5 NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. In the event any agreement or covenant contained in this Loan Agreement should be breached by the Borrower and thereafter waived by the Authority, the Collateral Agent or the Trustee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE 8

PREPAYMENT

SECTION 8.1 REDEMPTION OF BONDS WITH PREPAYMENT MONEYS. By virtue of the assignment of the rights of the Authority under this Loan Agreement to the Trustee as is provided in Section 4.4 hereof, the Borrower agrees to and shall pay directly to the Trustee any amount permitted or required to be paid by it under this Article VIII. The Trustee shall use the moneys so paid to it by the Borrower to redeem the Bonds on the date set for such redemption pursuant to Article IV of the Indenture (other than as set forth in Section 4.01(a) of the Indenture). The Authority shall call Bonds for redemption as required by Article IV of the Indenture and as requested by the Borrower pursuant to the terms of the Indenture and this Loan Agreement.

SECTION 8.2 OPTIONS TO PREPAY INSTALLMENTS. The Borrower shall have the option to prepay the amounts payable under Section 4.2(a) hereof by paying to the Trustee, for deposit in the Revenue Fund, the amount set forth in Section 8.4 hereof, at the price and time and under the conditions set forth in Section 4.01(f) of the Indenture.

SECTION 8.3 MANDATORY PREPAYMENT. Upon any mandatory redemption event described in Sections 4.01(c) through (e) of the Indenture, the Borrower shall prepay the Loan Repayments pursuant to Section 4.2(a)(i) hereof in an amount sufficient to redeem the Bonds at the redemption price thereof on or before the date such Bonds are to be redeemed as provided in the Indenture.

SECTION 8.4 AMOUNT OF PREPAYMENT. In the case of a prepayment of the entire amount due hereunder pursuant to Section 8.2 or 8.3 hereof, the amount to be paid shall be a sum sufficient, together with other funds and the yield on any securities deposited with the Trustee and available for such purpose, to pay (1) the principal of all Bonds Outstanding on the redemption date as provided in the Indenture, plus interest accrued and to accrue to the payment or redemption date of the Bonds, plus premium, if any, pursuant to the Indenture, (2) all reasonable and necessary fees and expenses of the Authority, the Trustee and any paying agent accrued and to accrue through final payment of the Bonds and (3) all other liabilities of the Borrower accrued and to accrue under this Loan Agreement.

In the case of partial prepayment of the Loan Repayments, the amount payable shall be a sum sufficient, together with other funds deposited with the Trustee and available for such purpose, to pay the principal amount of and premium, if any, and accrued interest on the Bonds to be redeemed, as provided in the Indenture, and to pay expenses of redemption of such Bonds. All partial prepayments of the Loan Repayments shall be applied in inverse order of the due dates thereof.

SECTION 8.5 NOTICE OF PREPAYMENT. To exercise an option granted in or to perform an obligation required by this Article VIII, the Borrower will give written notice, at least two Business Days prior to the last day by which the Trustee is permitted to give notice of redemption pursuant to Section 4.03 of the Indenture, to the Authority and the Trustee specifying the amount to be prepaid and the date upon which any prepayment will be made. If the Borrower fails to give such notice of a prepayment in connection with a mandatory redemption under this Loan Agreement, such notice may be given by the Authority, by the Trustee or by any Holder or Holders or Beneficial Owner or Beneficial Owners of 10% or more in aggregate principal amount of the Bonds Outstanding. The Authority and the Trustee, at the request of the Borrower or any such Bondholder, shall forthwith take all steps necessary under the applicable provisions of the Indenture (except that the Authority shall not be required to make payment of any money required for such redemption) to effect redemption of all or part of the then Outstanding Bonds, as the case may be, on the earliest practicable date thereafter on which such redemption may be made under applicable provisions of the Indenture.

ARTICLE 9

NON-LIABILITY OF AUTHORITY; EXPENSES; INDEMNIFICATION

SECTION 9.1 NON-LIABILITY OF AUTHORITY. The Authority shall not be obligated to pay the principal of, or premium, if any, or interest on the Bonds, except from Revenues. The Borrower hereby acknowledges that the Authority's sole source of moneys to repay the Bonds shall be provided by the payments made by the Borrower pursuant to this Loan Agreement, together with other Revenues, including investment income on certain funds and accounts held by the Trustee under the Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal of, and premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Authority or any third party.

SECTION 9.2 EXPENSES. The Borrower covenants and agrees to pay and to indemnify the Authority and the Trustee against all costs and charges, including reasonable fees and disbursements of attorneys, accountants, consultants and other experts, incurred in good faith in connection with this Loan Agreement, the Bonds or the Indenture.

SECTION 9.3 INDEMNIFICATION. The Borrower releases the Authority and the Trustee (including as Paying Agent and Registrar) from, and covenants and agrees that neither

the Authority nor the Trustee shall be liable for, and covenants and agrees, to the extent permitted by law, to indemnify and hold harmless the Authority and the Trustee and their members, officers, employees, directors, representatives and agents from and against, any and all losses, claims, damages, liabilities or expenses (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments), of every conceivable kind, character and nature whatsoever (including, without limitation, federal and state securities laws) arising out of, resulting from or in any way connected with (1) the Plant, or the conditions, occupancy, use, possession, conduct or management of, or work done in or about the Plant or the other facilities of the Borrower, or from the planning, design, acquisition, construction, rehabilitation, renovation, improvement, installation or equipping of the Plant or any part thereof; (2) the issuance, sale or resale of any Bonds or any certifications or representations made in connection therewith, the execution and delivery of this Loan Agreement, the Indenture or the Tax Certificate or any amendment thereto and the carrying out of any of the transactions contemplated by the Bonds, the Indenture and this Loan Agreement; (3) the Trustee's acceptance or administration of the trusts under the Indenture, or the exercise or performance of any of their powers or duties under the Indenture or this Loan Agreement; (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact required to be stated or necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, in any official statement or other offering circular utilized by the Authority or any underwriter or placement agent in connection with the sale or remarketing of any Bonds or in any disclosure made by Borrower to comply with the requirements of S.E.C. Rule 15c2-12; (5) any violation of any Environmental Requirement or the release of any Hazardous Materials from, on or near the Plant or any other facilities of the Borrower; (6) the defeasance and/or redemption, in whole or in part, of the Bonds; or (7) any declaration of taxability of interest on the Bonds, or allegations that interest on the Bonds is taxable or any regulatory audit or inquiry regarding whether interest in the Bonds is taxable; *provided* that with respect to indemnification of the Authority and its members, officers, employees and agents, such indemnity shall not be required for damages that result from the gross negligence or willful misconduct on the part of the party seeking such indemnity and with respect to any other indemnified party, such indemnity shall not be required for damages that result from the negligence or willful misconduct on the part of the party seeking such indemnity. The Borrower further covenants and agrees, to the extent permitted by law, to pay or to reimburse the Authority and the Trustee and their members, officers, employees and agents for any and all costs, reasonable attorneys' fees and expenses, liabilities or other expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, expenses or actions, except to the extent that the same arise out of the gross negligence or willful misconduct of the Authority and its members, officers, employees and agents claiming such payment or reimbursement or out of the negligence or willful misconduct of the Trustee and its members, officers, employees and agents claiming such payment or reimbursement. The provisions of this Section shall survive any resignation or removal of the Trustee, the retirement of the Bonds and the termination of this Loan Agreement.

ARTICLE 10

MISCELLANEOUS

SECTION 10.1 NOTICES. All notices, certificates or other communications permitted or required to be given under this Agreement shall be deemed sufficiently given on the second day following the day on which the same have been mailed by certified mail, postage prepaid, addressed to the Authority, the Borrower, the Trustee, the Collateral Agent, the Construction Monitor or the Technical Advisor, as the case may be, as follows, and such communications shall also be deemed sufficiently given if sent by e-mail (except in the case of any Incipient Default or loan default event):

To the Authority: California Pollution Control
Financing Authority
P.O. Box 942809
Sacramento, CA 94209
Attn: Executive Director

To the Borrower: CalPlant I, LLC
9286 Stacey Anne Drive
Browns Valley, CA 95918-9648
Attn: President
E-mail: juhland@calag.com

With a copy to:

Morrison & Foerster LLP
707 Wilshire Blvd, Suite 6000
Los Angeles, CA 90017
Attn: Irv Hepner, Esq.
E-mail: Irv.Hepner@mof.com

To the Trustee: UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust
E-mail: Katie.Carlson@umb.com

If to the Collateral Agent: UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust
E-mail: Katie.Carlson@umb.com

If to the Construction Monitor: Industrial Projects Consulting LLC
540 C Ave
Lake Oswego, OR 97034
Attn: Lynn Persinger
E-mail: LynnP@IndPC.com

If to the Technical Advisor: Stephen Vajda Consulting
3072 Bewicke Avenue
Canada, V7N 4B8
Attn: Stephen Vajda
E-mail: vajda-consulting@shaw.ca

A duplicate copy of each notice, certificate or other communication given hereunder by the Authority, the Borrower, the Collateral Agent, the Construction Monitor or the Technical Advisor to any of the others shall also be given to the Trustee. The parties listed above may, by notice given hereunder, designate any different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 10.2 SEVERABILITY. If any provision of this Loan Agreement shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

SECTION 10.3 EXECUTION OF COUNTERPARTS. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which will constitute but one and the same instrument; *provided*, however, that for purposes of perfecting a security interest in this Loan Agreement by the Trustee under Article 9 of the California Uniform Commercial Code, only the counterpart delivered, pledged, and assigned to the Trustee shall be deemed the original.

SECTION 10.4 AMENDMENTS, CHANGES, AND MODIFICATIONS. Except as otherwise provided in this Loan Agreement or the Indenture, subsequent to the initial issuance of Bonds and prior to their payment in full, or provision for such payment having been made as provided in the Indenture, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, given in accordance with Section 6.07(b) of the Indenture.

SECTION 10.5 OPINIONS OF BOND COUNSEL. Whenever in this Loan Agreement, the Indenture, or the Collateral Agency Agreement it is required that prior to the taking of any action an Opinion of Bond Counsel is required to be delivered, and such opinion is not given by Orrick, Herrington & Sutcliffe LLP, neither the Authority nor the Borrower shall be entitled to rely on or refer to the original final bond opinion delivered by Orrick, Herrington & Sutcliffe LLP on the Date of Delivery in any context without the consent of Orrick, Herrington &

Sutcliffe LLP. Successor Bond Counsel shall also render an opinion that interest on the Tax-Exempt Bonds is Tax-Exempt and will remain so after the action in question.

SECTION 10.6 GOVERNING LAW; VENUE. This Loan Agreement shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State. This Loan Agreement shall be enforceable in the State, and any action arising out of this Loan Agreement shall be filed and maintained in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement.

SECTION 10.7 AUTHORIZED REPRESENTATIVE. Whenever under the provisions of this Loan Agreement the approval of the Borrower is required or the Borrower is required to take some action at the request of the Authority, such approval or such request shall be given on behalf of the Borrower by an Authorized Representative, and the Authority and the Trustee shall be authorized to act on any such approval or request and neither party hereto shall have any complaint against the other or against the Trustee as a result of any such action taken.

SECTION 10.8 LIABILITY OF AUTHORITY LIMITED TO REVENUES. Notwithstanding anything in this Loan Agreement, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under the Indenture for any of the purposes in the Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Loan Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

The Borrower hereby acknowledges that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made, or caused to be made, by the Borrower to the Trustee pursuant to this Loan Agreement, together with investment income on certain funds and accounts held by the Trustee under the Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or redemption price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or redemption price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Authority or any third party, subject to any right of reimbursement from the Trustee, the Authority or any such third party, as the case may be, therefor.

SECTION 10.9 WAIVER OF PERSONAL LIABILITY. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of any principal (or redemption price) or interest on the Bonds or any sum hereunder or under the

Indenture be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Loan Agreement.

SECTION 10.10 INDENTURE PROVISIONS. The execution of this Loan Agreement shall constitute conclusive evidence of approval of the Indenture, as in effect in the Delivery Date, by the Borrower. Whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower shall carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

SECTION 10.11 NO PREVAILING PARTY. Subject to Section 7.03 hereof, nothing in this Loan Agreement shall be construed to provide for the award of attorneys' fees and costs to the Authority or the Borrower for the enforcement of this Loan Agreement, as described in Section 1717 of the California Civil Code. Nothing in this Section 10.11 affects the rights or obligations of the Trustee as provided herein or the Indenture (including, without limitation, the Trustee's rights and obligations as assignee of the Authority of this Agreement).

SECTION 10.12 TERM OF THE LOAN AGREEMENT. This Loan Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as any of the Bonds is outstanding or the Trustee holds any moneys under the Indenture, whichever is later. All representations and certifications by the Borrower as to all matters affecting the Tax-Exempt status of the Tax-Exempt Bonds shall survive the termination of this Loan Agreement.

SECTION 10.13 BINDING EFFECT. This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority, the Borrower and their respective successors and assigns; subject, however, to the limitations contained in Section 5.4 hereof.

SECTION 10.14 SURVIVAL OF FEE OBLIGATION. The right of the Authority and the Trustee to receive any fees or be reimbursed for any expenses incurred pursuant to this Loan Agreement, and the right of the Authority and the Trustee to be protected from any liability as provided in this Loan Agreement, shall survive the retirement of the Bonds or the resignation or removal of a Trustee.

SECTION 10.15 COMPLETE AGREEMENT. The parties agree that the terms and conditions of this Loan Agreement supersede those of all previous agreements between the parties relative to the Bonds, and that this Loan Agreement, together with the documents referred to in this Loan Agreement, contains the entire agreement relative to the Bonds between the parties hereto.

SECTION 10.16 REQUIRED BONDHOLDERS. For all purposes of this Agreement, in any circumstance in which a consent, approval or waiver by the Required Bondholders is required or permitted for any purpose, such consent, approval or waiver may be evidenced by a Required Bondholders Approval Certificate given in accordance with Section 6.08(i) of the Indenture.

IN WITNESS WHEREOF, the California Pollution Control Financing Authority has caused this Loan Agreement to be executed in its name and its seal to be hereunto affixed by its duly authorized officers, and the Borrower has caused this Loan Agreement to be executed in its name all as of the date first above written.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: _____

By: _____

[Seal]

CALPLANT I, LLC

By: _____

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Tax-Exempt Project consists of the construction, rehabilitation, improvement, and/or installation of buildings and related facilities and the acquisition of equipment for a plant to recycle waste rice straw or other agricultural waste materials into medium density fiberboard, to be located at 6101 State Highway 162, Willows, California, all as described in more detail in the Tax Certificate.

EXHIBIT B

FINAL TAX-EXEMPT PROJECT COMPLETION CERTIFICATE

To: UMB Bank, N.A., as trustee
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

California Pollution Control Financing
Authority
915 Capitol Mall, Room 457
Sacramento, CA 95814
Attn: Executive Director

UMB Bank, N.A., as collateral agent
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

RE: Final Tax-Exempt Project Completion Certification

This Final Tax-Exempt Project Completion Certification is being provided to you pursuant to the requirements of the Loan Agreement, dated as of June 1, 2017 (the "Loan Agreement") between the Authority and the Borrower, which requires that, upon completion of the below referenced project, the Borrower shall have an Authorized Representative of the Borrower, on behalf of the Borrower, evidence the Final Tax-Exempt Completion Date of the project by providing a certificate, which shall be approved by the Construction Monitor, to the Trustee, the Collateral Agent and the Authority stating the Costs of the Tax-Exempt Project and the components of the Tax-Exempt Project as described in Exhibit A of the Loan Agreement (see attached). The completed project information is provided below. (Capitalized terms used in this certificate are used with the meanings provided in the Indenture referred to in the Loan Agreement.)

BOND INFORMATION

Borrower Name: CalPlant I, LLC
Project Name(s): CalPlant I Project

Bond Name and Series: California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT)
Bond Closing Date:
Bond Amount Issued:

PROJECT INFORMATION

Project Address: *(From Exhibit A of the Loan Agreement)*
Project Commencement Date:
Project Completion Deadline: *(Contemplated)*
Final Tax-Exempt Project Completion Date: *(Actual)*

BREAKDOWN OF EXPENDITURES OF BOND PROCEEDS

BREAKDOWN OF EXPENDITURE OF NON-BOND PROCEEDS

Project Cost by Item (From the Tax Certificate and Agreement) Amount Amount

TOTAL: \$ \$

Amount of Bond Proceeds remaining in the Project Fund \$_____

The acquisition, equipping, rehabilitation and construction have been completed substantially in accordance with the plans, specifications and work orders therefore, and all labor, services, materials and supplies used in the acquisition, equipping, rehabilitation and construction have been paid or provided for. All other facilities necessary in connection with the Tax-Exempt Project have been acquired, constructed and installed in accordance with the plans and specifications and work orders therefor and all costs and expenses incurred in connection therewith have been paid or provided for. The public benefits as presented to the Authority Board at the approval of the Final Resolution have been realized as a result of the completion of this Tax-Exempt Project.

The Borrower certifies that the Tax-Exempt Project was completed substantially in accordance with Exhibit A of the Loan Agreement, with any amendments. Any variances from the Tax-Exempt Project as described in Exhibit A are described below:

PROJECT VARIANCES (IF ANY):

Five horizontal lines for listing project variances.

This certificate is given without prejudice to any rights of the Borrower against third parties for any claims or for the payment of any amount not then due and payable which obligation has been incurred at the date of this certificate or which may subsequently be incurred.

Borrower's Authorized Representative(s)

Construction Monitor's
Authorized Representative

Attachments [Photos of completed project(s)]

EXHIBIT C

FORM OF ANNUAL BORROWER CERTIFICATE

UMB Bank, N.A.

Attn:

California Pollution Control Financing Authority
915 Capitol Mall, Room 457
Sacramento, CA 95814
Attn: Executive Director

Description of CPCFA Bond Issue

California Pollution Control Financing Authority
Solid Waste Disposal Revenue Bonds
(CalPlant I Project), Series 2017 (AMT)

Principal Amount Issued

\$ _____

Borrower – CalPlant I, LLC

The following lists of items are required per the Loan Agreement for the above-referenced financing. Please signify compliance and send this notice to the above-referenced participants.

1. Per Section 5.13 of the Loan Agreement, the Borrower is required to calculate rebate liability. Section 5.13 reads, in part, as follows:

“...The Borrower will calculate, or cause to be calculated, its rebate liability at such times as are required by Section 148(f) of the Code and any temporary, proposed or final Regulations as may be applicable to the Bonds from time to time. The Borrower shall provide to the Trustee and the Authority a copy of each calculation of rebate liability prepared by or on behalf of the Borrower.”

Borrower has complied has not complied is not yet required to comply is no longer required to comply with this requirement.

2. Per Section 5.15(a)(iii) of the Loan Agreement, the Borrower agrees to keep financial statements, provide notice to the Trustee certification they are completed and that no event which constitutes an Incipient Default or an Event of Default has occurred. Section 5.15(a) reads, in part, as follows:

“(a) The Borrower hereby agrees to provide... (iii) Within one hundred twenty (120) days after the end of each Fiscal Year, a Certificate of the Borrower signed by a Financial Officer of the Borrower stating that its financial statements have been completed and that no event which constitutes an Incipient Default or an Event of Default has occurred and is continuing as of the end of such Fiscal Year, or specifying the nature of such event and the actions taken and proposed to be taken by the Borrower to cure such default.”

Borrower has has not complied with this requirement.

3. Per Section 5.15(a)(vi) of the Loan Agreement, the Borrower agrees to provide written notice of an Incipient Default or an Event of Default. Section 5.15(a)(vi) reads as follows:

“(a) The Borrower hereby agrees to provide...(vi) Promptly upon knowledge of an Incipient Default or an Event of Default, a written notice of such Incipient Default or Event of Default...such notice to include a description of the nature of such event and what steps are being taken to remedy such Incipient Default or Event of Default.”

Borrower has complied has not complied is not yet required to comply with this requirement.

4. Per Section 5.15(a)(vii) of the Loan Agreement, the Borrower is required to send a Certificate of the Borrower to the Authority and the Trustee. Section 5.15(a)(vii) reads, in part, as follows:

“(a) The Borrower hereby agrees to provide...(vii) On or before January 15 of each year during which any of the Bonds are Outstanding, (i) a written disclosure of any significant change known to the Borrower which would adversely impact the Trustee’s ability to perform its duties under the Indenture, or of any conflicts which may result because of other business dealings between the Trustee and the Borrower; and (ii) a representation of the Borrower that all material certificates, approvals, permits and authorizations described in Section 5.17(d) that are at the time necessary for the construction, as applicable, use or operation of the Plant continue in full force and effect, provided that with respect to any such certificate, approval, permit or authorization that must issue without discretion on the part of the issuer thereof, the Borrower need only disclose the absence of such certificate, approval, permit or authorization and the Borrower’s plan to acquire it.”

Borrower has has not complied with this requirement.

5. Per Section 5.15(a)(xvi) of the Loan Agreement, the Borrower is required to provide a Certificate of Compliance II until the Borrower has filed the Final Tax-Exempt Project Completion Certificate and thereafter, a Certificate of Completion. Section 5.15(a)(xvi) reads as follows:

“(xvi) The Borrower agrees to provide to the Authority (A) on February 1 of each year an annual Certificate of Compliance II (certificate found at <http://www.treasurer.ca.gov/cdlac/applications/exempt/index.asp>) until such time as the Borrower has filed the Final Tax-Exempt Project Completion Certificate required by Section 3.3(a) hereof, and (B) thereafter, a Certificate of Completion (certificate found at <http://www.treasurer.ca.gov/cdlac/applications/exempt/index.asp>), all as required by that certain Resolution No. 14-147-07, adopted by the Authority on May 16, 2017.”

Borrower has has not complied with this requirement.

If you answered “has not” to any of the above, please explain on a separate paper.

I represent and warrant that I have full authority to execute this certificate on behalf of the Borrower. I certify in my capacity as an Authorized Representative of the Borrower that the foregoing certificate for the above-referenced financing is true and correct.

By _____ Date _____
Authorized Borrower Representative

Title _____ Phone No. _____

EXHIBIT D**INSURANCE REQUIREMENTS**

The Borrower shall procure and maintain or cause to be so procured and maintained (by the Contractor or SICO or otherwise), (a) at all times until the Plant Substantial Completion Date, the insurance described in Section 1 of this Exhibit D, and, (b) from the Plant Substantial Completion Date until no Bonds remain outstanding, the insurance described in Section 2 of this Exhibit D. All required insurance shall be maintained under policies with insurance companies authorized to do business in California (if required by applicable law), and (a) having a Best Insurance Reports rating of at least A- or better and a financial size category of VIII or higher (or the then equivalent) at the time the policies are entered into, (b) having an S&P financial strength rating of A- or higher at the time the policies are entered into, or (c) otherwise satisfactory to the Required Bondholders. The Borrower, the Contractor or SICO shall obtain the required insurance coverages, as applicable, and may use whatever format or combinations of policies they consider best, using one or more policies, as long as the requirements of this Exhibit D are met.

1. Until Plant Substantial Completion Date:

- (a) Workers' compensation insurance, including all mandatory statutes/requirements, occupational illness, disability or disease coverage, or other similar social insurance in accordance with the applicable laws.
- (b) Employer's liability insurance for the Borrower's liability arising out of injury to or death of its employees with a minimum limit of \$1,000,000 per accident, \$1,000,000 each employee for disease, and \$1,000,000 disease policy limit.
- (c) Commercial general liability insurance on an occurrence basis against claims arising out of bodily injury (including death) and property damage. Such insurance shall provide coverage for products and completed operations, broad form property damage, personal and advertising injury insurance and independent contractors coverage with a limit of at least \$1,000,000 per occurrence for combined bodily injury and property damage, \$2,000,000 products/completed operations aggregate, and \$2,000,000 policy aggregate, which policy aggregate shall be dedicated to the Project. A maximum deductible or self-insured retention of \$250,000 per occurrence shall be allowed.
- (d) Automobile liability insurance for the Borrower's liability covering all owned (if any), leased, non-owned and hired vehicles, including loading and unloading, with a limit per accident of at least \$1,000,000, for combined bodily injury and property damage and containing appropriate no-fault insurance provisions wherever applicable. A maximum deductible or self-insured retention of \$250,000 per occurrence shall be allowed.
- (e) Property damage insurance on an "all risks" basis insuring the Borrower, the Contractor, any subcontractors thereof, SICO, the Trustee and the Collateral Agent, as their interests may appear, including coverage against loss or damage

from the perils of fire, explosions, lightning strikes; downfall or sliding of dirt or rocks, short circuit, voltaic arc as well as the indirect action of the atmospheric electricity; damage resulting from faulty workmanship, design or materials (at least as provided by LEG 2/96 clause or equivalent); earth movement (including but not limited to earthquake, landslide, subsidence and volcanic eruption), flood, windstorm, boiler, turbine and machinery accidents, strike, riot, civil commotion, and sabotage and terrorism. The construction all-risks insurance shall include at least the following:

- (i) Property Covered. The insurance policy shall provide coverage for (a) the buildings, structures, boilers, machinery, equipment, facilities, gas and transmission lines, sub stations, fixtures, mobile equipment forming part of the permanent works, supplies, fuel and other properties constituting a part of the Plant, (b) free issue items used in connection with the Plant, (c) the inventory of spare parts to be included in the Plant, (d) all preliminary works, temporary works and interconnection works, (e) land improvements, foundations and other property below the surface of the ground, (f) electronic equipment and media, (g) real and personal property for which the Borrower is legally or contractually liable, and (h) new property and equipment, including property and equipment in connection with permitted change orders.
- (ii) Additional Coverage. The insurance policy shall insure (a) the cost of preventive measures to reduce or prevent a loss, (b) operational and performance testing for a period not less than 120 days, (c) inland transit with sub-limits sufficient to insure the largest single shipment to or from the Plant while in transit wherever located on land and for items procured within the United States, for shipments that transfer title prior to delivery to the Site, (d) expediting expenses (i.e. extraordinary expenses incurred after an insured loss to make temporary repairs and expedite the permanent repair of the damaged property separate and in addition to the delayed startup coverage), (e) off-site storage with sub-limits sufficient to insure the full replacement value of any property or equipment not stored at the Plant site, (f) the removal of debris and (g) cleanup and removal.
- (iii) Special Clauses. The insurance policy shall include (a) a 72-hour named storm/earthquake clause, (b) unintentional errors and omissions clause, (c) a 50/50 clause, (d) a progressive payment requirement that the insurer pay losses after receipt of an acceptable proof of loss or partial proof of loss pending final determination of the full claim amount, (e) a clause making the insurance primary to any other insurance, (f) a clause stating that the policy shall not be subject to cancellation by the insurer except for non-payment of premium, *provided* that the terms of Section 5(b) of this Exhibit D shall apply to such cancellation, (g) an escalation clause of at least 15% covering increase in material/construction costs, and (h) a term extension clause allowing the policy period to be extended for any reason

for up to three months without modification to the terms and conditions of the policy, other than additional premium.

- (iv) Sum Insured. Subject to Section 3(c) of this Exhibit D, the insurance policy shall cover (a) the value of the Construction Contract and the Equipment Supply Agreement and include 100% of the Borrower's insurable assets (including change order adjustments) with no period reporting requirements which, if violated, could void coverage, (b) value losses at replacement cost, without deduction for depreciation or obsolescence including custom duties, taxes and fees, (c) maintain covered values up to date, without deduction for physical depreciation or obsolescence and include custom duties, taxes and fees and (d) if subject to sub-limits, include sub-limits of not less than:

1. Earthquake:	\$25,000,000
2. Named Windstorm:	\$25,000,000
3. Sabotage & Terrorism	\$25,000,000
4. Professional fees:	\$2,000,000
5. Preventive measures:	\$1,000,000
6. Expediting expenses:	\$1,000,000
7. Debris removal:	20% of the loss, subject to a maximum of \$10,000,000
8. EDP and media including reconstruction costs:	\$100,000
9. Sue and labor:	\$1,000,000
10. Inland transits:	\$2,000,000
11. Offsite storage:	\$2,000,000

All other sub-limits for perils and coverages required by this Section 1(e)(iv) are prohibited other than in respect of further extensions of policy coverage.

- (v) Deductible. The insurance policy shall have no deductible greater than:
- 5% of loss in respect of each and every earthquake loss subject to a minimum of \$1,000,000 and maximum of \$10,000,000;

- 5% of loss in respect of each named windstorm loss subject to a minimum of \$1,000,000 and maximum of \$10,000,000;
 - \$1,000,000 each loss in respect of:
 - consequences of defective design, plan, specification and workmanship;
 - losses occurring during the defects liability period; and
 - hot testing and commissioning; and
 - \$250,000 for all other losses.
- (vi) Policy Expiry. The insurance policy shall remain in effect subject to the extension provisions of the policy until replaced by operational property damage insurance specified below.
- (vii) Prohibited Exclusions. The insurance policy shall not contain any (a) coinsurance provision, (b) exclusion for loss or damage resulting from freezing or mechanical breakdown, (c) exclusion for loss or damage covered under any guarantee or warranty arising out of an insured peril, or (d) faulty workmanship, design or materials. Exclusion to faulty workmanship, design or materials shall be allowed provided the exclusion at least provides coverage as broad as LEG2.
- (f) Delay in startup coverage insuring the Borrower, the Trustee and the Collateral Agent, as their interests may appear, covering loss of income in an amount sufficient to cover the Borrower's fixed costs and Debt Service as a result of any loss or damage insured under Section 1(e) of this Exhibit D resulting in a delay in the Plant Substantial Completion Date beyond 33 months following the Delivery Date. Such insurance shall (i) have a deductible of not greater than 60 days aggregate for all occurrences during the Construction Phase, other than named storms, flood and earthquake, which shall be not greater than 90 days in aggregate, (ii) include an interim payments clause allowing for the progressive payment of a claim pending final determination of the full claim amount, (iii) cover loss sustained when access to the Site is prevented due to an insured peril at premises in the vicinity of the Site, (d) cover loss sustained due to the action of a public authority preventing access to the Site due to imminent or actual loss or destruction arising from an insured peril at premises in the vicinity of the Site, (e) not contain any form of a coinsurance provision or shall include a waiver of such provision. Coverage shall remain in effect until replaced by business interruption insurance as specified in Section 2(b) of this Exhibit D.
- (g) Borrower shall obtain and maintain or cause SICO or the Contractor to obtain and maintain, cargo insurance on equipment and materials at their risk and expense, insuring SICO, the Contractor, the Borrower, the Trustee, and the Collateral Agent, as their interests may appear, on a "warehouse to warehouse" basis including land, air and marine transit insuring "all risks" of loss or damage on a

replacement cost basis *plus* freight and insurance from the time the goods are in the process of being loaded for transit until they are finally delivered to the Site including shipment deviation, delay, forced discharge, re-shipment and transshipment. Such insurance shall (i) include coverage for war, strikes, theft, pilferage, non-delivery, charges of general average sacrifice or contribution, salvage expenses, temporary storage in route, consolidation, repackaging, refused and returned shipments, jettison, washing and loss overboard of containers and debris removal, (ii) contain a both to blame clause, seaworthiness admitted clause, willful misconduct clause, replacement by air extension clause, a 50/50 clause, an errors and omissions clause, and an import duty clause, (iii) include coverage for inadequate packing, (iv) provide coverage for sue and labor in an amount not less than \$500,000 and (v) insure for the replacement value of the largest single shipment plus freight and insurance. Such insurance shall have a deductible of not greater than \$500,000.

- (h) Borrower shall obtain and maintain until the Plant Substantial Completion Date, delayed startup insurance insuring the Borrower, the Trustee, and the Collateral Agent, as their interest may appear, covering loss of income in a sufficient amount to insure the Borrower's fixed costs, including Debt Service for a period of six months, due to a delay in the Plant Substantial Completion Date arising out of an event insured by the marine cargo insurance. Such insurance shall (i) include an interim payments clause allowing for the monthly payment of a claim pending final determination of the full claim amount and (ii) include cover for delay from loss, breakdown or damage to the hull, machinery or equipment of the vessel or aircraft on which the insured property is being transported, resulting in a delay in the Plant Substantial Completion Date to any date after 21 months following the Delivery Date. Such insurance shall have a deductible of not greater than sixty 60 days per occurrence.
- (i) Pollution liability insurance with a limit of at least \$2,000,000 per occurrence and in the aggregate insuring liability for (i) cleanup on or off the Site for releases of pollutants, (ii) third party liability (including bodily injury, property damage, natural resource damages, third party property loss of use/revenue, and cleanup) due to releases of pollutants, and (iii) spills of transported pollutants. A maximum deductible or self-insured retention of \$250,000 per occurrence shall be allowed. If covered on a claims-made basis, coverage shall be maintained for a period of at least two years following the Plant Substantial Completion Date, or the policy shall provide a two-year extended period for reporting incurred, but as yet undiscovered claims.
- (j) Liability for third party bodily injury, personal injury and property damage excess of required employer's liability, commercial general liability and automobile liability. The limit of this coverage shall be at least \$25,000,000.

2. From Plant Substantial Completion Date

- (a) Property damage insurance on an “all risks” basis insuring the Borrower, the Trustee, and the Collateral Agent, as their interests may appear, including but not limited to coverage against damage or loss caused by fire, explosion, lightning, faulty workmanship, design or materials (at least as provided in LEG 2/96 clause or equivalent), theft, hurricane, gale, cyclone, and/or tornado, hail, flooding, earth movement (including but not limited to earthquake, landslide, subsidence and volcanic eruption), flood, windstorm, equipment breakdown, strike, riot, civil commotion and sabotage and terrorism.
- (i) Property Covered. The insurance policy shall provide coverage for real and personal property of every kind, nature and description, belonging to the insured parties or for which they are in any way legally liable including but not limited to (a) the buildings, structures, boilers, machinery, equipment, facilities, fixtures, supplies, fuel, mobile equipment, substations, transmission lines and other properties constituting a part of the Project, (b) electronic equipment, (c) foundations, pipelines, and other property below the surface of the ground.
- (ii) Additional Coverage. The insurance policy shall insure (a) if not included in the definition of loss, attorneys’ fees, engineering and other consulting costs, and permit fees directly incurred to repair or replace damaged insured property, (b) the cost of preventive measures to reduce or prevent a loss, (c) increased cost of construction and loss to undamaged property as the result of enforcement of building laws or ordinances, and (d) expediting expenses (defined as extraordinary expenses incurred after an insured loss to make temporary repairs and expedite the permanent repair of the damaged property) being separate and in addition to the business interruption cover provided.
- (iii) Special Clauses. The property damage policy shall include (a) a 72-hour clause for windstorm and earthquakes, (b) an unintentional errors and omissions clause, (c) a requirement that the insurer pay losses after receipt of an acceptable proof of loss or partial proof of loss, (d) a clause making this insurance primary over any other insurance.
- (iv) Sum Insured. The property damage policy shall (i) value losses at their repair or replacement cost, without deduction for physical depreciation or obsolescence, including custom duties, taxes and fees, (ii) insure the Plant in an amount not less than the “Full Insurable Value” (for purposes of this Section 2(a)(iv), “Full Insurable Value” means the full replacement value of the Plant, including any improvements, equipment, spare parts, fuel and supplies, without deduction for physical depreciation and/or obsolescence) or a first loss limit which shall not be less than the probable maximum loss as determined by a nationally recognized specialist in performing probably

maximum loss studies, designated by the Borrower, and (iii) if subject to minimum sub-limits, include sub-limits of not less than:

1. Earthquake:	\$25,000,000
2. Named Windstorm:	\$25,000,000
3. Sabotage & Terrorism	\$25,000,000
4. Professional fees:	\$2,000,000
5. Preventive measures:	\$1,000,000
6. Expediting expenses:	\$1,000,000
7. Debris removal:	20% of the loss, subject to a maximum of \$10,000,000
8. EDP and media including reconstruction costs:	\$100,000

- (v) Deductibles. The insurance policy shall have no deductible greater than:
- 5% of loss in respect of each and every earthquake loss subject to a minimum of \$1,000,000 and maximum of \$10,000,000;
 - 5% of loss in respect of each named windstorm loss subject to a minimum of \$1,000,000 and maximum of \$10,000,000;
 - \$1,000,000 each loss in respect of:
 - consequences of defective design, plan, specification and workmanship;
 - losses occurring during the defects liability period; and
 - \$250,000 for all other losses.
- (vi) Prohibited Exclusions. The property damage policy shall not contain any (a) coinsurance provision (or shall include a waiver of such provision), (b) exclusion for loss or damage resulting from freezing or mechanical breakdown, (c) exclusion for loss or damage covered under any guarantee or warranty arising out of an insured peril or (d) exclusion for faulty workmanship, design or materials. Exclusions for faulty workmanship, design or materials shall be allowed provided the exclusion at least provides coverage as broad as LEG2.

- (b) Business interruption insurance insuring the Borrower, the Trustee, and the Collateral Agent, as their interests may appear, covering loss of income in an amount sufficient to insure the Borrower's continuing normal operating expenses including Debt Service for a period of twelve months, arising from any loss required to be insured by the operational property damage insurance section above. Such insurance shall (i) have a deductible no greater than 60 days per occurrence other than earthquake, windstorm and/or flood, which will be no greater than 90 days, (b) cover loss sustained when access to the Site is prevented due to an insured peril at premises in the vicinity of the Site, (c) cover any loss sustained due to the action of a public authority preventing access to the Site due to imminent or actual loss or destruction arising from an insured peril at premises in the vicinity of the Site, and (d) include a clause allowing interim payments on account pending finalization of the claim payment. Such insurance shall not contain any coinsurance clause or shall include a waiver of such clause.
- (c) Workers' compensation insurance, including occupational illness or disease coverage, or other similar social insurance in accordance with applicable laws.
- (d) Employer's liability insurance for the Borrower's liability arising out of injury to or death of its employees with a minimum limit of \$1,000,000 per accident, \$1,000,000 each employee for disease, and \$1,000,000 disease policy limit.
- (e) Commercial general liability insurance on an occurrence basis against claims arising out of bodily injury (including death) and property damage. Such insurance shall provide coverage for products and completed operations, broad form property damage, personal and advertising injury insurance and independent contractors coverage with a limit of at least \$1,000,000 per occurrence for combined bodily injury and property damage, \$2,000,000 products/completed operations aggregate, and two million dollars \$2,000,000 policy aggregate, which policy aggregate shall be dedicated to the Project. A maximum deductible or self-insured retention of \$250,000 per occurrence shall be allowed.
- (f) Automobile liability insurance for the Borrower's liability covering all owned (if any), leased, non-owned and hired vehicles, including loading and unloading, with a limit per accident of at least one million Dollars \$1,000,000, for combined bodily injury and property damage and containing appropriate no-fault insurance provisions wherever applicable. A maximum deductible or self-insured retention of \$250,000 per occurrence shall be allowed.
- (g) Pollution liability insurance with a limit of at least \$1,000,000) per occurrence and in the aggregate annually, insuring liability for (i) cleanup on or off the Site for releases of pollutants, (ii) third party liability (including bodily injury, property damage, natural resource damages, third party property loss of use/revenue, and cleanup) due to releases of pollutants, and (iii) spills of transported pollutants. A maximum deductible or self-insured retention of \$250,000 per occurrence shall be allowed.

- (h) Liability for third party bodily injury, personal injury and property damage excess of required employer's liability, commercial general liability and automobile liability. The limit of this coverage shall be at least \$25,000,000.

3. Amendments and Waiver of Requirements

- (a) **Amendment by the Borrower.** The Borrower may at any time request to amend any of the requirements set forth in this Exhibit D due to (a) new information not known by the Borrower on the Delivery Date or (b) changed circumstances after the Delivery Date, and any such modifications shall become effective when approved in writing by the Trustee at the direction of the Required Bondholders.
- (b) **Waiver Due To Commercial Unfeasibility.** In the event any insurance (including the limits or deductibles thereof) required to be maintained by this Exhibit D shall not be reasonably available and commercially feasible in the commercial insurance market, such requirement (referred to as the "Unavailable Coverage") shall be waived under the following circumstances:
 - (i) the waiver shall become effective upon notice by the Borrower to the Trustee and the Bondholders (with a copy to each lender and to the Insurance Consultant) of the Unavailable Coverage, which notice shall be accompanied by a written report prepared by a nationally recognized insurance advisor (the "Insurance Expert") engaged by the Borrower, and which report shall certify to the Trustee that the Unavailable Coverage is "not reasonably available and commercially feasible" (and, in any case where a required amount is not so available, certifying as to the maximum amount or, in the case of a deductible, the minimum amount which is so available) and explaining in detail the basis for the Insurance Expert's conclusions;
 - (ii) at any time after the waiver becomes effective, but not more often than once in any twelve-month period, the Trustee (at the direction of the Required Bondholders) may request, and the Borrower shall furnish to the Trustee within a commercially reasonable time after such request (and in any event within 60 days following such request), supplemental reports to the Trustee from the Insurance Expert updating the Insurance Expert's prior report and reaffirming the Insurance Expert's conclusions; and
 - (iii) any such waiver shall be effective only so long as such insurance shall not be reasonably available and commercially feasible in the commercial insurance market, it being understood that the failure of the Borrower to timely furnish any such supplemental report shall be conclusive evidence that such waiver is no longer effective because such condition no longer exists.

For the purposes of this Section 3(b), insurance will be considered "not reasonably available and commercially feasible" if it is, in the opinion of the

Insurance Expert, (1) obtainable only at excessive costs that are not justified in terms of the risk to be insured and (2) is generally not being carried by or applicable to projects or operations similar to the Project because of such excessive costs.

- (c) **Amendment Due To Probable Maximum Loss/Maximum Foreseeable Loss Study.** In lieu of the full construction value or the full replacement value, the Borrower shall be permitted to obtain limits which meet the full value of the probable maximum loss for the Plant, or for specific perils as identified and quantified in a probable maximum loss study conducted by a nationally recognized specialist in performing probable maximum loss studies. The Borrower shall be permitted to obtain delayed start up and business interruption limits based on the values required for insuring debt service and continuing expenses for the estimated period of indemnity identified and quantified in a probable maximum loss study conducted by a nationally recognized specialist in performing probable maximum loss studies.

Any combined limit or sublimit for direct property damage and delayed start up, or for direct damage and business interruption, must be no less than the probable maximum loss for direct damage plus the probable maximum loss value for delayed startup and business interruption.

4. **Insurance Policy Conditions and Requirements:**

Each of the insurance policies shall contain the following provisions:

- (a) **Loss Survey.** In the case of insurance policies described in Sections 1(c), 1(e), 1(f), 1(g), 1(h), 2(a), 2(b), and 2(e) of this Exhibit D, if more than one insurer provides the coverage, all such insurance policies shall have a clause (or a separate agreement among the insurers) under which all insurers have agreed upon the employment of a single firm to survey and investigate all losses on behalf of the insurers. If any insurer does not meet the financial rating requirements specified in this Exhibit D and the insurer's policy does not contain a clause stating that the insurer agrees with all participating insurers to have one firm employed to survey and investigate all losses, the provisions of Section 4(a) shall also apply to reinsurers and require that reinsurers and insurers agree upon a firm with authority to survey and investigate losses on behalf of insurers and reinsurers. This Section 4(a) shall not apply to treaty reinsurers.
- (b) **Policy Cancellation and Change.** To the extent available, and unless otherwise specified, all such insurance policies shall be endorsed so that if at any time they are cancelled, or their coverage is reduced (by any party including the insured), such cancellation or reduction notice shall be notified to the Administrative Agent (with a copy to each lender and to the Insurance Consultant) sixty (60) days in advance, except for non-payment of premium which shall be notified ten (10) days in advance, in each case, of such cancellation or reduction.

- (c) **Separation of Interests.** All such insurance policies shall insure the interests of the Collateral Agent and the Trustee regardless of any breach or violation by the Borrower or any other party of warranties, declarations or conditions contained in such policies (other than fraud or fraudulent misrepresentation), for any action or inaction of the Borrower or others, or any foreclosure relating to the Project or any change in ownership of all or any portion of the Project.
- (d) **Waiver of Subrogation.** In the case of insurance policies described in Sections 1(c), 1(e), 1(f), 1(g), 1(h), 2(a), 2(b), and 2(f) of this Exhibit D, all such insurance policies shall provide for waivers of subrogation in favor of the Collateral Agent and the Trustee and their respective officers and employees (and such other Persons as may be required by the Project Documents).
- (e) **Liability Insurance.** All liability insurance policies required to be maintained by the Borrower, excluding employer's liability insurance, shall (a) name the Collateral Agent and the Trustee as additional insured parties, (b) include a separation of interests clause or equivalent clause and (c) state that the insurance shall be primary and not excess to or contributing with any insurance or self-insurance maintained by the Collateral Agent or the Trustee.
- (f) **Acknowledgement of Assignment.** In the case of insurance policies required by Sections 1(e), 1(g), 1(h), 2(a) and 2(b) of this Exhibit D, all such policies shall include a standard mortgagee loss payable endorsement in favor of the Collateral Agent.

EXHIBIT E**BORROWER PROCEDURES AND RECORDS; SEPARATE IDENTITY**

- (a) The Borrower has been formed and organized as a separate special purpose entity solely for the purpose of constructing and operating the Plant and will not engage in any business unrelated to this purpose.
- (b) The Borrower will hold itself out to the public as a legal entity separate and distinct from any other Person, including any Member or any Participating Affiliate of the Borrower or any Member, and will conduct Borrower business solely in its own name in order not (A) to mislead others as to the identity with which such other party is transacting business or (B) to suggest that the Borrower is responsible for the debts of any third party (including any Member or any Participating Affiliate of the Borrower or any Member);
- (c) The Borrower will maintain records, books for account and bank accounts separate from those of any Member, any Participating Affiliate of the Borrower or any Member, or any other Person;
- (d) The Borrower will allocate fairly and reasonably any overhead expenses that are shared with any Participating Affiliate of the Borrower;
- (e) The Borrower will not commingle assets with those of any Member, any Participating Affiliate of the Borrower or any Member, or any other Person, and will hold its assets in its own name;
- (f) The Borrower will conduct its own business in its own name;
- (g) The Borrower will maintain financial statements showing its own assets as being separate from those of any Member, any Participating Affiliate of the Borrower or any Member, or any other Person (except that the Borrower may also maintain financial statements showing its assets and liabilities on a consolidated basis with one or more Members or Participating Affiliates); *provided* that if the Borrower's assets and liabilities are included in a consolidated financial statement of the Member or a Participating Affiliate thereof, the consolidated financial statement will include a separate schedule of the Borrower's assets and liabilities and indicate in a footnote that the Borrower is a separate entity the assets of which are not available to satisfy the claims against the Member or a Participating Affiliate;
- (h) The Borrower will pay its liabilities out of its own funds, including salaries of employees of the Borrower, and not out of the funds of any Member, any Participating Affiliate of the Borrower or any Member, or any other Person;
- (i) The Borrower will not enter into any transaction with any Member or any Participating Affiliate of the Borrower or any Member, except upon terms and conditions that are substantially similar to those that would be available on an arm's length basis with third parties other than any Member or Participating Affiliate of the Borrower or any Member;

- (j) The Borrower will hold regular Member meetings; as appropriate;
- (k) The Borrower will preserve its existence as an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, and qualification to do business in the states where its business is conducted;
- (l) The Borrower will use separate stationery, invoices and checks bearing its own name;
- (m) The Borrower will take commercially reasonable steps to correct known misunderstandings regarding the separate identity of the Borrower;
- (n) The Borrower will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; *provided*, however, that the foregoing will not be construed as imposing an obligation on any Member to contribute capital to the Borrower, in addition to such Member's initial capital contribution, if any, in order to satisfy the liabilities of the Borrower;
- (o) The Borrower will not share any common logo with or identify itself as a department or division of any Member, any Participating Affiliate of the Borrower or any Member, or any other Person;
- (p) The Borrower will not guarantee or become obligated for the debts of any other Person or hold out its credit as being available to satisfy the obligations of others, except, in each case, as may be permitted by the terms of any Bond Financing Document;
- (q) The Borrower will not pledge its assets for the benefit of any other Person or make loans or advances to any Person, except, in each case, as may be permitted by the terms of any Bond Financing Document;
- (r) The Borrower will maintain a sufficient number of employees in light of its contemplated business operations;
- (s) The Borrower will not acquire obligations of or securities issued by its members or any of their Participating Affiliates, as applicable; and
- (t) The Borrower will at all times have organizational documents that do not conflict with any of the provisions hereof.

EXHIBIT F**PERMITTING SCHEDULE****PART I: EXISTING PERMITS**

1. State Water Resources Control Board National Pollutant Discharge Elimination System (“NPDES”) Notice of Intent to Comply with Industrial Stormwater Program Waste Discharge Requirements / General Permit for Storm Water Discharges Associated with Industrial Activity, Permit No. 5R111016650, for CalPlant I, LLC, approved July 18, 2001. The annual permit fee for the period from July 1, 2015 to June 30, 2016, invoice issued February 25, 2016, and was paid February 29, 2016. Next renewal date is 4th Quarter, 2017.
2. County APCD, Authorization to Construct Air Emission Permit No. 11120815KT, granted to CalPlant1, LLC for a Medium Density Fiberboard Production Facility, dated December 9, 2015. Permit must be renewed on or before the expiry of December 9, 2017, unless a Permit to Operate is issued prior.
3. County Conditional Use Permit #2000-09, issued to California Agriboard, LLC for APN 017-220-029, 017-220-030, 017-220-031 to construct a medium density fiberboard plant. Acknowledgment by County Planning & Public Works Agency of CalPlant I, LLC as the permit holder for Conditional Use Permit #2000-09, dated February 27, 2008. The invoice for the annual fee was issued August 23, 2016 and paid August 30, 2016, extending the permit to November 1, 2017. The permit is renewed annually by November 1st.
4. CEQA Negative Declaration for Conditional Use Permit #2000-09 granted by the Glenn County Planning Commission, dated October 18, 2000.
5. County CEQA Notice of Determination regarding the Negative Declaration for Conditional Use Permit #2000-09, posted by the County Clerk on October 20, 2000.
6. County Health Services Agency, Well Construction and Sewage Disposal System Permit Ref. APN-017-220-028 through 031, issued on January 1, 2002, by Glenn County Health Services to CalPlant I, LLC. The Well Construction Permit Application was updated to reflect CalPlant I, LLC. via letter dated January 31, 2008, Re: Change of Company Name, County Health Services informed Les Younie that the County had changed the name on the sewage disposal system permit and well construction permit from California Agriboard, LLC to CalPlant I, LLC. Next renewal date is January 1, 2018.
7. County Planning & Public Works Agency Encroachment Permit No. EP1407-0013 issued to CalPlant I, LLC for work related to County Road 53. Application dated August 5, 2014, extended August 5, 2015, and August 5, 2016 by Glenn County Permit Works, and must be renewed on or before the expiry of August 5, 2017.

8. State of California Department of Health Services Water Distribution Operator Certification, issued April 1, 2001, with renewal due December 1, 2017. This certification is in the name of Les L. Younie, Jr. and does not reflect CalPlant I, LLC.
9. County Building Inspection Department Permit #B0707-0043 for construction of a weather station, issued September 6, 2007.

PART II: ADDITIONAL PERMITS

1. Encroachment Permit from the California Department of Transportation for construction related to State Route 162. To be applied for following financial closing.
2. Grading and Drainage Plan, as approved by the County Public Works Director, pursuant to Conditional Use Permit #2000-09 condition no. 10. The Grading and Drainage Plan must be approved by the Glenn County Public Works Director prior to the issuance of a building permit.
3. Improvements within ten feet of the north right-of-way line of County Road 53, as approved by the County Public Works Director, pursuant to Conditional Use Permit #2000-09 condition no. 17. Improvements within ten feet of the north right-of-way line of County Road 53 must be approved by the County Public Works Director prior to the start of construction of those improvements within ten feet of the north right-of-way line of County Road 53.
4. Road Maintenance Agreement with the County, pursuant to Conditional Use Permit #2000-09 condition no. 21. The Road Maintenance Agreement must be obtained prior to the start of construction if County roads are to be utilized.
5. Storm Water Pollution Prevention Plan (“SWPPP”) & Notice of Intent (“NOI”) for coverage under the NPDES General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities (Order No. 2009-0009-DWG, NPDES No. CAS000002) for construction of the Project applied for by Casey. The NOI and SWPPP must be submitted to the State Water Resources Control Board at least 30 days prior to site mobilization of Project construction activities.
6. State Water Resources Control Board NPDES General Permit for Storm Water Discharges Associated with Industrial Activities, Order No. NPDES CAS000001, Order 2014-0057-DWQ (April 1, 2014) (“2014 Industrial General Permit”).
7. Permit to Operate, Air Emission Permit, issued by Glenn County APCD pursuant to County APCD Section 50.1 prior to operation of the Project. Construction permit converted to air operating permit following completion.
8. Authorization to Operate Potable Water Well, issued by County Health Services Agency, after testing of water samples that meet the minimum requirements. Must submit three water samples that meet the minimum requirements.

9. The Project has not yet obtained a number of ministerial Permits that may be required for the construction, operation and maintenance of the Project, including but not limited to building permits for site work, building construction, concrete work, structural work, mechanical work, and electrical and instrumentation work. Such Permits are routinely issued in the ordinary course of business upon application before the time when needed for construction, operation or maintenance of the Project, provided that such application is consistent with the fixed standards or objective measurements made applicable thereto under controlling law.

EXHIBIT G

GREEN BONDS ANNUAL REPORT

[Letterhead of Technical Advisor]

To: California Pollution Control Financing Authority
915 Capitol Mall, Room 457
Sacramento, CA 95814
Attn: Executive Director

[Date]

RE: Green Bonds Annual Report

Ladies and Gentlemen:

Reference is made to the [Green Bonds Report name], dated as of [____], 2017 (the “Green Bonds Report”), prepared by Stephen Vajda Consulting (the “Technical Advisor”) for the California Pollution Control Financing Authority (the “Authority”) and the Indenture, dated as of June 1, 2017 (the “Indenture”), by and between the Authority and CalPlant I, LLC (the “Borrower”). Capitalized terms used herein without definition have the meanings given to such terms in the Indenture.

The Technical Advisor hereby advises as follows:

1. Requisition. All of the amounts that have been the subject of a Requisition under the Indenture have been applied as required under the terms of the Bond Financing Documents.
2. No Changes. Except as described in the qualifications set forth below, if any, there have been no changes to the Tax-Exempt Project that would reasonably be expected to materially adversely affect the environmental benefits described in the Green Bonds Report.

a. [Describe qualifications or state “None.”]

Very truly yours,

Stephen Vajda Consulting

By: _____

Name: _____

Title: _____

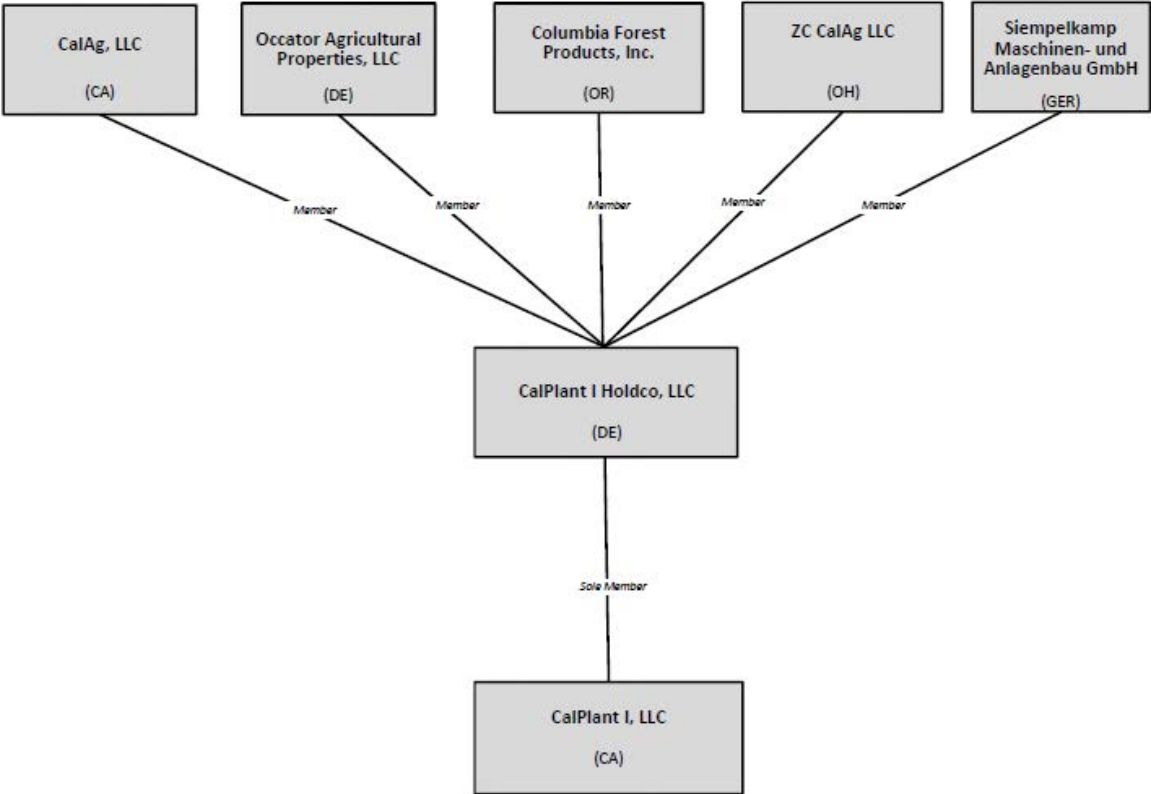
CC: CalPlant I, LLC

EXHIBIT H
CONDITIONS TO ISSUANCE AND SALE

See Exhibit A to Bond Purchase Agreement.

EXHIBIT I
STRUCTURE CHART

BORROWER



LICENSOR

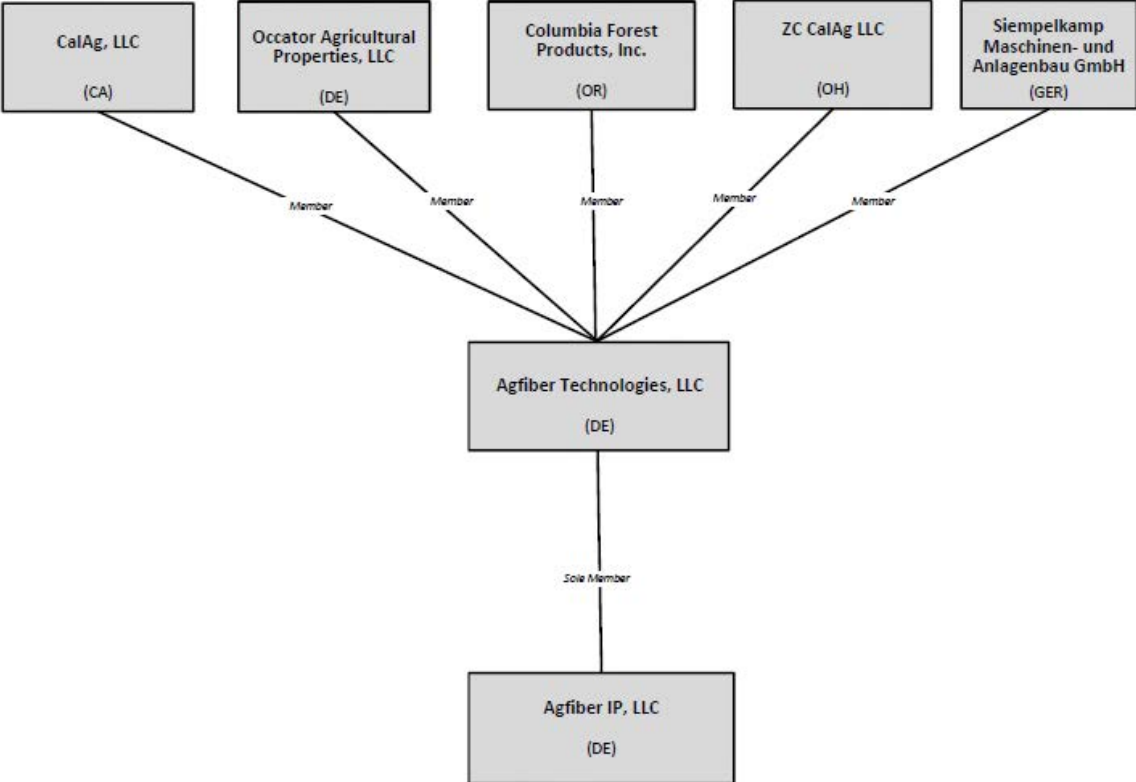


EXHIBIT J
TRANSACTION EXPENSES

Appendix C

CalPlant I, LLC
Transaction Expenses

Entity	Description	Amount
Legal & Other Costs		
ACE International	Financial Consultant	56,000
Benesch, Friedlander	ZC Counsel	65,000
CalAg, LLC	Repayment of Development Costs Funded by Borrowings	382,202
California Debt Limit Allocation Committee	Application Fee	78,658
California Pollution Control Financing Authority (CPCFA)	Reimbursement for Services of Forest Economic Advisors	73,104
California Pollution Control Financing Authority (CPCFA)	Administrative Fee	451,330
California Pollution Control Financing Authority (CPCFA)	Agent for Sale Fee	10,000
Citigroup Global Markets, Inc.	Bond Underwriting Services	200,000
Columbia Forest Products, Inc.	Reimbursement of Out-of-Pocket Expenses	431,557
Columbia Forest Products, Inc.	Repayment of Loan for Development Costs	304,247
Fidelity National Title	Title Insurance Premium and Related Charges	148,000
Felicitas Opportunities Fund, L.P.	Repayment of Loan for Development Costs	2,402,400
Greenberg Traurig	Bond Purchasers' Counsel	50,000
Haas & Najarian LLP	CalAg, LLC Legal Counsel	1,250,000
Image Master	Bond Offering Printing & Presentation	5,275
Kutak, Rock LLP	Counsel to UMB Bank, N.A.	10,000
Morgan, Lewis & Bockius	Occator Counsel	62,528
Morrison & Foerster	Borrower Counsel	2,228,619
New York Life Insurance Company	Repayment of Loans for Development Costs	128,820
Nixon Peabody	Undewriter Counsel	1,925,000
Occator Agricultural Properties, LLC	Reimbursement of Out-of-Pocket Expenses	268,721
Orrick, Herrington, & Sutcliffe	CPCFA Counsel	793,124
Other Legal	Aged Payables to Other Law Firms	1,295,000
Schwabe, Williamson & Wyatt	CFP Counsel	10,000
Siempelkamp	Reimbursement of Out-of-Pocket Expenses	101,073
Siempelkamp	Performance Guarantee Costs	114,424
Sifel, Nicloaus & Company, Inc.	Bond Transaction Expense Reimbursement	32,775
John Taylor	Repayment of Loan for Development Costs	306,301
Stephen Vajda Consulting	Technical Advisor: Fee and Reimbursement of Out-of-Pocket Expenses	6,203
UMB Bank, N.A.	Trustee and Collateral Agency Fees	10,160
Total Before Placement Fees		13,200,522
Placement Fees Paid at Closing		
Debt		
Sifel Nicloaus, Citibank		4,563,300
Equity		
Global Development Advisors	Placement Fee related to Occator Investment	1,750,000
CalAg, LLC	Placement Fee related to ZC Investment	300,000
Zelman	Placement Fee related to ZC Investment	400,000
Total Placement Fees		7,013,300
Total Transaction Expenses		20,213,822

EXHIBIT K

PLANT SUBSTANTIAL COMPLETION CERTIFICATE

To: UMB Bank, N.A., as trustee
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

California Pollution Control Financing
Authority
915 Capitol Mall, Room 457
Sacramento, CA 95814
Attn: Executive Director

UMB Bank, N.A., as collateral agent
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

RE: Plant Substantial Completion Certification

This Plant Substantial Completion Certification is being provided to you pursuant to the requirements of the Loan Agreement, dated as of June 1, 2017 (the "Loan Agreement") between the Authority and the Borrower, which requires that, upon substantial completion of the below referenced project, the Borrower shall have an Authorized Representative of the Borrower, on behalf of the Borrower, evidence the Plant Substantial Completion Date by providing a certificate, which shall be approved by the Construction Monitor, to the Trustee, the Collateral Agent and the Authority. Certain project information is provided below. (Capitalized terms used in this certificate are used with the meanings provided in the Indenture referred to in the Loan Agreement.)

BOND INFORMATION

Borrower Name: CalPlant I, LLC
Project Name(s): CalPlant I Project

Bond Name and Series: California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT)
Bond Closing Date:
Bond Amount Issued:

PROJECT INFORMATION

Project Address: *(From Exhibit A of the Loan Agreement)*
Project Commencement Date:
Plant Substantial Completion Date: *(Contemplated)*
Plant Substantial Completion Date: *(Actual)*

The Borrower certifies that the Plant has achieved "Substantial Completion" as that term is defined in the Construction Agreement

This certificate is given without prejudice to any rights of the Borrower against third parties for any claims or for the payment of any amount not then due and payable which obligation has been incurred at the date of this certificate or which may subsequently be incurred.

Borrower's Authorized Representative(s)

Construction Monitor's
Authorized Representative

EXHIBIT L**RECORDINGS AND FILINGS****Recordings:**

Document	Jurisdiction	Trustor	Trustee	Beneficiary
Line of Credit Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing	Glenn County Recorder's Office	CalPlant I, LLC	Fidelity National Title Company	UMB Bank, N.A., as Collateral Agent

Filings:

<u>Document</u>	<u>Jurisdiction</u>	<u>Debtor</u>	<u>Secured Party</u>
UCC1 Financing Statement	California Secretary of State	CalPlant I, LLC	UMB Bank, N.A., as Collateral Agent
UCC1 Financing Statement	Delaware Secretary of State	CalPlant I Holdco, LLC	UMB Bank, N.A., as Collateral Agent

EXHIBIT M
CONSTRUCTION BUDGET

CalPlant I, LLC
Total Costs of the Project
(\$000)

I. Plant and Equipment Costs	
A. Siempelkamp Contract ¹	
Process Equipment Costs	\$80,869.0
Service & Supervision	<u>3,889.2</u>
Total Siempelkamp Contract Cost	<u>84,758.3</u>
B. Casey Balance of Plant (B.O.P) Contract	
Sales Tax Rebates ²	105,840.0
Contingencies in Casey Contract	(1,055.8)
Total B.O.P. Contract Costs	<u>2,160.0</u>
C. Other Capitalized Costs	
Sales Taxes: Process Equipment	16,944.2
Utility Infrastructure and Hookup	2,678.8
Construction Monitor and Technical Advisor	4,000.0
Insurance Premiums	643.6
Office, Computers, Communications	632.2
Other Equipment	701.8
Borrower Wages, Salary, Payroll Taxes & Benefits During Construction	1,425.6
Miscellaneous Construction Period Expenditures	5,739.5
Total Other Capitalized Costs	<u>461.7</u>
Total Plant & Equipment Costs	<u>207,985.7</u>
II. Other Borrower Costs	
A. Retire Seller Note on Land	2,224.9
B. Raw Material Purchases During Construction	7,424.7
C. Spare Parts Inventory	579.0
D. Startup Expenditures	<u>550.0</u>
Total Other Borrower Costs	<u>10,778.6</u>
III. Financing Costs	
A. Transaction Costs	23,377.4
B. Capitalized Interest ³	36,170.2
C. Debt Service Reserve ⁴	<u>21,500.0</u>
Total Financing Costs	<u>81,047.5</u>
Total Costs of the Project Construction	
	299,811.8
Post-C.O.D. Funding of Reserves	9,417.7
Funds Available for Working Capital, Net of Interest Income	<u>6,435.5</u>
Total Uses of Funds	<u>315,665.0</u>

¹ Contract Price in Euros	€ 75,840
Exchange Rate	<u>1.1176</u>
	<u>\$84,758.3</u>

² B.O.P. Contractor will pay sales taxes on items subject to sales taxes at rate of purchases of manufacturing equipment to pay a rate of	7.50%
	3.31%

³ Assumes coupon on tax-exempt bonds of	7.84%
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⁴ Assumes tax exempt bond principal amount of	\$228,165.0
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FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT (this “Amendment”) is dated as of December 20, 2018 (the “First Supplement Effective Date”), between CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the “Authority”), and CALPLANT I, LLC, a California limited liability company (the “Borrower”).

Recitals

WHEREAS, the Authority and UMB Bank, N.A., as trustee (the “Trustee”), have entered into that certain Indenture, dated as of June 1, 2017 (the “Original Indenture”);

WHEREAS, the Authority and Borrower have entered into that certain Loan Agreement, dated as of June 1, 2017 (the “Loan Agreement”; capitalized terms not otherwise defined in this Amendment are used with the meanings set forth in the Loan Agreement);

WHEREAS, the Borrower wishes to make certain amendments to the Loan Agreement and, pursuant to Section 10.4 of the Loan Agreement, the Loan Agreement may be amended with written consent of the Trustee, given in accordance with the Original Indenture;

WHEREAS, the Borrower has furnished to the Beneficial Owners the Consent Solicitation Statement (the “Consent Solicitation”), dated as of November 13, 2018, which requests consent of the Required Bondholders to amend, among other documents (a) the Original Indenture pursuant to the terms of the First Supplemental Indenture, dated as of the First Supplement Effective Date (the “Supplemental Indenture,” together with the Original Indenture, collectively, the “Indenture”), and (b) the Loan Agreement pursuant to this Amendment; and

WHEREAS, the Borrower has furnished to the Trustee a Required Bondholders Approval Certificate evidencing the consent of the required Beneficial Owners to the Supplemental Indenture and this Amendment.

NOW THEREFORE, the parties hereto agree as follows:

1. Amendment of Loan Agreement. As of the First Supplement Effective Date, the Loan Agreement is amended as follows:

1.1 Section 5.10 is amended and restated in its entirety to read as follows:

“SECTION 5.10 PROJECT MILESTONES Unless “Mechanical Completion” (as defined in the Equipment Supply Agreement) shall have first occurred, and without first obtaining the written acknowledgment of the Technical Advisor to the effect that the “SICO Guaranteed Values” (as defined in the Equipment Supply Agreement) have been achieved, the Borrower will not execute a Final Acceptance Certificate under the terms of the Equipment Supply Agreement. Without first obtaining the written acknowledgment of the Construction Monitor to the effect that “Mechanical Completion” (as defined in the Equipment Supply Agreement) has occurred, the Borrower will not acknowledge that Mechanical Completion has occurred under the terms of the Equipment Supply

Agreement. Without first obtaining the written acknowledgment of the Construction Monitor to the effect that “Substantial Completion” (as defined in the applicable Construction Agreements with (i) Casey Industrial, Inc., (ii) Phoenix Industrial, Inc. or (iii) International Line Builders, Inc.) has occurred, the Borrower will not acknowledge that Substantial Completion in each case has occurred under the terms of such applicable Construction Agreement. Without first obtaining the written acknowledgment of the Construction Monitor to the effect that “Mechanical Completion” (as defined in the SICO Installation Contract) has occurred, the Borrower will not acknowledge that Mechanical Completion has occurred under the terms of the SICO Installation Contract. If the Borrower determines that any of the Equipment Performance Tests (as that term is defined in the Equipment Supply Agreement) are unnecessary in light of the demonstrable performance of the equipment provided under the Equipment Supply Agreement, and if, as a result, “Final Acceptance” (as that term is defined in the Equipment Supply Agreement”) may be deemed to have occurred, the Borrower shall, not less than sixty (60) days prior to such deemed occurrence, provide to the Trustee a statement of the Technical Advisor, substantiating the Borrower’s determination regarding the performance of such equipment and concurring in the opinion of the Borrower that such Equipment Performance Tests are unnecessary.”

1.2 The first sentence of Section 5.15(a) is amended and restated in its entirety to read as follows:

“(a) The Borrower hereby agrees to provide to the Trustee and to file with EMMA the following documents, and, from and after the First Supplement Effective Date, to simultaneously provide to the Authority copies of each document provided to the Trustee and filed on EMMA specified below, but neither the Trustee nor the Authority shall have any obligation to review any such documents:”

1.3 Section 5.15(a)(x) is amended by amending and restating subsections (B), (C), (D) and (G) to read as follows:

“(B) all changes or modifications to the Plans and Specifications requested or required by the Borrower and resulting in Change Orders under the SICO Supply Agreements or the Construction Agreements during the Pre-COD Reporting Period and the status thereof;”

“(C) all changes or modifications to the Plans and Specifications requested or required by any of the Contractors or SICO and resulting in Change Orders under the SICO Supply Agreements or the Construction Agreements during the Pre-COD Reporting Period and the status thereof;”

“(D) the stage of construction as described in the Construction Agreements achieved by the end of that Pre-COD Reporting Period and any delay in achieving that stage by comparison with the construction schedule set out in the Construction Agreements;” and

“(G) any accidents, emergencies or other events or circumstances which would reasonably be expected to have a material adverse impact on the construction schedules set out in the Construction Agreements;”

1.4 The last sentence of Section 5.15(b) is amended by deleting the phrase “and the Contractor.”

1.5 Section 5.35(b) is amended by renumbering former subsections (ii) through (vii) as subsections (iii) through (viii) and adding the following as new subsection (ii):

“(ii) payments due under the SICO Supply Agreements, the Construction Agreements and any other agreements entered into by the Borrower for the construction and equipping of the plant and not overdue by more than ninety (90) days (unless subject to a good faith dispute by the Borrower, in which case not overdue by more than ninety (90) days after the resolution of such dispute);”

1.6 The first sentence of Section 5.37 is amended and restated to read as follows:

“The Borrower will not enter into any material agreement (other than the Project Documents existing as of the First Supplement Effective Date and the Permitted Project Documents) without giving the right to the Required Bondholders to reject such material agreement through the Veto Process.”

1.7 Section 5.39(a)(i) is amended and restated to read in its entirety as follows:

“(i) With respect to each Project Document other than the Construction Agreements, the SICO Supply Agreements or the License Agreement (but including the CFP Agreement), amend, modify, supplement or waive any provision of, or grant any consent under, any such Project Document which would materially adversely affect the Borrower’s business or financial condition so as to materially adversely affect the ability of the Borrower to comply with its obligations hereunder;”

1.8 Section 5.39(a)(ii) is amended and restated to read in its entirety as follows:

“(ii) With respect to the Construction Agreements or the SICO Supply Agreements, amend, modify, supplement, or waive any provision of, or grant any consent under, any such Project Document, provided that the Borrower shall be permitted to enter into any change orders or similar modifications and amendments (including corresponding waivers) (i) that do not increase the cost of construction of the Plant by more than \$4,800,000 from that reflected in the Construction Budget as in effect on the First Supplement Effective Date or (ii) for which the Borrower has given a rejection right to the Bondholders and, within fifteen (15) days following the delivery of notice of such rejection right to the Trustee, the Required Bondholders have not exercised their Veto Right, so long as the Construction Monitor has certified to the Bondholders that, after giving effect to such change order as to which the Veto Right is applicable, that undisbursed funds in the Project Fund and other funds available to the Borrower (including any amounts available in the Project Development Account under the

Collateral Agency Agreement and any unused amounts of Committed Equity), are reasonably expected to be sufficient to cause the Plant Substantial Completion Date to occur, barring events then currently unanticipated, by twenty-three (23) months following the Delivery Date or, if later, that such funds in the Project Fund and such other funds available to the Borrower (including also for this purpose unused amounts in the Capitalized Interest Account) are also sufficient to pay all interest due and payable on the 2017 Bonds through such later date;”

1.9 Section 5.39(b)(i) is amended and restated to read in its entirety as follows:

“(i) With respect to each Project Document, other than the Construction Agreements, the SICO Supply Agreements, or the CFP Agreement, terminate any such Project Document if such termination would materially adversely affect the Borrower’s business or financial condition so as to materially adversely affect the ability of the Borrower to comply with its obligations hereunder;”

1.10 Section 5.39(b)(ii) is amended and restated to read in its entirety as follows:

“(ii) With respect to the Construction Agreements or the SICO Supply Agreements, terminate any such Project Document unless the Borrower replaces such Project Document with (A) a replacement agreement (1) between the Borrower and another counterparty (taking into consideration any guarantor) of similar or greater creditworthiness and experience of the counterparty being so replaced, (2) that provides projected economic benefits for the Tax-Exempt Project that are, in light of the material risks and liabilities of such replacement contract, taken as a whole, at least as favorable as the benefits under the existing Project Document, and (3) that is otherwise in form and substance substantially similar to the Project Document being replaced, or (B) a replacement agreement that does not meet all of the requirements described in the preceding clause (A) but that is not rejected by the Required Bondholders through a Veto Process (the provisions set forth in this Section 5.39(b)(ii) being referred to herein as the “Construction Replacement Provisions”); or”

1.11 Section 7.1(s) is amended and restated to read in its entirety as follows:

“(s) failure of (i) any of the Construction Sureties to pay any valid claim under its respective Construction Bond, within the time period permitted under the terms of the applicable Construction Bond, after due presentation to the applicable Construction Surety of all documentation required under the terms of applicable Construction Bond or (ii) any of the SICO Guarantors to pay any valid claim under its respective SICO Guarantee, within the time period permitted under the terms of the applicable SICO Guarantee, after due presentation to the applicable SICO Guarantor of all documentation required under the applicable SICO Guarantee.”

1.12 Section 10.1 is amended by amending and restating the Borrower’s and the Construction Monitor’s notice addresses to read as follows:

To the Borrower:	CalPlant I, LLC 6101 Highway 162
------------------	-------------------------------------

Willows, CA 95988-9641
Attn: Gerald Uhland
E-mail: juhland@calplant1.com

With a copy to:

Morrison & Foerster LLP
707 Wilshire Blvd, Suite 6000
Los Angeles, CA 90017
Attn: Irv Hepner, Esq.
E-mail: Irv.Hepner@mofo.com

If to the Construction Monitor: Harris Group
1776 Lincoln Street. Suite 1000
Denver, CO 80203
Attn: Steven J. Brunner
E-mail: steve.brunner@harrisgroup.com

1.13 Exhibit D is amended by amending and restating the following provisions:

(a) The first sentence in the introductory paragraph is amended and restated to read as follows:

“The Borrower shall procure and maintain or cause to be so procured and maintained (by the Contractors or SICO or otherwise), (a) at all times until the Plant Substantial Completion Date, the insurance described in Section 1 of this Exhibit D, and, (b) from the Plant Substantial Completion Date until no Bonds remain outstanding, the insurance described in Section 2 of this Exhibit D.”

(b) The last sentence in the introductory paragraph is amended and restated to read as follows:

“The Borrower, the Contractors or SICO shall obtain the required insurance coverages, as applicable, and may use whatever format or combinations of policies they consider best, using one or more policies, as long as the requirements of this Exhibit D are met.”

(c) The first sentence to Section 1(e) is amended and restated to read as follows:

“(e) Property damage insurance on an “all risks” basis insuring the Borrower, the Contractors, any subcontractors thereof, SICO, the Trustee and the Collateral Agent, as their interests may appear, including coverage against loss or damage from the perils of fire, explosions, lightning strikes; downfall or sliding of dirt or rocks, short circuit, voltaic arc as well as the indirect action of the atmospheric electricity; damage resulting from faulty workmanship, design or materials (at least as provided by LEG 2/96 clause or equivalent); earth movement (including but not limited to

earthquake, landslide, subsidence and volcanic eruption), flood, windstorm, boiler, turbine and machinery accidents, strike, riot, civil commotion, and sabotage and terrorism.”

(d) Section 1(e)(iv)(a) is amended and restated to read as follows:

“(a) the value of the Construction Agreements and the SICO Supply Agreements and include 100% of the Borrower’s insurable assets (including change order adjustments) with no period reporting requirements which, if violated, could void coverage.”

(e) The first sentence of Section 1(g) is amended and restated to read as follows:

“(g) Borrower shall obtain and maintain or cause SICO or the Contractors to obtain and maintain, cargo insurance on equipment and materials at their risk and expense, insuring SICO, the Contractors, the Borrower, the Trustee, and the Collateral Agent, as their interests may appear, on a “warehouse to warehouse” basis including land, air and marine transit insuring “all risks” of loss or damage on a replacement cost basis *plus* freight and insurance from the time the goods are in the process of being loaded for transit until they are finally delivered to the Site including shipment deviation, delay, forced discharge, re-shipment and transshipment.”

1.14 Exhibit K is amended by replacing the penultimate paragraph as follows:

“The Borrower certifies that the Plant has achieved (a) “Substantial Completion” as that term is defined in the applicable Construction Agreements with (i) Casey Industrial, Inc., (ii) Phoenix Industrial, Inc. or (iii) International Line Builders, Inc., (b) “First Board,” as that term is defined in the Equipment Supply Agreement, and (c) “Mechanical Completion,” as that term is defined in the SICO Installation Contract.”

1.15 Exhibit M is amended by replacing it in its entirety with Exhibit A to this Amendment.

2. Effect on Loan Agreement. Except as specifically amended hereby, the terms and provisions of the Loan Agreement are in all other respects ratified and confirmed and remain in full force and effect without modification or limitation. No reference to this Amendment need be made in any notice, writing or other communication relating to the Loan Agreement, any such reference to the Loan Agreement following the First Supplement Effective Date to be deemed a reference thereto as amended by this Amendment.

3. Governing Law; Venue. This Amendment shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State. This Amendment shall be enforceable in the State, and any action arising out of this Amendment shall be filed and maintained in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement.

4. Counterparts. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which will constitute but one and the same instrument.

[Signatures on the following page.]

IN WITNESS WHEREOF, the California Pollution Control Financing Authority has caused this Amendment to be executed in its name and its seal to be hereunto affixed by its duly authorized officers, and the Borrower has caused this Amendment to be executed in its name all as of the date first above written.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: _____

By: _____

CALPLANT I, LLC

By: _____

Exhibit A

EXHIBIT M**CONSTRUCTION BUDGET**

	Current Budget
I. Plant and Equipment Costs	
A. Siempelkamp Process Equipment Contract	
Process Equipment Costs	\$76,813
Service & Supervision	\$3,889
Subtotal: Siempelkamp Process Equipment ¹	<u>\$80,703</u>
B. Additional Siempelkamp Supply Contract ²	<u>\$23,985</u>
Total Siempelkamp Supply Agreements	\$104,688
C. Construction Contracts	
Casey (Civil Work)	\$46,000
Siempelkamp Installation Contract ²	\$16,541
Phoenix Industrial (Mechanical)	\$22,323
ILB (Electric)	\$13,828
Total Construction Contracts	<u>\$98,692</u>
D. Other Construction Costs to be Incurred by CalPlant I, LLC	
Soft Costs	\$7,127
Direct Material Acquisitions	\$15,075
Ancillary Costs	\$14,272
Total Other Construction Costs	<u>\$36,474</u>
E. Other Capitalized Costs	
Sales & Use Taxes	\$323
Utility Infrastructure and Hookup	\$450
Construction Monitor and Technical Advisor	\$1,484
Insurance Premiums	\$922
Office, Computers, Communications	\$511
Other Equipment	\$969
Borrower Wages, Salary, Payroll Taxes & Benefits During Construction	\$8,249
Miscellaneous Construction Period Expenditures	\$3,128
Total Other Capitalized Costs	<u>\$16,036</u>
Total Plant & Equipment Costs	<u>\$255,890</u>
II. Other Borrower Costs	
A. Retire Seller Note on Land	\$2,225
B. Raw Material Purchases During Construction	\$9,338
C. Spare Parts Inventory	\$309
D. Startup Expenditures	\$400
Total Other Borrower Costs	<u>\$12,272</u>
III. Financing Costs	
A. Transaction Costs	\$23,324
B. Capitalized Interest	\$36,170
C. Debt Service Reserve	\$21,500
Total Financing Costs	<u>\$80,994</u>
Total Costs of the Project Construction	<u><u>\$349,156</u></u>

1 Net of deferral of final payments to Siempelkamp of \$8.48 million until on or after the Commercial Operations Date.

2 Siempelkamp additional scope of supply contract and installation contract are for €20,500 and €14,138, respectively. Amount to be fixed in dollars one business day before Notice to Proceed. Exchange rate of 1.17 assumed.

SECOND AMENDMENT TO LOAN AGREEMENT

THIS SECOND AMENDMENT TO LOAN AGREEMENT (this “*Amendment*”) is dated as of August 7, 2019 (the “*Second Supplement Effective Date*”), by and between CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the “*Authority*”), and CALPLANT I, LLC, a California limited liability company (the “*Borrower*”).

RECITALS

WHEREAS, the Authority and UMB Bank, N.A., as trustee (the “*Trustee*”), entered into that certain Indenture, dated as of June 1, 2017, as amended by the First Supplemental Indenture, dated December 20, 2018 (as amended, the “*Original Indenture*”);

WHEREAS, the Authority and the Borrower entered into that certain Loan Agreement, dated as of June 1, 2017, as amended by that certain First Amendment to Loan Agreement, dated as of December 20, 2018 (as amended and as may be further amended from time to time, the “*Loan Agreement*”; capitalized terms not otherwise defined in this Amendment are used with the meanings set forth in the Loan Agreement);

WHEREAS, the Borrower wishes to make certain amendments to the Loan Agreement and, pursuant to Section 10.4 of the Loan Agreement, the Loan Agreement may be amended with written consent of the Trustee, given in accordance with the Original Indenture;

WHEREAS, the Borrower has furnished to the Beneficial Owners the Consent Solicitation Statement (the “*Consent Solicitation*”), dated as of June 24, 2019, which requests consent of the Required Bondholders to amend, among other documents (a) the Indenture pursuant to the terms of the Second Supplemental Indenture, dated as of the Second Supplement Effective Date (the “*Second Supplemental*”, together with the Original Indenture, collectively, the “*Indenture*”), and (b) the Loan Agreement pursuant to this Amendment; and

WHEREAS, the Borrower has furnished to the Trustee a Required Bondholders Approval Certificate evidencing the consent of the required Beneficial Owners to the Second Supplemental and this Amendment.

NOW THEREFORE, the parties hereto agree as follows:

1. Amendment of Loan Agreement. As of the Second Supplement Effective Date, the Loan Agreement is amended as follows:

1.1. The sixth and seventh Whereas clauses in the Recitals are deleted and replaced in their entirety with the following:

“WHEREAS, the Authority will enter into an Indenture, dated as of June 1, 2017 (as amended, amended and restated, supplemented or otherwise modified, renewed or replaced from time to time, the “*Indenture*”), with UMB Bank, N.A., as trustee (the “*Trustee*”), pursuant to which the Bonds will be issued; and

WHEREAS, the Borrower, the Trustee and UMB Bank, N.A., as collateral agent (the “Collateral Agent”), will enter into a Collateral Agency Agreement, dated the Delivery Date (as amended, amended and restated, supplemented or otherwise modified, renewed or replaced from time to time in accordance with the terms of the Indenture and this Loan Agreement, the “Collateral Agency Agreement”), securing payments to be made by the Borrower hereunder;”

1.2. Section 3.3(d) is amended by adding “unused” before “Committed Equity” in the first sentence.

1.3. Section 4.2(g) is amended by replacing reference to “Section 5.01” with “Section 5.02”.

1.4. Section 5.15(a)(xv) is amended by adding the following as a new subsection (N):

“(N) any notice of a default or event of default received by the Borrower under the Subordinate Loan Documents; and”

1.5. Section 5.22(b) is hereby amended by deleting the first sentence in its entirety and replacing it with the following: “From and after the Delivery Date, the Borrower will have contracts providing for the supply of 100% of the required resin for the projected operations of the Plant for a term through and including December 31, 2019.”

1.6. Section 5.22(b) is hereby amended by adding “at least” before “twelve (12) months” in the second sentence.

1.7. Section 5.35(b) is amended by adding the following as a new subsection (iv):

“(iv) Financial Indebtedness arising under any of the Subordinate Loan Documents in an aggregate amount not to exceed \$80,000,000 at any time outstanding, such aggregate amount shall be inclusive of (A) the original Subordinate Bonds issued by the Authority under the terms of the Subordinate Bond Indenture in the initial aggregate principal amount of up to \$80,000,000, and any “Additional Bonds” (as such term is defined in the Subordinate Bond Indenture) that may be issued from time to time pursuant to the terms of the Subordinate Bond Indenture as refunding bonds or otherwise to refinance the indebtedness evidenced by the Subordinate Bonds, and (B) any other Subordinate Loan Obligations;”

1.8. Section 5.39(a)(ii) is amended by adding “and the Subordinate Bond Proceeds Account” after “the Project Development Account”.

1.9. Section 5.39(c) is amended by deleting “and” after “unless (1)” in the first sentence.

1.10. Section 5.42 is amended by replacing the semicolon at the end of the section with a period.

1.11. Section 5.43 is amended and restated in its entirety to read as follows:

“SECTION 5.43 PROJECT DISBURSEMENTS. The Borrower shall not knowingly submit any requisition for disbursements from the Project Fund under the Indenture that includes any exception that constitutes a Disqualified Project Fund Requisition Exception.”

1.12. Section 7.1(g) is amended by replacing “hereunder” in the first parenthetical with “the Senior Bond Obligations but inclusive of the Subordinate Loan Obligations”.

1.13. Section 10.1 is amended by amending and restating the Borrower’s, Trustee’s and Collateral Agent’s notice addresses to read as follows:

To the Borrower: CalPlant I, LLC
6101 Highway 162
Willows, CA 95988-9641
Attn: Gerald Uhland
E-mail: juhland@calplant1.com

With a copy to:

Hepner & Myers LLP
1241 Johnson Avenue, Suite 360
San Luis Obispo, CA 93401
Attn: Irv Hepner, Esq.
E-mail: ihepner@HepnerMyers.com

To the Trustee: UMB BANK, N.A.
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail: david.massa@umb.com

With a copy to:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102

If to the Collateral Agent: UMB BANK, N.A.
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail:david.massa@umb.com

With a copy to:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102

2. Effect on Loan Agreement. Except as specifically amended hereby, the terms and provisions of the Loan Agreement are in all other respects ratified and confirmed and remain in full force and effect without modification or limitation. No reference to this Amendment need be made in any notice, writing or other communication relating to the Loan Agreement, any such reference to the Loan Agreement following the Second Supplement Effective Date to be deemed a reference thereto as amended by this Amendment.

3. Governing Law; Venue. This Amendment shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State. This Amendment shall be enforceable in the State, and any action arising out of this Amendment shall be filed and maintained in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement.

4. Counterparts. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which will constitute but one and the same instrument.

[Signatures on the following page.]

IN WITNESS WHEREOF, the California Pollution Control Financing Authority has caused this Amendment to be executed in its name and its seal to be hereunto affixed by its duly authorized officers, and the Borrower has caused this Amendment to be executed in its name all as of the date first above written.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: _____
Deputy Treasurer
For Chairperson, State Treasurer Fiona Ma

By: _____

[Seal]

CALPLANT I, LLC

By: _____
Name:
Its:

THIRD AMENDMENT TO LOAN AGREEMENT

THIS THIRD AMENDMENT TO LOAN AGREEMENT (this “*Third Amendment*”) is dated as of October 13, 2020 (the “*Third Supplement Effective Date*”), by and between CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the “*Authority*”), and CALPLANT I, LLC, a California limited liability company (the “*Borrower*”).

RECITALS

WHEREAS, the Authority and UMB Bank, N.A., as initial trustee, entered into that certain Indenture, dated as of June 1, 2017 (as subsequently amended by the First Supplemental Indenture, dated December 20, 2018, and as further amended by the Second Supplemental Indenture, dated as of August 7, 2019, the “*Existing Indenture*”) pursuant to which the Authority issued its Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT) (the “*2017 Bonds*”) in order to, among other things, provide funds to finance a portion of the costs to acquire, construct, rehabilitate, improve, install and equip certain solid waste disposal facilities for the recycling of waste rice straw located in Glenn County, California (the “*Tax-Exempt Project*”); and

WHEREAS, in connection with the issuance of the 2017 Bonds, the Authority and the Borrower entered into that certain Loan Agreement, dated as of June 1, 2017 (as subsequently amended by that certain First Amendment to Loan Agreement, dated as of December 20, 2018, and as further amended by that certain Second Amendment to Loan Agreement, dated as of August 7, 2019, the “*Existing Loan Agreement*”); and

WHEREAS, the Borrower requires additional funds to complete the Tax-Exempt Project; and

WHEREAS, the Borrower has duly filed an application with the Authority for additional financial assistance to construct, rehabilitate, improve, install and equip the Tax-Exempt Project and to make provisions for working capital; and

WHEREAS, the Authority has adopted its resolutions authorizing the making of a loan to the Borrower for the construction, rehabilitation, installation and equipping of the Tax-Exempt Project, including provisions for working capital, during the term of the 2020 Bonds (defined below); and

WHEREAS, the Authority proposes to issue not to exceed \$53,000,000 of Additional Bonds, designated as the “Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2020 Bonds (AMT)” (the “*2020 Bonds*” and, together with the 2017 Bonds and any Additional Bonds, the “*Bonds*”), to finance, or reimburse the financing of, a portion of the cost of acquiring, constructing, installing and equipping the Tax-Exempt Project and make provisions for working capital, including by funding a deposit to the Contingency Fund, to make a deposit into the Reserve Fund, to fund capitalized interest on the 2020 Bonds, and to pay certain costs related to the authorization, issuance, sale and delivery of the 2020 Bonds, and to make a loan to the Borrower in the amount of \$42,000,000 in connection therewith upon the terms and conditions set forth in the Loan Agreement; and

WHEREAS, the Authority will enter into a Third Supplemental Indenture, dated as of October 13, 2020 (the “*Third Supplemental Indenture*” and, together with the Existing Indenture, the “*Indenture*”), by and between BOKF, N.A., as successor trustee (the “*Trustee*”), pursuant to which the 2020 Bonds will be issued; and

WHEREAS, the Borrower wishes to make certain amendments to the Existing Loan Agreement in connection with the issuance of the 2020 Bonds and, pursuant to Section 10.4 of the Existing Loan Agreement, the Existing Loan Agreement may be amended with written consent of the Trustee, given in accordance with the Indenture; and

WHEREAS, the Borrower has furnished a Required Bondholders Approval Certificate certifying that, among other things, (i) it has received consent from the Required Bondholders to the issuance of the 2020 Bonds as well as, among other items, the amendment of the Existing Indenture pursuant to the terms of the Third Supplemental Indenture and the amendment of the Existing Loan Agreement pursuant to the terms of this Third Amendment (as so amended, the “*Loan Agreement*”), and (ii) it has received consent from a majority in interest of the Subordinate Bondholders to the issuance of the 2020 Bonds.

NOW THEREFORE, the parties hereto agree as follows:

1. Definition of Terms. Unless the context otherwise requires, capitalized terms used in this Third Amendment shall have the meanings specified in the Indenture, as amended and supplemented, including as it may from time to time be further supplemented or amended as provided therein.

2. Amendment of Loan Agreement. As of the Third Supplement Effective Date, the Loan Agreement is hereby amended as follows:

(a) Notwithstanding anything to the contrary herein, any action or determination of the Borrower that would previously have been subject to a Veto Right or Veto Process pursuant to the terms of the Loan Agreement prior to the Third Supplement Effective Date shall, on and after the Third Supplement Effective Date, be subject to receipt of a Required Bondholders Approval Certificate. All references to Veto Process or Veto Right in the Loan Agreement shall be deemed to refer to the requirement set forth in Section 6.08(b) of the Indenture (as amended by the Third Supplemental Indenture).

(b) Section 2.1(a) is amended by adding the following sentences to the end of the subsection: “On August 7, 2020, the Authority gave its initial approval for additional financing of the Tax-Exempt Project. On September 15, 2020, the Authority adopted its resolution approving additional financing for the Tax-Exempt Project. On August 28, 2020, a public hearing with respect to the 2020 Bonds was held in accordance with the provisions of the Code.”

(c) Section 2.1(b)(iii) is amended by adding “and the 2020 Bonds” after “2017 Bonds”.

(d) Section 3.2 is deleted in its entirety and replaced with the following:

“(a) To provide funds for the purposes of financing a portion of the Costs

of the Tax-Exempt Project, Costs of Issuance, capitalized interest on the 2017 Bonds and reserve funds for the 2017 Bonds, the Issuer has issued, sold and delivered the 2017 Bonds to the Underwriters as set forth in the Bond Purchase Agreement. The 2017 Bonds were issued pursuant to the Indenture with the terms set forth therein. The Borrower approved and, as of the Third Supplement Effective Date hereby ratifies, the terms and conditions of the 2017 Bonds and the terms and conditions under which the 2017 Bonds were issued, sold and delivered. The proceeds from the sale of the 2017 Bonds were paid over to the Trustee for the benefit of the Borrower and deposited as provided in Section 3.02 of the Indenture.

(b) To provide funds for the purposes of financing a portion of the Costs of the Tax-Exempt Project, Costs of Issuance, capitalized interest on the 2020 Bonds and reserve funds for the 2020 Bonds, the Issuer will issue, sell and deliver the 2020 Bonds to the Underwriters as set forth in the Bond Purchase Agreement. The 2020 Bonds will be issued pursuant to the Indenture with the terms set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the 2020 Bonds and the terms and conditions under which the 2020 Bonds will be issued, sold and delivered. The proceeds from the sale of the 2020 Bonds will be paid over to the Trustee for the benefit of the Borrower and deposited as provided in Section 15.03 of the Third Supplemental Indenture.”

(e) Section 3.3(d) is amended, in its entirety, to read as follows:

“(d) If the moneys in the Project Fund, the 2020 Project Fund and the Contingency Fund available for payment of the Costs of the Tax-Exempt Project should be insufficient, together with other moneys available under the Collateral Agency Agreement for costs of Plant Construction and with the unused Committed Equity, to pay the costs of the Tax-Exempt Project in full, the Borrower agrees to pay directly, or to deposit with the Collateral Agent moneys sufficient to pay, any costs of completing Plant Construction in accordance with the Plans and Specifications in excess of the moneys available for such purpose. The Authority makes no express or implied warranty that the moneys deposited in the Project Fund, the 2020 Project Fund and the Contingency Fund or other funds available pursuant to the Collateral Agency Agreement or Committed Equity will be sufficient to pay all the amounts which may be incurred for Costs of the Tax-Exempt Project or such costs of Plant Construction.”

(f) The first sentence of Section 3.5 is amended by adding “except in connection with the issuance of the 2020 Bonds to which the foregoing clause is not applicable,” after “If the Borrower is not in default hereunder,”.

(g) Section 4.1 is amended, in its entirety, to read as follows:

“The Authority covenants and agrees, upon the terms and conditions in this

Loan Agreement, to make a loan to the Borrower for the purpose of financing the Costs of the Tax-Exempt Project and the Costs of Issuance, paying capitalized interest on the Bonds and funding a reserve fund for the Bonds. The Authority further covenants and agrees that it will take all actions within its authority to keep this Loan Agreement in effect in accordance with its terms. Pursuant to said covenants and agreements, the Authority issued the 2017 Bonds upon the terms and conditions contained in this Loan Agreement and the Indenture, and caused the proceeds of the 2017 Bonds to be applied as provided in Article III of the Indenture. Pursuant to said covenants and agreements, the Authority will issue the 2020 Bonds upon the terms and conditions contained in this Loan Agreement and the Indenture, and will cause the proceeds of the 2020 Bonds to be applied as provided in Section 15.03 of the Third Supplemental Indenture.”

(h) Section 4.2(a)(i)(x) is amended by adding “, the 2020 Capitalized Interest Account” after “net of amounts in the Capitalized Interest Account”.

(i) Section 4.2(b)(vi) is amended, in its entirety, to read as follows: “(vi) reasonable administrative fees, charges and expenses (including reasonable legal fees and expenses) of the Authority in connection with the Bonds, and”.

(j) Section 4.2(c) is amended by deleting “, provided that the Authority shall have obtained the prior written approval of an Authorized Representative of the Borrower for any expenditures other than those provided for herein or in the Bond Purchase Agreement” at the end of the sentence.

(k) Section 5.2 is amended by adding “and the 2020 Bonds” after “the 2017 Bonds”.

(l) The penultimate sentence of Section 5.9(a) is amended, in its entirety, to read as follows:

“Such replacement Construction Monitor will be an industry-recognized firm with civil engineering, construction and construction management experience and qualified so to act in the State and approved by the Required Bondholders.”

(m) The penultimate sentence of Section 5.9(b) is amended, in its entirety, to read as follows:

“Such replacement Technical Advisor will be an industry-recognized firm with technical experience in the panelboard industry and qualified so to act in the State and approved by the Required Bondholders.”

(n) Section 5.14 is amended by adding “DOCUMENTS” after “COMPLIANCE WITH PROJECT” in the section heading.

(o) Section 5.15(g) is amended, in its entirety, to read as follows:

“The Borrower has caused the Technical Advisor to deliver to the Authority a report on the environmental benefits of the project (“2017 Green Bonds Report”) on the Delivery Date in connection with the issuance of the 2017 Bonds. The Borrower will cause the Technical Advisor to deliver to the Authority a report on the environmental benefits of the project (together with the 2017 Green Bonds Report, the “Green Bonds Report”) on the 2020 Delivery Date in connection with the issuance of the 2020 Bonds. The Borrower will cause the Technical Advisor to deliver to the Authority a report in the form of Exhibit G (“Green Bonds Annual Report”) within thirty (30) days following each anniversary of the Delivery Date until the Plant Substantial Completion Date.”

(p) Section 5.15(h) is hereby deleted in its entirety and replaced with “[Reserved.]”.

(q) Section 5.16(a) is amended by replacing “the right to reject” with “an approval right over” and deleting “through the Veto Process” in the final sentence.

(r) Section 5.16(b) is amended by replacing “the right to reject” with “an approval right over” and deleting “through the Veto Process” in the final sentence.

(s) Section 5.22(b) is amended by adding “2020” before “Delivery Date” wherever it appears and by replacing “2019” with “2023” in the first sentence.

(t) Section 5.35(b)(viii) is hereby deleted in its entirety and replaced with “[Reserved]; and”.

(u) Section 5.37 is amended by replacing “giving the right to” with “prior consent of” and deleting “to reject such material agreement through the Veto Process” in the first sentence.

(v) Sections 5.39(a) and 5.39(b) are hereby amended by deleting references to “CFP Agreement” wherever they appear.

(w) Section 5.39(a)(ii) is hereby amended and restated as follows:

“With respect to the Construction Agreement or the Equipment Supply Agreement, amend, modify, supplement or waive any provision of, or grant any consent under, any such Project Document, provided that the Borrower shall be permitted to enter into any change orders or similar modifications and amendments, with the prior written consent of the Required Bondholders.”

(x) Section 5.39(a)(iii) is amended by replacing “first giving a rejection right to” with “the prior written consent of” and deleting “through the Veto Process”.

(y) Section 5.39(b)(ii)(B) is amended by replacing “but that is not rejected by” with “with the prior written consent of” and deleting “through a Veto Process”.

(z) Section 5.39(b)(iii) is hereby deleted in its entirety and replaced with “[Reserved].”.

(aa) Section 7.1 is hereby amended by deleting references to “CFP Replacement Provisions” wherever they appear.

(bb) Section 7.1(m) is amended by replacing “fourth (4th)” with “fifth (5th)”.

(cc) Section 8.1 is amended by revising the parenthetical to read as follows: “(other than as set forth in Section 4.01(a) of the Indenture and Section 16.01(a) of the Third Supplemental Indenture”.

(dd) Section 8.3 is amended by adding “and Section 16.01(b) of the Third Supplemental Indenture” after “Sections 4.01(c) through (e) of the Indenture”.

(ee) Section 8.5 is amended by adding “and Section 16.02 of the Third Supplemental Indenture” after “Section 4.03 of the Indenture” in the first sentence.

(ff) Section 10.1 is amended by amending and restating the Trustee’s and Collateral Agent’s notice addresses to read as follows:

To the Trustee: BOKF, N.A.
2405 Grand Boulevard, Suite 840
Kansas City, Missouri 64108
Attn: Kenneth J. Dotson, Senior Vice President
E-mail: kdotson@bokf.com

If to the Collateral BOKF, N.A.
Agent: 2405 Grand Boulevard, Suite 840
Kansas City, Missouri 64108
Attn: Kenneth J. Dotson, Senior Vice President
E-mail: kdotson@bokf.com

3. Representations of Authority. The Authority makes the following representations as the basis for its undertakings herein contained:

(a) The Authority is a public instrumentality and political subdivision of the State of California. Under the provisions of the Act, the Authority has the power to enter into the transactions contemplated by this Third Amendment and the Third Supplement, and to carry out its obligations hereunder. By proper action, the Authority has been duly authorized to issue and sell the 2020 Bonds and to execute, deliver and duly perform its obligations under this Third Amendment, the 2020 Bonds and the Third Supplement.

(b) The Authority will issue the 2020 Bonds under, and the 2020 Bonds will be secured by the Indenture, pursuant to which the Authority’s interest in the Loan Agreement (except

Reserved Rights) will be pledged to the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds as provided in the Indenture.

(c) The Authority has not pledged and will not pledge its interest in the Loan Agreement for any purpose other than as provided in the Indenture.

(d) The execution and delivery of this Third Amendment, the Third Supplemental Indenture and the Tax Certificate by the Authority do not, and consummation of the transactions contemplated hereby and thereby and fulfillment of the terms hereof or thereof by the Authority will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the Authority is now a party or by which it is now bound; provided that, for the avoidance of doubt, the Borrower and the Authority acknowledge that, as of the Third Supplement Effective Date, the Existing Defaults have occurred and are continuing.

(e) The Authority is not in default under any of the provisions of the laws of the State which default would affect its existence or its powers referred to in subsection (a) of this Section 3 or its authority to perform its obligations under the Indenture or the Loan Agreement.

4. Borrower Representations. The Borrower makes the following representations as the basis for its undertakings herein contained:

(a) The Borrower is a limited liability company duly organized and validly existing under the laws of the State, is in good standing in the State, is duly qualified to transact business in the State and is not in violation of any provision of its articles of organization or operating agreement.

(b) The structure chart attached to this Third Amendment as Exhibit C is true, complete and accurate in all material respects and shows the following information:

- (i) for each Person shown (including each member of the Group), including current name and company registration number, its jurisdiction of organization and/or its jurisdiction of establishment, a list of equity holders (but, in the case of the Borrower, not above the level of the holders of equity interests in Holdco, and, in the case of the Licensor, not above the level of the members of the sole member of the Licensor) and indicating whether a company is a dormant subsidiary or is not a company with limited liability; and
- (ii) for each Person shown, all minority interests in such Person (but, in the case of the Borrower, not above the level of the holders of equity interests in Holdco, and, in the case of the Licensor, not above the level of the members of the sole member of the Licensor) and any Person in which such Person (but, in the case of the Borrower, not above the level of the holders of equity interests in Holdco, and in the case of the Licensor, not above the level of the members of the sole member of the Licensor) holds shares in its issued share capital or equivalent ownership interest of such Person.

(iii) Holdco owns 100% of the equity interests in Borrower free and clear from all Liens other than Permitted Liens.

(c) All necessary transfers, share exchanges and other steps resulting in the final structure are set out in Exhibit C have been or will be taken in compliance with all relevant laws and regulations and all requirements of relevant regulatory authorities.

(d) The Borrower has full power and authority to (i) conduct its business as now conducted and as proposed to be conducted, (ii) construct and operate the Plant as contemplated by the Transaction Documents and as described in the 2020 Offering Memorandum; and (iii) execute, deliver and perform its obligations under the Loan Agreement as amended by this Third Amendment, the Collateral Agency Agreement as amended by the Amendment to the Collateral Agency Agreement and all other documents contemplated hereby to which the Borrower is a party.

(e) All necessary action on the part of the Borrower required to authorize the execution delivery and performance of the Loan Agreement as amended by this Third Amendment, the Collateral Agency Agreement as amended by the Amendment to the Collateral Agency Agreement, and all other documents contemplated hereby to which the Borrower is a party has been duly and effectively taken.

(f) Each of the Loan Agreement as amended by this Third Amendment, the Collateral Agency Agreement as amended by the Amendment to the Collateral Agency Agreement and all other documents contemplated hereby to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with the terms thereof, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(g) Neither the execution and delivery of the Loan Agreement as amended by this Third Amendment, the Collateral Agency Agreement as amended by the Amendment to the Collateral Agency Agreement, or any of the other Transaction Documents, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions hereof and thereof, conflicts with or results in a breach of any of the terms, conditions or provisions of the Borrower's organizational documents or of any material actions or of any material agreement or instrument to which the Borrower is now a party or by which it is bound, or constitutes a default (with due notice or the passage of time or both) under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of the Borrower under the terms of any material instrument or agreement to which the Borrower is now a party or by which it is bound; provided that, for the avoidance of doubt, the Borrower and the Authority acknowledge that, as of the Third Supplement Effective Date, the Existing Defaults have occurred and are continuing.

(h) The Costs of the Tax-Exempt Project are as set forth in the Construction Budget in effect on the 2020 Delivery Date (and attached to this Third Amendment as Exhibit A) and the Financial Model, and have been determined in accordance with standard

engineering/construction and accounting principles or have otherwise been determined in good faith by the Borrower. All the representations of the Borrower in the Bond Financing Documents are true and correct as of the date thereof; provided that, for the avoidance of doubt, the Borrower and the Authority acknowledge that, as of the Third Supplement Effective Date, certain Loan Default Events have occurred and are continuing and, as a result, the Existing Defaults have occurred and are continuing under the Indenture.

(i) The Tax-Exempt Project consists of various equipment and facilities described in Exhibit A to the Loan Agreement and the Borrower will not make any changes to the Tax-Exempt Project or to the operation thereof which would affect the qualification of the Tax-Exempt Project under the Act or impair the exemption from federal income taxation of the interest on the Tax-Exempt Bonds. In particular, the Borrower will comply with all requirements set forth in the Tax Certificate. The Borrower intends that it will own and operate the Tax-Exempt Project as solid waste disposal facilities pursuant to the Act until the earlier of the end of the useful life of the Tax-Exempt Project or the time the principal of, the premium, if any, and the interest on the Tax-Exempt Bonds will have been paid in full.

(j) The Borrower has and will have valid fee title to the Site and all property it purports to own (including the Site) free and clear of Liens, other than Permitted Liens, and the Borrower's interest in the Site (together with any Liens thereon, including Permitted Liens) shall be sufficient interest in real estate to construct and operate the Plant.

(k) All material Governmental Approvals required to construct, own and operate the Plant are set forth on the Permitting Schedule attached to this Third Amendment as Exhibit B. Except as set forth in the Permitting Schedule, the Governmental Approvals set forth in Part I of the Permitting Schedule are final and in full force and effect, and if applicable laws or regulations specify a period for bringing administrative appeals, all such appeals periods have expired, and the Governmental Approvals set forth in Part II of the Permitting Schedule are not required given the stage of development of the Plant. The Borrower reasonably expects that all Governmental Approvals required to construct, own and operate the Plant will be obtained when required in due course on commercially reasonable terms.

(l) Except as described in the Permitting Schedule, no Governmental Approval is required to be obtained by the Borrower in connection with (i) the execution and delivery of, and performance by the Borrower of its respective obligations, and the exercise of its rights, under the Loan Agreement, the Collateral Agency Agreement, any other Transaction Documents and all other documents contemplated hereby to which the Borrower is a party, or (ii) the validity and enforceability of the Loan Agreement, the Collateral Agency Agreement or any other Transaction Documents and all other documents contemplated hereby to which the Borrower is a party.

(m) The Borrower and the Plant are in material compliance with all Laws (including any Environmental Requirements) applicable to the Borrower or the Plant, and with the terms of all other Governmental Approvals obtained by it.

(n) (i) The Borrower and the Plant are, and have been in material compliance with Environmental Requirements; (ii) there are no past, pending or, to the Borrower's knowledge, threatened Environmental Claims against the Borrower or the Plant that individually or in the

aggregate would be expected to have a Material Adverse Effect; and (iii) except as would not be reasonably expected to have a Material Adverse Effect, neither the Borrower nor, to the Borrower's knowledge, any other Person, has used, released or discharged, generated or stored any Hazardous Material at the Site, and to the Borrower's knowledge, there are no Hazardous Materials used or present at the Site except, in either case, in material compliance with applicable Environmental Requirements.

(o) Except for certain Incipient Defaults and Events of Default under the Indenture that have occurred and are continuing as specified in Exhibit D attached to this Third Amendment, no Event of Default or Incipient Default exists.

(p) To the best knowledge of the Borrower, no employee, member, officer, or other official of the Authority has any financial, ownership or managerial interest in the Borrower, any Material Company, any Participating Affiliate of the Borrower, or in any Project Documents or any other transactions contemplated by the Loan Agreement.

(q) The Borrower and all Participating Affiliates anticipated by the Borrower to be an owner or operator of the Tax-Exempt Project or a portion thereof are engaged in operations within the State that require financing pursuant to the Loan Agreement to aid and assist in the control, remediation or elimination of pollution of the environment of the State.

(r) There is no action, suit, proceeding, inquiry or investigation, before or by any court or other governmental authority, pending, or to the Borrower's knowledge, after reasonable investigation, threatened, against or affecting the Borrower or any member of the Group or the Plant or any material part thereof, which, if determined adversely to the Borrower or any member of the Group or their interests, would reasonably be expected to have a Material Adverse Effect, and the Borrower, to the best of its knowledge after reasonable inquiry, is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any governmental authority, which default would reasonably be expected to have a Material Adverse Effect.

(s) The Borrower has not engaged in any business other than the ownership, construction, operation of and financing for the Plant and the activities related or incident thereto, and the Borrower has no obligations or liabilities other than those directly related to the conduct of such ownership, construction, operation and financing.

(t) All insurance required to be maintained (i) by the Borrower under the Loan Agreement and the other Transaction Documents to which the Borrower is a party; and, to the best knowledge of the Borrower, (ii) by the Contractors under the Construction Agreements and SICO under the Equipment Supply Agreement, has been obtained and is in full force and effect, other than insurance not reasonably required at such stage of the construction of the Plant. All premiums due with respect to the Borrower's insurance policies have been paid.

(u) The Pro Forma Financial Information attached to the 2020 Offering Memorandum as Appendix F discloses all material assumptions and was prepared in good faith and represents, in the opinion of the Borrower, reasonable projections on the 2020 Delivery Date

of the future performance of the Borrower (it being understood that projections contain significant uncertainty and actual results may differ significantly from projections).

(v) The Borrower has timely filed or caused to be filed (or applied for an extension relating to the same) all income tax returns and all other tax returns which are required to be filed by it and has paid or caused to be paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower, except such taxes, if any as are being contested in good faith.

(w) Neither the Borrower nor any ERISA Affiliate has any material liability under ERISA or under the Code with respect to any Pension Plan or Multiemployer Plan.

(x) None of the execution, delivery or performance by the Borrower of each of the Loan Agreement as amended by this Third Amendment, the Collateral Agency Agreement as amended by the Amendment to the Collateral Agency Agreement, or any of the other Transaction Documents or any other document contemplated hereby to which the Borrower is a party violates or constitutes a default or requires consent by any other Persons under any material Law applicable to the Borrower or the Plant or any of the material contractual obligation to which the Borrower is party which consent has not been obtained as of the 2020 Delivery Date; none of the execution, delivery or performance of the Loan Agreement as amended by this Third Amendment, the Collateral Agency Agreement as amended by the Amendment to the Collateral Agency Agreement, or any of the other Transaction Documents or any other document contemplated hereby to which the Borrower is a party results in, or requires, the creation or imposition of any Lien on any of the Collateral or any other properties or revenues of the Borrower except for Permitted Liens.

(y) The Collateral Instruments are effective to create the lien on and security interests in and to the Borrower's rights in the Collateral that the Collateral Instruments purport to create, and all documents which are necessary to be recorded and filed for the perfection of the liens purported to be created under the Collateral Instruments have been executed and delivered to the Collateral Agent, or its designee in proper form for filing, registration or recordation so that, when filed, registered or recorded by the Collateral Agent or its designee, the liens and security interests created by Collateral Instruments will constitute perfected liens on and security interests in all right, title, estate and interest of the Borrower in and to the Collateral described therein (other than any item of Collateral as to which a lien or security interest cannot be perfected by filing or recording), prior and superior to all other Liens, subject only to Permitted Liens. The recordings and filings shown on Exhibit L attached to the Loan Agreement are all the recordings and filings necessary as of the 2020 Delivery Date, in order to establish, protect and perfect in favor of the Collateral Agent, the liens on a security interest in the right, title, estate and interest of the Borrower in and to the Collateral described in Collateral Instruments (other than any item of Collateral as to which a security interest cannot be perfected by filing or recording).

(z) As of the 2020 Delivery Date, the Borrower has not entered into any agreement, or taken any action, that would limit, amend or otherwise modify the terms of any provision of this Loan Agreement, the Collateral Agency Agreement or, except as disclosed in writing to the Trustee and the Authority, any other Transaction Document and any other document

contemplated hereby to which the Borrower is a party, by actions, by conduct of the parties or otherwise.

- (aa) As of the 2020 Delivery Date,
 - (i) None of this Third Amendment, the Loan Agreement, the Collateral Agency Agreement, the other Transaction Documents nor any document, certificate or written statement furnished to the Trustee or the Authority by the Borrower, or information, statements, representations, covenants or warranties provided or agreed to by the Borrower in this Third Amendment, the Loan Agreement, the Collateral Agency Agreement, any other Transaction Document or any other document contemplated hereby to which the Borrower is a party, contains, to the best of its knowledge, an untrue statement of a material fact; provided that, for the avoidance of doubt, the Borrower and the Authority acknowledge that as of Third Supplement Effective Date, the Existing Defaults have occurred and are continuing; and
 - (ii) The 2020 Offering Memorandum does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

provided, however, that with respect to the representations made in this subsection (aa), (i) any projections or forward-looking statements made by the Borrower herein and therein (1) are based on assumptions believed to be reasonable by the Borrower as to all relevant legal and factual matters, (2) any such assumptions that are material are appropriately disclosed in the 2020 Offering Memorandum, (3) are consistent in all material respects with the provisions of this Third Amendment, the Loan Agreement, the Collateral Agency Agreement, the other Transaction Documents and any other document contemplated hereby to which the Borrower is a party, (4) have been prepared in good faith and with due care and (5) fairly represent the reasonable expectations of the Borrower as to the matters covered thereby as of their date and, (ii) the Third Party Reports are (1) based on information and assumptions that were provided by and/or reviewed with and agreed to by the Borrower, (2) reflect the Borrower's anticipated courses of action and the anticipated financial and operating results of the Borrower and the Plant, and (3) present conclusions and analysis that the Borrower believes are reasonable.

- (bb) As of the 2020 Delivery Date,
 - (i) Each of the Transaction Documents (which for these purposes shall only include such contracts as are included in such definition as of the 2020 Delivery Date) have been duly authorized, executed and delivered by the Borrower and, to the best knowledge of the Borrower, by all other parties thereto, and constitute legal, valid and binding obligations of each of the Borrower and (to the best knowledge of the Borrower) the other parties thereto, enforceable

against the Borrower and (to the best knowledge of the Borrower) each such other party in accordance with the terms thereof, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law);

(ii) No Transaction Document executed and delivered on or prior to the 2020 Delivery Date has been modified, amended or terminated except as otherwise permitted under the Bond Financing Documents. As of the 2020 Delivery Date, except as otherwise disclosed to the Trustee, no change orders have been issued, and no other change orders are pending, under the Construction Agreement or the Equipment Supply Agreement. Neither the Contractors nor SICO have made any claims or requests for change orders under the Construction Agreement or the Equipment Supply Agreement, respectively, that have not been previously disclosed to the Trustee, and to the best knowledge of Borrower, no grounds exist on which a claim by any Contractor or SICO could be based or that would entitle any Contractor or SICO to a change order under the Construction Agreements or the Equipment Supply Agreement, respectively.

(iii) As of the 2020 Delivery Date, each of the Transaction Documents executed and delivered on or prior to the 2020 Delivery Date is in full force and effect (except, in the case of any Project Document other than a Material Contract, where the failure of such Project Document to be in full force and effect would not be reasonably likely to result in a Material Adverse Effect) and (a) the Borrower is not in default under any Transaction Document and (b) to the best knowledge of Borrower, no defaults by any other party thereto have occurred and are continuing thereunder and no event or circumstance exists that, with the giving of notice or the passage of time, would constitute a default under any Transaction Document.

(cc) As of the 2020 Delivery Date, the Borrower is not a party to any material agreements with total payments as of the 2020 Delivery Date by or to the Borrower in excess of \$1,000,000 (as adjusted by the Inflation Factor from the 2020 Delivery Date to the date of calculation), other than this Third Amendment, the Loan Agreement, the Collateral Agency Agreement, the other Bond Financing Documents, and the Transaction Documents.

(dd) The Borrower owns or holds a valid and enforceable license or right to use the Technology and Intellectual Property Rights necessary to construct, operate, use, maintain, convey and dispose of the Plant in a commercially reasonable manner and as contemplated in connection with the Plant and to comply with its obligations under Section 3.1 of the Loan Agreement.

5. Effect on Loan Agreement. Except as specifically amended hereby, the terms and provisions of the Loan Agreement are in all other respects ratified and confirmed and remain in full force and effect without modification or limitation. No reference to this Third Amendment need be made in any notice, writing or other communication relating to the Loan Agreement, any such reference to the Loan Agreement following the Third Supplement Effective Date to be deemed a reference thereto as amended by this Third Amendment.

6. Governing Law; Venue. This Third Amendment shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State. This Third Amendment shall be enforceable in the State, and any action arising out of this Third Amendment shall be filed and maintained in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement.

7. Liability of Authority Limited to Revenues.

(a) Notwithstanding anything in the Loan Agreement, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under the Indenture for any of the purposes in the Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement.

(b) The Borrower hereby acknowledges that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made, or caused to be made, by the Borrower to the Trustee pursuant to the Loan Agreement, together with investment income on certain funds and accounts held by the Trustee under the Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or redemption price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or redemption price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Authority or any third party, subject to any right of reimbursement from the Trustee, the Authority or any such third party, as the case may be, therefor.

8. Waiver of Personal Liability. No member, officer, official, agent or employee of the Authority shall be individually or personally liable for the payment of any principal (or redemption price) or interest on the Bonds or any sum hereunder or under the Indenture be subject to any personal liability or accountability by reason of the execution and delivery of the Loan

Agreement; but nothing herein contained shall relieve any such member, officer, official, agent or employee from the performance of any official duty provided by law or by the Loan Agreement.

9. Indenture Provisions. The execution of the Loan Agreement shall constitute conclusive evidence of approval of the Indenture, as in effect on the 2020 Delivery Date, by the Borrower. Whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower shall carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

10. Third-Party Beneficiaries. The parties agree that the California Debt Limit Allocation Committee is a third-party beneficiary of the Loan Agreement for the purpose of enforcing the terms and conditions set forth in the Allocation Resolution.

11. Counterparts. This Third Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which will constitute but one and the same instrument.

[Signatures on the following pages.]

IN WITNESS WHEREOF, the CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY has caused this Third Amendment to be executed in its name and its seal to be hereunto affixed by its duly authorized officers, and the Borrower has caused this Third Amendment to be executed in its name all as of the date first above written.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: _____
Deputy Treasurer
For Chairperson, State Treasurer Fiona Ma

By: _____
Executive Director

[Seal]

[Signature Page Continues]

CALPLANT I, LLC

By: _____

Name: Jeffrey Wagner

Its: Authorized Representative

EXHIBIT A
CONSTRUCTION BUDGET

	Budget
I. Plant and Equipment Costs	
A. Siempelkamp Process Equipment Contract *	\$84,655
B. Additional Siempelkamp Supply Contract	<u>22,567</u>
Total Siempelkamp Supply Agreements	107,223
C. Construction Contracts	
Casey (Civil Work)	43,271
Siempelkamp Installation Contract 2	16,377
Phoenix Industrial (Mechanical)	25,975
ILB (Electric) **	<u>17,793</u>
Total Construction Contracts	103,416
D. Other Construction Costs to be Incurred by CalPlant I, LLC	
Soft Costs	13,361
Direct Material Acquisitions	30,202
Ancillary Costs	<u>19,690</u>
Total Other Construction Costs	63,253
E. Other Capitalized Costs	
Sales & Use Taxes	330
Utility Infrastructure and Hookup	413
Construction Monitor and Technical Advisor	400
Insurance Premiums	3,280
Office, Computers, Communications	1,940
Other Equipment	7,270
Borrower Wages, Salary, Payroll Taxes & Benefits During Construction	16,959
Miscellaneous Construction Period Expenditures	<u>11,251</u>
Total Other Capitalized Costs	41,843
Total Plant & Equipment Costs	<u>315,735</u>
II. Other Borrower Costs	
A. Retire Seller Note on Land	2,225
B. Raw Material Purchases During Construction	19,273
C. Spare Parts Inventory	46
D. Startup Expenditures	<u>0</u>
Total Other Borrower Costs	21,543
III. Financing Costs	
A. Transaction Costs	46,287
B. Capitalized Interest: 2017 Senior Bonds and 2019 Subordinate Bonds	43,447
C. Debt Service Reserves: 2017 Senior Bonds and 2019 Subordinate Bonds	24,263
D. Development Costs	<u>22,570</u>
Total Financing Costs	136,567
Total Costs of the Project Construction	<u><u>\$473,845</u></u>

* Figures take into account an approximately \$8.5 million deferral of payments until first quarter of 2022. This deferral has been agreed to in writing.

** Figures take into account, a \$1 million payment deferral for ILB until December 31, 2020 which has been agreed to in writing

EXHIBIT B
PERMITTING SCHEDULE

PART I

Applicable Permit	Permittee	Issued By	Permit number	Issue Date	Next Renew Date
Project Permit	CalPlant I, LLC	State of California Department of Industrial Relations, Division of Occupational Safety and Health	712485	6/14/17	None
Conditional Use Permit and associated Negative Declaration	CalPlant I, LLC	Glenn County Planning Department	2000-09	10/18/00	None
Authorization to Construct, Air Emission Permit	CalPlant I, LLC	Glenn County Air Pollution Control District	11120815KT	12/9/15	12/31/20
General Permit for Storm Water Discharges Associated with Industrial Activity (NPDES -Storm Water, SWPPP)	CalPlant I, LLC	State Water Resources Control Board	WDID 5R11I016650	7/18/01	Q4 2020
Well Construction and Sewage Disposal System Permit	CalPlant I, LLC	Glenn County Health Services	Reference APN- 017-220-028 through 031	1/1/02	Complete
Certification for a water distribution operator, Grade D1	Les L. Younie, Jr.	California Department of Health Services	Operator No. 21146 (replacing interim certificate 1105004)	4/1/03	12/1/20

Certification for a water distribution operator, Grade D1	Tim Williams	California Department of Health Services	Operator No. 50903	11/27/18	11/27/21
Encroachment Permit for County Road 53	CalPlant I, LLC	Glenn County Public Works	EP1407-0013	8/5/14	Complete
Encroachment Permit for Hwy 162	CalPlant I, LLC	California Department of Transportation	0318-6RC0251 replaces 0317-6RS1186	12/13/17	Complete
General Permit for Storm Water Discharges Associated with Construction Activity (NPDES -Storm Water, SWPPP)	CalPlant I, LLC	State Water Resources Control Board	WDID 5R11I016650	7/18/01	Q4 2020

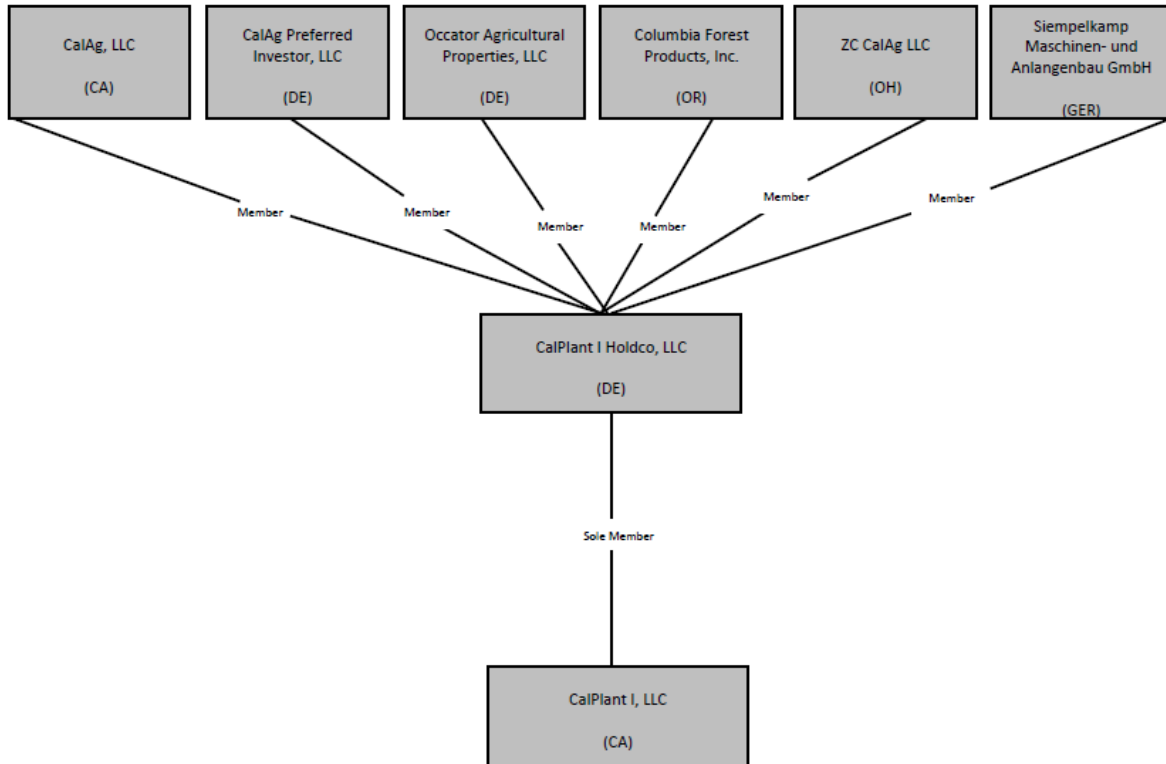
PART II

Applicable Permit	Permittee	Issued By	Status
Permit to Operate, Air Emission Permit	CalPlant I, LLC	Glenn County Air Pollution Control District	Construction permit converted to air operating permit within 12 months following completion of construction (i.e., securing a certificate of occupancy).
Authorization to Operate Potable Water Well (approval on Well Construction Permit Application)	CalPlant I, LLC	Glenn County Health Services	Water samples submitted for testing on 4/27/20 with good results. E.coli samples taken on Monday 6/22/20. Borrower expects to receive the permit from the State any day.
Spill Prevention Control Countermeasure (SPCC)	CalPlant I, LLC	Glenn County Certified Unified Program Agency	Vestra Resources is developing a plan.

<p>Land apply process water for dust abatement (ROWD)</p>	<p>CalPlant I, LLC</p>	<p>Regional Water Quality Control District (RWQCD)</p>	<p>Vestra Resources is working with RWQCD and have gone as far as they can until process water is tested.</p>
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EXHIBIT C
STRUCTURE CHART

BORROWER



LICENSOR

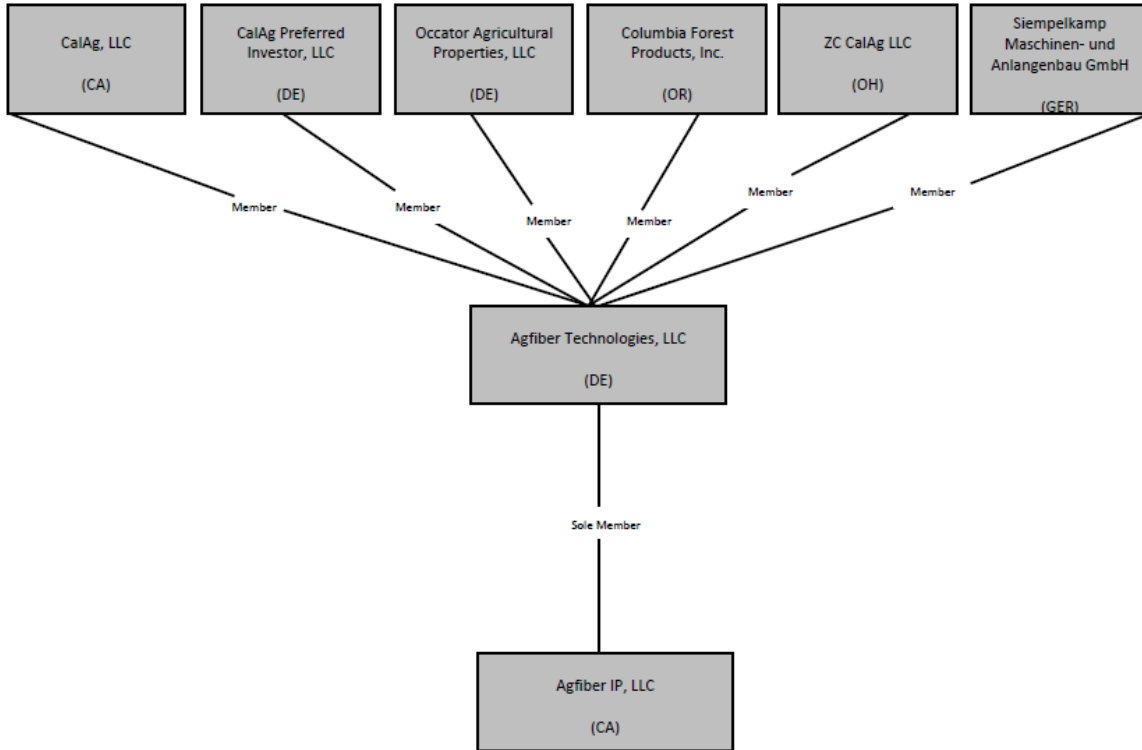


EXHIBIT D

EXISTING DEFAULTS

The Borrower's failure to make the July 1, 2020 debt service payment on the 2017 Bonds, which constituted an Event of Default under Section 7.01(b) of the Indenture and a Loan Default Event under Section 7.1(e) of the Loan Agreement.

The Borrower's failure to replenish the Reserve Fund prior to the Third Supplement Effective Date to the applicable Reserve Fund Requirement as required by Section 4.2(a)(ii) of the Loan Agreement.

The Borrower's failure to provide to the Trustee and file with EMMA Construction Reports for the calendar months March 2020 through August 2020, and the Borrower's failure to timely provide to the Trustee and file with EMMA the Construction Report for February, 2020, as required by Section 5.15(a)(x) of the Loan Agreement.

The Borrower's failure to timely provide to the Trustee and file with EMMA notices of certain disputes arising prior to the Third Supplement Effective Date, as required by Section 5.15(a)(xv)(B) of the Loan Agreement, which disputes have since been described by the Borrower in filings with EMMA.

The Borrower's failure to timely provide to the Trustee and file with EMMA notice of the Loss Event resulting from a lightning strike at the plant on August 16, 2020, as required by Section 5.15(a)(xv)(E) of the Loan Agreement, which Loss Event has since been described by the Borrower in filings with EMMA.

The Borrower's failure to provide notices prior to the Third Supplement Effective Date of amounts on deposit in the Reserve Fund as required by Section 5.15(i) of the Loan Agreement.

The Borrower's failure to comply with the provisions of the second sentence of Section 5.10 of the Loan Agreement as a result of the Borrower's acknowledgement of Mechanical Completion as of February 28, 2020.

The Borrower's failure to comply with the provisions of Section 5.28 and Section 5.37 of the Loan Agreement with respect to the entry by the Borrower into the Product Supply Agreement, effective as of June 15, 2020, between the Borrower and OrePac Holding Company, which agreement has since been described by the Borrower in filings with EMMA.

The Borrower's failure to provide to the Trustee and file with EMMA notice of the Existing Defaults as required by Section 5.15(a)(vi) of the Loan Agreement.

APPENDIX D

AMENDED AND RESTATED COLLATERAL AGENCY AGREEMENT

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**AMENDED AND RESTATED
COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT**

dated as of August 7, 2019

by and among

CALPLANT I, LLC
as Borrower

UMB BANK, N.A.
as Senior Indenture Trustee

UMB BANK, N.A.,
as Subordinate Indenture Trustee

UMB BANK, N.A.
as Collateral Agent

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
Section 1.01 Certain Defined Terms.....	2
Section 1.02 Certain References	18
ARTICLE II COLLATERAL AGENCY	18
Section 2.01 Appointment of Collateral Agent.....	18
Section 2.02 Collateral Instruments	19
Section 2.03 Security for Secured Obligations	19
Section 2.04 Undertaking of Collateral Agent.....	19
Section 2.05 Consent to Terminate Deferred Payment Agreement	20
ARTICLE III ACCOUNTS MAINTAINED BY THE COLLATERAL AGENT	20
Section 3.01 Collateral Account	20
Section 3.02 Borrower Funds Account	20
Section 3.03 Project Development Account	21
Section 3.04 Revenue and Operating Account	22
Section 3.05 Loss Proceeds Account	23
Section 3.06 Operating Expense Reserve Account.....	23
Section 3.07 Major Maintenance Reserve Account.....	23
Section 3.08 Feedstock Expense Reserve Account	24
Section 3.09 Suspension Account.....	25
Section 3.10 Subordinate Bond Proceeds Account.....	26
Section 3.11 All Accounts	28
ARTICLE IV APPLICATION OF CASH FLOW	29
Section 4.01 Deposits to Revenue and Operating Account	29
Section 4.02 Application of Funds.....	30
Section 4.03 Insufficient Funds in Revenue and Operating Account	33
Section 4.04 Effect of Notice of Account Restriction	33
Section 4.05 Transfers to the Senior Bond Indenture Revenue Fund.....	33
ARTICLE V AUTHORITY TO ACT; DEBT DOCUMENTS EVENTS OF DEFAULT; REMEDIES	33
Section 5.01 Authorization	33
Section 5.02 Direction by Designated Debt Representative	34
Section 5.03 Right to Initiate Judicial Proceedings, Etc.	34
Section 5.04 Remedies Not Exclusive	35
Section 5.05 Waiver of Certain Rights	35
Section 5.06 Limitation on Collateral Agent’s Duties in Respect of Collateral	36
Section 5.07 Limitation by Law.....	36
ARTICLE VI APPLICATION OF PROCEEDS.....	36
Section 6.01 Application of Proceeds	36

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Section 6.02 Application of Withheld Amounts.....	37
Section 6.03 Release of Amounts in Collateral Account.....	37
ARTICLE VII AGREEMENTS WITH THE COLLATERAL AGENT	38
Section 7.01 Delivery of Agreements	38
Section 7.02 Information	38
Section 7.03 Compensation and Expenses.....	39
Section 7.04 Stamp and Other Similar Taxes	39
Section 7.05 Filing Fees, Excise Taxes, Etc.	39
Section 7.06 Indemnification	40
Section 7.07 Condemnation and Casualty	40
Section 7.08 Delivery of Loss Proceeds	41
Section 7.09 Further Assurances.....	42
ARTICLE VIII THE COLLATERAL AGENT	42
Section 8.01 Collateral Agent's Acceptance	42
Section 8.02 Exculpatory Provisions	43
Section 8.03 Delegation of Duties	45
Section 8.04 Reliance by Collateral Agent	45
Section 8.05 Limitations on Duties of the Collateral Agent	46
Section 8.06 Moneys to Be Held in Trust.....	47
Section 8.07 Resignation and Removal of Collateral Agent	47
Section 8.08 Status of Collateral Agent.....	48
Section 8.09 Merger of the Collateral Agent	48
Section 8.10 Reasonable Care.....	49
Section 8.11 Notice of Default.....	49
ARTICLE IX RELEASE OF COLLATERAL.....	49
Section 9.01 Permitted Releases of Collateral.....	49
Section 9.02 Automatic Releases of Collateral.....	49
Section 9.03 Release Upon Termination of Collateral Agency	49
Section 9.04 Procedures for and Effect of Release of Collateral.....	50
ARTICLE X OTHER AGREEMENTS OF DEBT REPRESENTATIVES	50
Section 10.01 Receipt of Debt Documents	50
Section 10.02 Subordination of Subordinate Loan Obligations	50
Section 10.03 Payment Subordination.....	51
Section 10.04 Rights of Subrogation; Bankruptcy	51
Section 10.05 Cure Rights	52
Section 10.06 Continuing Agreement.....	52
Section 10.07 Agreements Binding on Successor Subordinate Loan Representatives	52
Section 10.08 Agreements Binding on Beneficiaries	53

TABLE OF CONTENTS
(continued)

	<u>Page</u>
ARTICLE XI MISCELLANEOUS	53
Section 11.01 Amendments, Supplements and Waivers	53
Section 11.02 Notices	53
Section 11.03 Headings	54
Section 11.04 Severability	54
Section 11.05 Claims	54
Section 11.06 Binding Effect.....	54
Section 11.07 Governing Law	54
Section 11.08 Waiver of Jury Trial.....	55
Section 11.09 Effect on Other Documents	55
Section 11.10 Counterparts	55
Section 11.11 Requests for Information	55
Schedule 1 Collateral Instruments	
Schedule 2 Collateral Agent Fee Schedule	
Schedule 3 Authorized Representatives of the Borrower	
Schedule 4 Notice Addresses	
Exhibit A Form of Account Transfer Certificate	
Exhibit B Form of Loss Proceeds Requisition	
Exhibit C-1 Form of Unconditional Project Development Account Requisition	
Exhibit C-2 Form of Conditional Project Development Account Requisition	
Exhibit D-1 Form of Construction Monitor Certificate (Unconditional Project Development Account Requisition)	
Exhibit D-2 Form of Construction Monitor Certificate (Conditional Project Development Account Requisition)	
Exhibit E-1 Form of Unconditional Subordinate Bond Funds Requisition	
Exhibit E-2 Form of Conditional Subordinate Bond Funds Requisition	
Exhibit F-1 Form of Construction Monitor Certificate (Unconditional Subordinate Bond Funds Requisition)	
Exhibit F-2 Form of Construction Monitor Certificate (Conditional Subordinate Bond Funds Requisition)	
Exhibit G Form of Audit Letter	

**AMENDED AND RESTATED
COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT**

THIS AMENDED AND RESTATED COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT (as it may from time to time be amended, amended and restated, supplemented or otherwise modified, renewed or replaced, this “*Agreement*”) is dated as of August 7, 2019 (the “*Effective Date*”), and is entered into among CALPLANT I, LLC, a California limited liability company (the “*Borrower*”), UMB BANK, N.A., a national banking association (“*UMB Bank*”) in its capacity as Trustee under the Senior Bond Indenture referred to below (together with its successors from time to time in such capacity, the “*Senior Indenture Trustee*”), UMB Bank, in its capacity as Trustee under the Subordinate Bond Indenture referred to below (together with its successors from time to time in such capacity, the “*Subordinate Indenture Trustee*”; the Subordinate Indenture Trustee and the Senior Indenture Trustee are referred to collectively as the “*Indenture Trustees*”), and UMB Bank, not in its individual capacity but as the initial collateral agent under this Agreement for the Indenture Trustees for the further benefit of the Beneficiaries referred to below. As of the Effective Date, the Subordinate Indenture Trustee is also the “Subordinate Loan Representative,” as that term is defined below. Certain capitalized terms used in this Agreement are defined in Article I.

BACKGROUND

1. On June 14, 2017 (the “*Original Effective Date*”), the Borrower obligated itself for the Senior Bond Obligations in connection with the Senior Bond Loan Agreement and the Senior Bond Indenture and agreed to secure the payment of the Senior Bond Obligations under the terms of the Collateral Instruments.

2. In connection with the Senior Bond Obligations and in order to provide for the administration of the Collateral, the Collateral Agent Accounts, and the Cash Flow, the Borrower, the Senior Indenture Trustee, and the Collateral Agent entered into the Collateral Agency Agreement, dated the Original Effective Date (the “*Original Collateral Agency Agreement*”), under the terms of which the Borrower agreed with the Senior Indenture Trustee to the appointment of the Collateral Agent (including UMB Bank as the Initial Collateral Agent), the establishment of the Collateral Agent Accounts and the delivery to the Collateral Agent of the Collateral.

3. The Borrower has obligated itself for the Subordinate Bond Obligations in connection with the Subordinate Bond Loan Agreement and the Subordinate Bond Indenture.

4. In order to set forth the relative rights of the Senior Indenture Trustee (for the benefit of the Senior Bondholders) and the Subordinate Loan Representative (for the benefit of the holders from time to time of the Subordinate Loan Obligations) in the Cash Flow, the Collateral, the Collateral Agent Accounts, and the Collateral Instruments, the Borrower, the Indenture Trustees, and the Collateral Agent wish to amend and restate in its entirety the Original Collateral Agency Agreement.

5. This Agreement sets forth the agreement among the Borrower, the Debt Representatives (as that term is defined below), and the Collateral Agent with respect to the administration of the Collateral, the Collateral Agent Accounts, and the Cash Flow.

IN CONSIDERATION of the foregoing and the mutual agreements set forth in this Agreement, the Borrower, the Indenture Trustees, and the Collateral Agent hereby agree as follows (and the following constitutes an amendment and restatement in full of the Original Collateral Agency Agreement):

AGREEMENT

ARTICLE I

DEFINITIONS

Section 1.01 **Certain Defined Terms.** The following terms shall have the following meanings as used herein:

“Account Transfer Certificate” means a certificate, substantially in the form of Exhibit A, duly executed by an Authorized Representative of the Borrower, and delivered to the Collateral Agent, directing the transfer of funds from a Collateral Agent Account.

“Additional Equity Agreement” means the Additional Equity Contribution Agreement, dated as of November 1, 2018, made by Holdco and certain members of Holdco, in favor of the Collateral Agent.

“Affiliate” in relation to any Person (the “relevant party”) means any other Person (i) that, directly or indirectly, Controls, is Controlled by or is under common Control with the relevant party, (ii) that beneficially owns or Controls more than half of the voting capital stock of the relevant party, or (iii) of which more than half of the voting capital stock is owned or Controlled by the relevant party; where the terms **“Control”**, **“Controls”**, and **“Controlled”** mean, with respect to any Person, the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting capital stock, by contract or otherwise.

“Agreed Tribunal” has the meaning specified in Section 11.07.

“Agreement” has the meaning specified in the initial paragraph of this agreement.

“Application Date” has the meaning specified in Section 6.01(a).

“Authority” means the California Pollution Control Financing Authority, a public instrumentality and political subdivision of the State of California established under the terms of the Authority Act.

“Authority Act” means the California Pollution Control Financing Authority Act, constituting Division 27 (commencing at Section 44500) of the Health and Safety Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Authorized Representative of the Borrower” means any person specified on Schedule 3, as such schedule may be modified from time to time by notice to the Collateral Agent from the Borrower executed by an Authorized Representative of the Borrower.

“**Bankruptcy Code**” means Title 11 of the United States Code entitled “Bankruptcy”, as amended from time to time.

“**Beneficiaries**” means the Senior Bondholders, the Subordinate Bondholders, and, after the refinancing of the Obligations originally represented by the Subordinate Bond Documents, the holders from time to time of the Subordinate Loan Obligations.

“**Bond Counsel**” means Orrick, Herrington & Sutcliffe LLP or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, acceptable to the Authority, and duly admitted to practice law before the highest court of any state of the United States of America, and then acting as “Bond Counsel” under the terms of the Bond Indenture, but shall not include counsel for the Borrower.

“**Bond Indentures**” means the Senior Bond Indenture and the Subordinate Bond Indenture.

“**Borrower**” has the meaning specified in the initial paragraph of this Agreement.

“**Borrower Funds Account**” has the meaning specified in Section 3.02.

“**Borrower Party**” means each of Holdco and the Borrower.

“**Borrower Revenues**” has the meaning specified in the Senior Bond Indenture.

“**Business Day**” means a day of the year on which banks are not required or authorized by law to close in New York City, New York, San Francisco, California, or the cities in which the Debt Representatives or the Collateral Agent maintain their respective principal offices.

“**Calculation Date**” has the meaning specified in the Senior Bond Indenture.

“**Capital Expenditure**” has the meaning specified in the Senior Bond Indenture.

“**Cash Equivalents**” means:

- (1) United States dollars; and
- (2) Any of the following securities (other than those issued by the Authority or the Borrower):

(a) Commercial paper issued by corporations that are organized and operating within the United States and that at the time of investment are rated by Moody’s or S&P (i) “A-2” or “P-2” or higher if such commercial paper has a maturity of seven days or less, and (ii) “A-1” or “P-1” if such commercial paper has a maturity of greater than seven days;

(b) United States Treasury notes, bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the full and timely payment of principal and interest, not subject to prepayment or call;

(c) Negotiable certificates of deposit issued by or deposit accounts with a nationally or state-chartered bank, including the Collateral Agent, its parent company and their affiliates, or by a state-licensed branch of a foreign bank, provided that the senior debt issued by such bank and/or its holding company shall be rated at the time of purchase “A” by Moody’s and S&P, respectively, and the commercial paper issued by such holding company or branch of a foreign bank shall be rated “P-1” and “A-1” by Moody’s and S&P, respectively;

(d) Bonds, notes or other obligations of any state, municipality or political subdivision the interest on which is excluded from gross income for federal income tax purposes, which are rated at the time of purchase “A” or higher by Moody’s or S&P;

(e) Investments in or shares of any “regulated investment company” within the meaning of Section 851(a) of the Code, the assets of which are securities or investments described in paragraphs (2)(a) through (2)(d) of this definition, including funds for which the Collateral Agent, its parent holding company, if any, or any affiliates or subsidiaries of the Collateral Agent or such holding company provide investment advisory or other management services; and

(g) Money market funds invested solely in United States Treasury securities or fully secured by such securities described in paragraph (2)(b) of this definition, including funds for which the Collateral Agent, its parent holding company, if any, or any affiliates or subsidiaries of the Collateral Agent or such holding company provide investment advisory or other management services.

“**Cash Flow**” means all cash amounts received by the Borrower in respect of the Project, *provided* that the term “Cash Flow” does not include any (a) proceeds held by either of the Debt Representatives in the funds and accounts established under the terms of the Senior Bond Indenture or the Subordinate Loan Documents, and the proceeds thereof in the hands of either of the Debt Representatives, (b) any Performance Damages, (c) any sums deposited by the Borrower in the Borrower Funds Account, (d) any sums deposited in the Subordinate Bond Proceeds Account, and (e) investment earnings on any of the foregoing.

“**Casualty**” means the occurrence of any casualty or damage, by fire or otherwise, to the Plant or any part thereof.

“**CFP**” means Columbia Forest Products, Inc., an Oregon corporation.

“**CFP Sales Agreement**” means the Amended and Restated Sales Agreement, dated as of March 11, 2016, between the Borrower and CFP, as amended by an amendment, dated April 28, 2017, and as it has been and may be further amended as permitted under the terms of the Senior Bond Loan Agreement or, following the Senior Bonds Repayment Date, under the terms of the Subordinate Loan Documents.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

“**Collateral**” means the interest of the beneficiary or secured party created under the terms of the Collateral Instruments, the security represented by the Pledged Holdco Collateral, the

Collateral Agent Accounts and all funds from time to time held in the Collateral Agent Accounts, and the Proceeds of each of the foregoing, *provided* that the Collateral does not in any event include any interest in the Separate Collateral.

“**Collateral Account**” has the meaning specified in Section 3.01.

“**Collateral Agent**” means the Initial Collateral Agent, in its capacity as the initial collateral agent under this Agreement, together with its successors and assigns in such capacity.

“**Collateral Agent Accounts**” means the accounts required to be maintained by the Collateral Agent under the terms of Article III.

“**Collateral Agent’s Fees**” means the fees and other amounts payable pursuant to Sections 7.03, 7.04 and 7.05, and any amounts claimed and unpaid pursuant to Section 7.06, to the Collateral Agent and the other parties specified therein.

“**Collateral Instruments**” means the Deed of Trust and the other instruments described on Schedule 1 and all security agreements, pledge agreements, control agreements, collateral assignments, mortgages, deeds of trust or other grants or transfers for security, or agreements related to any of the foregoing, executed and delivered by any Borrower Party and creating (or purporting to create) a Lien in favor of the Collateral Agent to secure any Secured Obligations, in each case as amended in accordance with Section 2.02 and as further amended, modified, renewed, restated or replaced as permitted under the terms of this Agreement.

“**Commercial Operations Date**” has the meaning specified in the Senior Bond Indenture. The occurrence of the Commercial Operations Date shall be conclusively established by a notice from the Borrower to the Collateral Agent certifying that the Commercial Operations Date has occurred, when confirmed in writing by the Technical Advisor.

“**Commercially Feasible Basis**” means that, following a Loss Event (a) the related Loss Proceeds, together with (i) any other amounts available to the Borrower in the Collateral Agent Accounts and the accounts maintained by the Debt Representatives under the Debt Documents, *plus* (ii) any amounts available to the Borrower through irrevocable commitments of Affiliates of the Borrower, *plus* (iii) Borrower Revenues during the estimated period of Restoration, will be sufficient to pay (x) the costs of the Restoration of the Plant, and (y) all Debt Service during the period of Restoration, and (b) the Plant, upon being Restored, can be reasonably expected to produce Income Available for Debt Service adequate to maintain a Forward Looking Debt Service Coverage Ratio equal to or greater than 1.30 to 1 for each complete Fiscal Year commencing with the complete Fiscal Year beginning on or most recently after the planned date of completion of the Restoration of the Plant.

“**Condemnation**” means a temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Plant or the Site, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Plant or the Site or any part thereof.

“Conditional Project Development Account Requisition” has the meaning specified in Section 3.03(c).

“Conditional Subordinate Bond Funds Requisition” has the meaning specified in Section 3.10(b).

“Construction Agreements” has the meaning specified in the Senior Bond Indenture.

“Construction Bonds” has the meaning specified in the Senior Bond Indenture.

“Construction Monitor” means Harris Group Inc., or such other construction management firm as may be appointed as the “Construction Monitor” (a) until the Senior Bonds Repayment Date, under the terms of the Senior Bond Loan Agreement, and (b) thereafter, under the terms of the Subordinate Loan Documents.

“Contractors” has the meaning specified in the Senior Bond Indenture.

“Corporate Trust Office” means the office of the Collateral Agent at which at any particular time its corporate trust business shall be principally administered, which office at the date of the execution of this Agreement is listed on Schedule 4, or such other address as the Collateral Agent may designate from time to time by prior notice to the Borrower and the Debt Representatives, or the principal corporate trust office of any successor Collateral Agent (or such other address as such successor Collateral Agent may designate from time to time by notice to the Borrower and the Debt Representatives).

“Debt Documents” means the Senior Bond Documents and the Subordinate Loan Documents.

“Debt Documents Event of Default” means (a) until the Senior Bonds Repayment Date, the occurrence of Senior Bonds Event of Default and (b) on and after the Senior Bonds Repayment Date, the occurrence of a Subordinate Loan Event of Default.

“Debt Documents Event of Default Period” means a period that commences on the date a Notice of Default is delivered to the Collateral Agent and continues through the date (if ever) on which all Notices of Default are withdrawn or deemed withdrawn (or cured or waived) in accordance with the terms of Sections 5.01(b).

“Debt Representatives” means, with respect to the Senior Bond Documents and the Senior Bondholders, the Senior Indenture Trustee and, with respect to the Subordinate Loan Documents and the holders from time to time of the Subordinate Loan Obligations, the Subordinate Loan Representative.

“Debt Service” has the meaning specified in the Senior Bond Indenture.

“Deed of Trust” means the Line of Credit Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated on or about the Original Effective Date, encumbering, *inter alia*, the interests in real property comprising the Plant, executed and delivered by the Borrower, as trustor, to Fidelity National Title Company, as trustee, for the benefit of the

Collateral Agent, as beneficiary, and recorded in the official records of Glenn County, California on June 14, 2017 as Document Number 2017-2489, as that instrument has been and may be amended, amended and restated, supplemented or otherwise modified, renewed or replaced from time to time.

“Delay Liquidated Damages” means liquidated damages for delay payable to the Borrower under the terms of the SICO Supply Agreements or the Construction Agreements.

“Designated Debt Representative” means, until the Senior Bonds Repayment Date, the Senior Indenture Trustee and, thereafter, the Subordinate Loan Representative.

“Distribution Account” means an account in the name of the Borrower at such banking institution as the Borrower may from time to time designate to the Collateral Agent.

“DSCR Certificate” has the meaning specified in the Senior Bond Indenture.

“Effective Date” has the meaning specified in the initial paragraph of this Agreement.

“EMMA” has the meaning specified in the Senior Bond Indenture.

“Equipment Supply Agreement” has the meaning specified in the Senior Bond Indenture.

“Extraordinary Expenses” means expenses of the Borrower in connection with the Project that relate to any of the following:

(a) unanticipated repairs to or replacement of equipment or improvements at the Project, in such estimated amounts as are certified to be reasonable by the Technical Advisor;

(b) repairs and other expenses incurred as a result of uninsured casualty, or insured casualty but prior to the receipt of the related insurance proceeds, in such estimated amounts as are certified to be reasonable by the Technical Advisor;

(c) prior to the Commercial Operations Date, any expenses of achieving the Post-Acceptance Run for which other funds are not available, at the time required to be paid, from the Borrower Funds Account, the Project Development Account, or otherwise under the Debt Documents, as certified to be appropriate by the Technical Advisor to achieving the Post Acceptance Run; or

(d) emergencies involving the imminent risk of substantial personal injury or property damage, as reasonably determined by the Borrower.

If (i) the Technical Advisor is unavailable to certify to the reasonableness of such estimated amounts necessary for the repairs described in clauses (a) or (b) of this definition and (ii) such repairs are necessary (in the Borrower’s good faith opinion) for the Plant to continue to operate on a substantially continuous and commercially reasonable basis, then, in lieu of a certification from the Technical Advisor, the expenses of such repairs shall nevertheless be deemed Extraordinary Expenses upon Borrower’s delivery to the Collateral Agent of a certificate of an Authorized Representative of the Borrower, certifying to the foregoing.

“**Feedstock**” means rice straw or other appropriate feedstock for the operation of the Project.

“**Feedstock Expense Reserve Account**” has the meaning specified in Section 3.08(a).

“**Feedstock Expense Reserve Requirement**” means, for each calendar year from and after the calendar year in which the Commercial Operations Date occurs and for any date of calculation, (a) as of the last day of the First Semiannual Period of the calendar year, an amount equal to 50% of the estimated amounts of the expenses for Feedstock provided for in the Operating Budget for the calendar year, and (b) as of the Transfer Date preceding each month in the Second Semiannual Period of the calendar year, an amount (but not less than zero) equal to (i) the amount described in clause (a) of this definition, plus (ii) one-twelfth of the estimated amounts of the expenses for Feedstock provided for in the Operating Budget for the calendar year (multiplied by the number of months in the Second Semiannual Period for which the Transfer Dates have occurred), less (iii) the amounts of expenditures for Feedstock that have been paid as of the date of calculation and in the calendar year in which the date of calculation occurs.

“**First Semiannual Period**” means, for any calendar year, the period commencing on January 1 and ending on June 30 of the calendar year.

“**First Supplement Effective Date**” has the meaning specified in the Senior Bond Indenture.

“**Fiscal Year**” has the meaning specified in the Senior Bond Indenture.

“**Foreclosure Purchaser**” has the meaning specified in Section 5.03.

“**Forward Looking Debt Service Coverage Ratio**” has the meaning specified in the Senior Bond Indenture.

“**Governmental Authority**” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, board, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government.

“**Holdco**” means CalPlant I Holdco, LLC, a Delaware limited liability company.

“**Holdco Operating Agreement**” means the Second Amended and Restated Operating Agreement of Holdco, dated as of November 1, 2018, and as amended, modified, renewed, restated or replaced as permitted under the Licensor’s and Investors’ Undertaking.

“**Holdco Unit Purchase Agreement**” means the Series A-1 Preferred Unit Purchase Agreement, dated as of the Original Effective Date, by and among Holdco, and, among other purchasers, SICO.

“**Income Available for Debt Service**” has the meaning specified in the Senior Bond Indenture.

“**Indemnified Party**” has the meaning specified in Section 7.06.

“**Indenture Trustees**” has the meaning specified in the initial paragraph of this Agreement.

“**Initial Collateral Agent**” means UMB Bank, N.A., a national banking association.

“**Interest Account**” has the meaning specified in the Senior Bond Indenture.

“**Licensor**” means Agfiber IP, LLC, a Delaware limited liability company.

“**Licensor’s and Investors’ Undertaking**” means the Licensor’s and Investors’ Undertaking, dated on or about the Original Effective Date, made by the Borrower, Holdco, the Licensor and certain members of Holdco, in favor of the Collateral Agent, as amended by the First Amendment to Licensor’s and Investors’ Undertaking, dated the First Supplement Effective Date, as amended by the Second Amendment to Licensor’s and Investors’ Undertaking, dated the Second Supplement Effective Date, and as further amended, modified, renewed, restated or replaced as permitted by the Senior Bond Documents or, following the Senior Bonds Repayment Date, under the terms of the Subordinate Loan Documents.

“**Lien**” means, with respect to any asset, any deed of trust, mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of the asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement and any lease that constitutes a security interest.

“**Local Bank Account**” means an account in the name of the Borrower at such banking institution as the Borrower may from time to time designate to the Collateral Agent, which account shall be subject to a security interest in favor of the Collateral Agent in accordance with the terms of the Security Agreement.

“**Loss Event**” means any Casualty or Condemnation.

“**Loss Proceeds**” means (a) any proceeds under any property insurance coverages relating to the Plant and (b) any awards or similar payments made in connection with or in lieu of any Condemnation, in either case net of any attorneys’ fees or other costs of collection.

“**Loss Proceeds Account**” has the meaning specified in Section 3.05.

“**Major Maintenance Reserve Account**” has the meaning specified in Section 3.07(a).

“**Major Maintenance Reserve Requirement**” means, as of any date of calculation from and after the first day of January first following the Commercial Operations Date, an amount equal to (a) the estimated amounts of Capital Expenditures scheduled to be made in the calendar year in which the date of calculation occurs (as reflected in the Operating Budget for the calendar year in which the date of calculation occurs), *plus* (b) one-half of the estimated amounts of Capital Expenditures scheduled to be made in the two calendar years following the calendar year in which the date of calculation occurs (as reflected in the Operating Budget for the calendar year in which the date of calculation occurs), *less* (c) the amounts of Capital Expenditures that have been made as of the date of calculation and in the calendar year in which the date of calculation occurs.

“Maximum Annual Debt Service” has the meaning specified in the Senior Bond Indenture.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a nationally recognized statistical rating organization, “Moody’s” shall be deemed to refer to any other nationally recognized statistical rating organization (other than S&P) designated by the Authority, with the approval of the Borrower, by notice to the Debt Representatives.

“Notice of Account Restriction” means, at any time following delivery of a Notice of Default that has not been withdrawn as provided in Section 5.01(b), a notice given to the Collateral Agent by the Designated Debt Representative, with a copy to the Borrower, that (i) expressly states that it is a “Notice of Account Restriction” described in this Agreement, and (ii) specifically directs the Collateral Agent to transfer sums on deposit in the Collateral Agent Accounts (other than the Collateral Account) to the Collateral Account to the extent specified in the notice from the Designated Debt Representative.

“Notice of Default” means a notice given to the Collateral Agent by the Designated Debt Representative, with a copy to the Borrower, stating that a Debt Documents Event of Default has occurred and is continuing.

“Obligations” means, with respect to any indebtedness, any principal, interest, premium, fees, expenses, indemnifications, reimbursements, prepayments, damages and other liabilities payable and performance obligations under the documentation governing the applicable indebtedness.

“Occator” means Occator Agricultural Properties, LLC, a Delaware limited liability company.

“Operating Budget” means, for any calendar year for which an operating budget of the Borrower is required under Section 5.16 of the Senior Bond Loan Agreement or, after the Senior Bonds Repayment Date, under the terms of the Subordinate Loan Documents, an operating budget of the Borrower for the Project for that calendar year, that

- (a) is prepared in good faith by the Borrower;
- (b) sets forth, among other things, the items of revenue and expense of the Borrower for the Project, including a line entitled “Operating Expenses”, which shall reflect the Operating Expenses as determined for the applicable calendar year, as determined in accordance with the definition of “Operating Expenses” contained in this Agreement;
- (c) includes a budget for Capital Expenditures for the calendar year for which the operating budget is prepared and at least the two (2) calendar years following the calendar year for which the operating budget is prepared; and
- (d) (1) before the Senior Bonds Repayment Date, is not rejected, under the provisions of Section 5.16 of the Senior Bond Loan Agreement and the related

provisions of the Senior Bond Indenture, (2) after the Senior Bonds Repayment Date, is approved or deemed approved under the terms of the Subordinate Loan Documents, or (3) is otherwise approved by the Required Beneficiaries.

For all purposes of this Agreement, an operating budget of the Borrower shall be deemed to be the current Operating Budget if certified by the Borrower to be in effect in accordance with the provisions of the Senior Bond Loan Agreement or, after the Senior Bonds Repayment Date, the Subordinate Loan Documents.

“Operating Expense Reserve Account” has the meaning specified in Section 3.06(a).

“Operating Expense Reserve Requirement” means, as of any date from and after Commercial Operations Date, an amount equal to one-sixth of the Operating Expenses provided for in the Operating Budget for the calendar year in which such date occurs, but excluding from Operating Expenses for this purposes any amounts budgeted for the purpose of paying for (a) Feedstock and (b) sales commissions (or interest thereon) payable under the CFP Sales Agreement.

“Operating Expenses” means, for any relevant period, the following items of cost and expense, to the extent actually paid or expected to be paid by the Borrower: (a) employee costs and compensation, (b) the cost of production, including the cost of Feedstock and other raw materials and payments due under any supply agreement, (c) sales commissions (and interest thereon) payable under the CFP Sales Agreement, (d) insurance premiums, (e) utility costs and other costs of operating and maintaining the Project, (f) real and personal property, use, sales and similar taxes, (g) fees paid for professional services provided to the Borrower, (h) general and administrative expenses, (i) interest, fees and costs (but not outstanding principal balances) payable under the Revolving Credit Facility, and (j) all other costs relating to operating and maintaining the Project, *provided* that there shall be excluded from the foregoing any amounts paid or expected to be paid for (x) federal, state and local income taxes, (y) interest on or principal of, or other charges with respect to, the Secured Obligations, or (z) Capital Expenditures, and *provided further* that in no event shall Operating Expenses include management fees, profit or mark-up (other than (1) salaries and other employment benefits paid to employees of the Borrower for services to the Borrower and (2) reasonable overhead) payable to the Borrower or its Affiliates.

“Original Effective Date” has the meaning specified in the background statements to this Agreement.

“Performance Damages” means (i) any Delay Liquidated Damages, (ii) any proceeds of delay-in-startup or business interruption insurance, (iii) any payments made by any of the Construction Sureties (as defined in the Senior Bond Indenture) to the Borrower or to the Collateral Agent under the Construction Bonds, and (iv) any proceeds from any bank guarantee delivered pursuant to the SICO Supply Agreements.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Plant” has the meaning specified in the Senior Bond Indenture.

“Plant Acceptance” has the meaning specified in the Senior Bond Indenture.

“Plant Substantial Completion Date” has the meaning specified in the Senior Bond Indenture. The occurrence of the Plant Substantial Completion Date shall be conclusively established by a notice from the Borrower to the Collateral Agent certifying that the Plant Substantial Completion Date has occurred, when confirmed in writing by the Construction Monitor.

“Pledged Holdco Collateral” means the membership interests in the Borrower that have been pledged by Holdco to the Collateral Agent as collateral for the Secured Obligations under the terms of the Pledge Agreement described on Schedule 1.

“Pledged Investor Collateral” means the membership interests in Holdco that have been pledged by certain of the members of Holdco to the Subordinate Indenture Trustee as collateral for the Subordinate Bond Obligations, and may from time to time otherwise be pledged to secure the Subordinate Loan Obligations.

“Principal Account” has the meaning specified in the Senior Bond Indenture.

“Proceeding” means any case, proceeding or other action against any Borrower Party under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or other relief of debtors.

“Proceeds” means “proceeds” as defined in the UCC, together with (whether or not the following constitute proceeds as defined in the UCC): (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Borrower Party from time to time with respect to any of the Collateral, (ii) any and all other amounts from time to time paid or payable to any Borrower Party upon the sale, exchange, collection or other disposition of any part of the Collateral, and (iii) any and all interest or dividends paid or distributed with respect to the Collateral.

“Project” means a rice straw based medium density fiberboard plant to be located in Willows, California, USA, with a planned initial annual production capacity equivalency of between approximately 112,000 thousand square feet, $\frac{3}{4}$ " basis and 160,000 thousand square feet, $\frac{3}{4}$ " basis.

“Project Costs” means the costs and expenses reflected in the Construction Budget (as that term is defined in the Senior Bond Indenture).

“Project Development Account” has the meaning specified in Section 3.03(a).

“Project Development Account Requisition” has the meaning specified in Section 3.03(c).

“Project Documents” has the meaning specified in the Senior Bond Indenture.

“Rebate Fund” has the meaning specified in the Senior Bond Indenture.

“Rebate Requirement” has the meaning specified in the Senior Tax Certificate.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the respective directors, officers, employees, representatives, trustees, agents, advisors (including investment advisors) of, attorneys-in-fact of, and any professionals retained by such Person or such Person’s Affiliates.

“Required Beneficiaries” means (a) until the Senior Bonds Repayment Date, the “Required Bondholders” as that term is defined in the Senior Bond Indenture and (b) thereafter, the “Required Bondholders” as that term is defined in the Subordinate Bond Indenture or, if the Subordinate Bond Indenture is no longer in effect, the “Required Beneficiaries” as that term is from time to time defined in the Subordinate Loan Documents. For all purposes of this Agreement, in any circumstance in which a consent, approval or waiver by the Required Beneficiaries is required or permitted for any purpose, such consent, approval or waiver may be evidenced by (a) until the Senior Bonds Repayment Date, a Required Bondholders Approval Certificate given in accordance with Section 6.08(i) of the Senior Bond Indenture and (b) thereafter, by (i) a Required Bondholders Approval Certificate given in accordance with the corresponding provision of the Subordinate Bond Indenture or (ii) as otherwise provided in the Subordinate Loan Documents.

“Restoration” means in case of a Loss Event, the restoration, replacement or rebuilding of the portion of the Plant affected by the Loss Event such that when such restoration, replacement or rebuilding is completed, the Plant shall have been restored, in the case of any Casualty, substantially to the same character and condition as prior to such Casualty, and in the case of any Condemnation, to an integral unit as substantially similar as possible, taking into account the extent of the Condemnation, to the character and condition of the Plant prior to such Condemnation.

“Restore” means to effect a Restoration (and the form **“Restored”** has the corresponding meaning).

“Revenue and Operating Account” has the meaning specified in Section 3.04.

“Revolving Credit Facility” means a credit facility established by the Borrower at a commercial banking institution located in the United States for the purpose of providing working capital for the Borrower’s business operations, *provided that*:

- (a) such credit facility is not secured by any assets of the Borrower or any Collateral;
- (b) such credit facility provides for credit in an amount not exceeding the amount of the Operating Expense Reserve Requirement; and
- (c) the Borrower shall have delivered to the Collateral Agent and the Debt Representatives accurate and complete copies of the documents evidencing the Revolving Credit Facility.

“Second Semiannual Period” means, for any calendar year, the period commencing on July 1 and ending on December 31 of the calendar year.

“Second Supplement Effective Date” has the meaning specified in the Senior Bond Indenture.

“**Secured Obligations**” means the Senior Bond Obligations and the Subordinate Loan Obligations.

“**Security Agreement**” means the Security Agreement described on Schedule 1, as that instrument may be amended, amended and restated, supplemented or otherwise modified, renewed or replaced from time to time.

“**Senior Bond Debt Service Reserve Account**” means the “Reserve Fund” established by the Senior Indenture Trustee pursuant to the Senior Bond Indenture.

“**Senior Bond Documents**” means the Senior Bond Indenture, the Senior Bond Loan Agreement, and each other agreement, document or instrument (other than this Agreement) delivered to or for the benefit of the Senior Indenture Trustee by any Borrower Party in connection with the Senior Bond Loan Agreement or the Senior Bond Indenture. The term “Senior Bond Documents” does not include the Collateral Instruments or the Licensor’s and Investors’ Undertaking.

“**Senior Bond Indenture**” means the Indenture, dated as of June 1, 2017, between the Authority and the Senior Indenture Trustee, as it has been and may from time to time be amended and supplemented pursuant to its terms.

“**Senior Bond Indenture Project Account**” means the “Project Fund” established by the Senior Indenture Trustee pursuant to the Senior Bond Indenture, and the accounts and subaccounts therein.

“**Senior Bond Indenture Revenue Fund**” means the “Revenue Fund” established by the Senior Indenture Trustee pursuant to the Senior Bond Indenture.

“**Senior Bond Interest Payment Date**” means each “Interest Payment Date,” as that term is defined in the Senior Bond Indenture.

“**Senior Bond Loan Agreement**” means the Loan Agreement, dated as of June 1, 2017, between the Authority and the Borrower, under the terms of which the Authority has lent and will lend the proceeds from the sale of the Senior Bonds to the Borrower for the construction of the Project and related costs, as it has been and may from time to time be amended and supplemented pursuant to its terms.

“**Senior Bond Obligations**” means all Obligations of the Borrower Parties under the Senior Bond Documents, including Obligations for the principal of, and interest and premium on, the Senior Bonds.

“**Senior Bond Obligations Separate Collateral**” means the funds and accounts established under the terms of the Senior Bond Indenture, all investments from time to time held in such funds and accounts, and the proceeds thereof in the hands of the Senior Indenture Trustee.

“**Senior Bond Principal Payment Amount**” means, with respect to any Senior Bond Principal Payment Date, the portion of the outstanding principal amount of the Senior Bonds

scheduled to be repaid or redeemed on such Senior Bond Principal Payment Date in accordance with the terms of the Senior Bond Indenture.

“Senior Bond Principal Payment Date” means each Mandatory Sinking Fund Date and Principal Payment Date (as those terms are defined in the Senior Bond Indenture).

“Senior Bond Project Fund” means the “Project Fund” as that term is defined in the Senior Bond Indenture.

“Senior Bondholders” means the owners of record from time to time of the Senior Bonds.

“Senior Bonds” means the Solid Waste Disposal Revenue Bonds (CalPlant I Project) Series 2017 (AMT), issued by the Authority under the terms of the Senior Bond Indenture in the initial aggregate principal amount of \$228,165,000, and any Additional Bonds (as such term is defined in the Senior Bond Indenture) that may be issued from time to time pursuant to the terms of the Senior Bond Indenture as (a) refunding bonds or otherwise to refinance the indebtedness evidenced by the Senior Bonds, so long as, after such issuance, the Maximum Annual Debt Service of the Senior Bonds Outstanding does not exceed the Maximum Annual Debt Service of the Senior Bonds Outstanding prior to such issuance or (b) otherwise permitted under the terms of the Senior Bond Documents and the Subordinate Loan Documents.

“Senior Bonds Event of Default” means the occurrence of an “Event of Default” under, and as such term is defined in, the Senior Bond Indenture.

“Senior Bonds Repayment Date” means the date on which all of the Senior Bond Obligations have been paid in full in cash or deemed paid in full under the terms of the Senior Bond Indenture.

“Senior Indenture Trustee” has the meaning specified in the initial paragraph of this Agreement.

“Senior Tax Certificate” means the “Tax Certificate” as that term is defined in the Senior Bond Indenture.

“Separate Collateral” means the Senior Bond Obligations Separate Collateral and the Subordinate Loan Obligations Separate Collateral.

“SICO” means Siempelkamp Maschinen- und Anlagenbau GmbH, a limited liability company organized and registered under the laws of Germany.

“SICO Payments” means payments to the Borrower required to be made by SICO (and in fact made by SICO) as capital contributions to Holdco in accordance with the Holdco Operating Agreement and the Holdco Unit Purchase Agreement.

“SICO Supply Agreements” has the meaning specified in the Senior Bond Indenture.

“S&P” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc., its successors and their assigns, and, if such entity shall be dissolved or liquidated

or shall no longer perform the functions of a nationally recognized statistical rating organization, “S&P” shall be deemed to refer to any other nationally recognized statistical rating organization (other than Moody’s) designated by the Authority, with the approval of the Borrower, by notice to the Debt Representatives.

“**Statement of Amount**” has the meaning specified in Section 7.02.

“**Subordinate Bond Documents**” means the Subordinate Bond Indenture, the Subordinate Bond Loan Agreement, and each other agreement, document, or instrument (other than this Agreement) delivered to or for the benefit of the Subordinate Indenture Trustee by any Borrower Party in connection with the Subordinate Bond Loan Agreement or the Subordinate Bond Indenture. The term “Subordinate Bond Documents” does not include the Collateral Instruments or the Licensor’s and Investors’ Undertaking.

“**Subordinate Bond Funds Requisition**” has the meaning specified in Section 3.10(b).

“**Subordinate Bond Indenture**” means the Indenture, dated as of August 1, 2019, between the Authority and the Subordinate Indenture Trustee, as it may from time to time be amended and supplemented pursuant to its terms.

“**Subordinate Bond Loan Agreement**” means the Loan Agreement, dated as of August 1, 2019, between the Authority and the Borrower, under the terms of which the Authority has lent and will lend the proceeds from the sale of the Subordinate Bonds to the Borrower for the construction of the Project and related costs, as it may from time to time be amended and supplemented pursuant to its terms.

“**Subordinate Bond Proceeds Account**” has the meaning specified in Section 3.10.

“**Subordinate Bondholders**” means the owners of record from time to time of the Subordinate Bonds.

“**Subordinate Bonds**” means the Solid Waste Disposal Revenue Bonds (CalPlant I Project) Series 2019 Subordinate Bonds (AMT) (Green Bonds), issued by the Authority under the terms of the Subordinate Bond Indenture in the initial aggregate principal amount of \$73,685,000, and any Additional Bonds (as such term is defined in the Subordinate Bond Indenture) that may be issued from time to time pursuant to the terms of the Subordinate Bond Indenture and are permitted under the terms of the Senior Bond Documents.

“**Subordinate Indenture Trustee**” has the meaning specified in the initial paragraph of this Agreement.

“**Subordinate Loan Documents**” means the Subordinate Bond Documents and each other agreement, document, or instrument (other than this Agreement) from time to time delivered to or for the benefit of any lender (or agent for any lender) and evidencing or securing the then-outstanding Subordinate Loan Obligations. The term “Subordinate Loan Documents” does not include the Collateral Instruments or the Licensor’s and Investors’ Undertaking.

“**Subordinate Loan Event of Default**” means the occurrence of an “Event of Default” under and as defined in the Subordinate Loan Documents.

“**Subordinate Loan Obligations**” means the Obligations for the principal of, and interest and premium on, the Subordinate Bonds and all other Obligations of the Borrower Parties that by their terms are expressly described as “Subordinate Loan Obligations” within the meaning of this Agreement.

“**Subordinate Loan Obligations Separate Collateral**” means (a) the funds and accounts established under the terms of the Subordinate Loan Documents, all investments from time to time held in such funds and accounts, and the proceeds thereof in the hands of the Subordinate Loan Representative, and (b) the Pledged Investor Collateral.

“**Subordinate Loan Representative**” means the Subordinate Indenture Trustee or, after the refinancing of the Obligations originally represented by the Subordinate Bond Documents, any other Person from time to time acting as the exclusive representative of the holders from time to time of the Subordinate Loan Obligations.

“**Subordinate Tax Certificate**” means the “Tax Certificate” as that term is defined in the Subordinate Bond Indenture.

“**Subsidiary**” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person.

“**Suspension Account**” has the meaning provided in Section 3.09(a).

“**Technical Advisor**” means Steven Vajda Consulting, or such other consulting engineering firm as may be appointed as the “Technical Advisor” (a) until the Senior Bonds Repayment Date, under the terms of the Senior Bond Indenture, and (b) thereafter, under the terms of the Subordinate Loan Documents.

“**TIAA Additional Capital Contributions**” means the payments to the Borrower required to be made by Occator (and in fact so made) as capital contributions to Holdco after the Original Effective Date in accordance with the Holdco Operating Agreement and the Holdco Unit Purchase Agreement.

“**Transaction Expense Schedule**” means the schedule of Transaction Expenses appearing as Exhibit J to the Senior Bond Loan Agreement.

“**Transaction Expenses**” means all expenses of the Borrower in connection with the development and financing of the Project, accrued through the Original Effective Date and either (a) paid by or on behalf of the Borrower on or prior to the Original Effective Date, (b) paid by the Senior Indenture Trustee from the Costs of Issuance Fund established under the Senior Bond

Indenture, or (c) paid by the Collateral Agent from funds in the Borrower Funds Account, in each case in the amounts shown on the Transaction Expense Schedule.

“**Transfer Date**” means, with respect to any calendar month, the third Business Day preceding the first day of the calendar month.

“**UCC**” means the Uniform Commercial Code as in effect in the State of New York.

“**UMB Bank**” has the meaning specified in the initial paragraph of this Agreement.

“**Unconditional Project Development Account Requisition**” has the meaning specified in Section 3.03(c).

“**Unconditional Subordinate Bond Funds Requisition**” has the meaning specified in Section 3.10(b).

Section 1.02 **Certain References.** In this Agreement, the words “*hereof*,” “*herein*” and “*hereunder*”, and words of similar import, shall refer to this Agreement as a whole and not to any particular provision of this Agreement. For the purposes hereof, unless otherwise expressly provided or the context otherwise requires, (a) all references to Sections, Exhibits and Schedules shall be deemed references to Sections of, and Exhibits and Schedules to, this Agreement, (b) all terms defined in the UCC and not otherwise defined herein shall have the respective meanings accorded to them in the UCC, *provided* that if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9 of the UCC, (c) any of the terms defined in this Article I may be used in the singular or the plural depending on the reference, (d) any pronoun shall include the masculine, feminine and neuter forms, (e) any references to statutes and related regulations shall include (unless otherwise specifically provided herein) any amendments of the same and any successor statutes or regulations (or both, as applicable), (f) the words “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation,” (g) in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”, (h) references to “writing” include printing, typing, lithography, e-mail, and other means of reproducing words in a visible form and (i) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments, amendments and restatements, supplements, extensions, replacements or other modifications to such instruments (without, however, limiting any prohibition on any such amendments, extensions and other modifications by the terms of this Agreement, and without limiting the effect of any term defined in Section 1.01 that includes only amendments permitted by specified documents). Terms defined in Section 1.01 by reference to definitions in the Senior Bond Indenture shall continue to be so defined notwithstanding any termination of the Senior Bond Indenture by reason of the occurrence of the Senior Bonds Repayment Date or otherwise.

ARTICLE II

COLLATERAL AGENCY

Section 2.01 **Appointment of Collateral Agent.** Under the terms of the Bond Indentures, UMB Bank has been appointed by the Borrower as the Initial Collateral Agent, to act as agent of the Indenture Trustees for the benefit of the Beneficiaries for the purpose of holding the

Collateral under the terms and conditions set forth in this Agreement, and the Borrower hereby agrees to such appointment.

Section 2.02 **Collateral Instruments.** The Collateral Agent has executed and delivered each of the Collateral Instruments (as in effect prior to the Effective Date) requiring execution and delivery by it and has accepted delivery from the Borrower Parties of those Collateral Instruments (as in effect prior to the Effective Date) not requiring the Collateral Agent's execution. The Collateral Agent shall from time to time on and after the Effective Date (a) execute and deliver such amendments to each of the Collateral Instruments requiring execution and delivery by it and (b) shall accept delivery from the Borrower Parties of amendments to those Collateral Instruments that do not require the Collateral Agent's execution, in each case described in the foregoing clauses (a) and (b) to the extent the Borrower shall reasonably deem necessary in order to implement the amendments to the Original Collateral Agency Agreement reflected in this Agreement.

Section 2.03 **Security for Secured Obligations.** The Collateral Agent hereby accepts the obligations imposed on the Collateral Agent by this Agreement and agrees to hold, at the direction of the Debt Representatives, for the benefit of the Beneficiaries, all of the Collateral, in order to secure the payment and performance of the Secured Obligations now or hereafter existing, in the manner and to the extent set forth in the Collateral Instruments.

Section 2.04 **Undertaking of Collateral Agent.** The Collateral Agent will, as agent for the Debt Representatives for the exclusive benefit of the Beneficiaries, and in accordance with the terms of this Agreement and the Collateral Instruments:

(a) receive, accept, enter into, hold, maintain, administer and enforce all Collateral Instruments, at any time delivered to it and all security interests created thereunder, perform its obligations under the Collateral Instruments and protect, exercise and enforce the interests, rights, powers and remedies granted or available to it under, pursuant to, or in connection with, any or all of the Collateral Instruments;

(b) take all lawful and commercially reasonable actions that it may deem necessary or advisable to protect or preserve its interest in the Collateral and such interests, rights, powers and remedies;

(c) deliver and receive notices pursuant to the Collateral Instruments;

(d) sell, assign, collect, assemble, foreclose on, institute legal proceedings with respect to, or otherwise exercise or enforce the rights and remedies of a secured party (including as a deed of trust beneficiary and insurance beneficiary or loss payee) with respect to, any of the Collateral or any of its interests, rights, powers and remedies granted or available to it under, pursuant to, or in connection with, any or all of the Collateral Instruments;

(e) remit to the Debt Representatives cash proceeds received by the Collateral Agent from the collection, foreclosure or enforcement of its interest in the Collateral or any of its other interests, rights, powers or remedies granted or available to it under, pursuant to, or in connection with, any or all of the Collateral Instruments in accordance with the order of application of proceeds specified in Section 6.01;

(f) amend the Collateral Instruments in accordance with the terms of the Senior Bond Indenture or, after the Senior Bonds Repayment Date, the terms of the Subordinate Loan Documents;

(g) on instructions of the Designated Debt Representative, enforce the Collateral Agent's rights under the Licensor's and Investors' Undertaking and the Additional Equity Agreement;

(h) release any Lien granted to it by any Collateral Instrument upon any Collateral if and as required under the terms of Article IX; and

(i) maintain the Collateral Agent Accounts and remit funds contained in the Collateral Agent Accounts in accordance with Articles III and IV.

Section 2.05 **Consent to Terminate Deferred Payment Agreement.** Upon request of the Borrower and in connection with the issuance of the Subordinate Bonds, the Collateral Agent shall promptly deliver to the Borrower a written consent to the termination of the Deferred Payment Agreement, dated October 31, 2018, by and between the Borrower and SICO.

ARTICLE III

ACCOUNTS MAINTAINED BY THE COLLATERAL AGENT

Section 3.01 **Collateral Account.** The Collateral Agent shall maintain a cash collateral account (the "*Collateral Account*") in accordance with the terms of this Agreement. The Collateral Agent shall deposit in the Collateral Account all moneys that are received by the Collateral Agent, if and to the extent that the Collateral Agent is instructed under the terms of this Agreement to deposit such moneys in the Collateral Account. The funds on deposit in the Collateral Account shall be held and applied by the Collateral Agent in accordance with the terms of this Agreement.

Section 3.02 **Borrower Funds Account.**

(a) The Collateral Agent shall maintain an account (the "*Borrower Funds Account*") for certain funds to be deposited by the Borrower in accordance with the terms of this Agreement. On the Original Effective Date, the Borrower caused to be deposited in the Borrower Funds Account the sum of \$82,500,000.00 (from capital contributions made to Holdco), less such portion of the Transaction Expenses as was paid by the Borrower on or prior to the Original Effective Date and not reimbursed from the proceeds of the Bonds or from amounts in any of the accounts established hereunder. Following the Original Effective Date and prior to the Effective Date, the Borrower caused to be deposited in the Borrower Funds Account the aggregate amount of \$24,198,405 from capital contributions made to Holdco. On the Effective Date, the Borrower caused to be deposited in the Borrower Funds Account the sum of \$2,153,242 from capital contributions made to Holdco.

(b) From time to time, the Borrower shall cause all SICO Payments to be deposited in the Borrower Funds Account.

(c) From time to time, the Borrower may, at its option, deposit or cause to be deposited in the Borrower Funds Account such additional amounts as the Borrower may determine to be necessary or desirable.

(d) Unless a Notice of Account Restriction shall then be in effect (and, if in effect, then only to the extent such Notice of Account Restriction expressly authorizes such payment), the Collateral Agent shall pay from the Borrower Funds Account at the direction of the Borrower the portion of the Transaction Expenses identified by the Borrower as not previously paid by or on behalf of the Borrower.

(e) From time to time, as directed by the Borrower in an Account Transfer Certificate, the Collateral Agent shall transfer portions of the funds then available in the Borrower Funds Account to the Project Development Account or to the Revenue and Operating Account. Following the Collateral Agent's receipt of a Notice of Default, the Collateral Agent shall, if and to the extent so directed by a Notice of Account Restriction, transfer sums then on deposit in the Borrower Funds Account to the Collateral Account.

Section 3.03 **Project Development Account.**

(a) The Collateral Agent shall maintain an account (the "***Project Development Account***") for funds transferred from the Borrower Funds Account, certain funds deposited and to be deposited by the Debt Representatives in accordance with the terms of this Agreement, and the TIAA Additional Capital Contributions.

(b) Each of the Debt Representatives and the Borrower shall cause to be deposited in the Project Development Account any Performance Damages received prior to the Commercial Operations Date.

(c) The Collateral Agent shall cause the amounts from time to time on deposit in the Project Development Account to be paid for Project Costs to or at the direction of the Borrower. Before each disbursement from the Project Development Account, the Borrower shall request disbursements of such funds by delivering to the Collateral Agent (with copies to the Debt Representatives), not later than the fifth Business Day prior to the proposed date of disbursement (except any disbursement requested on the Effective Date), a requisition (a "***Project Development Account Requisition***") signed by an Authorized Representative of the Borrower in the form of Exhibit C-1 (an "***Unconditional Project Development Account Requisition***") or C-2 (a "***Conditional Project Development Account Requisition***"), as applicable, and, with respect to each Project Development Account Requisition prior to Plant Acceptance, a certification by the Construction Monitor in the form of Exhibit D-1 (in the case of an Unconditional Project Development Account Requisition) or D-2 (in the case of a Conditional Project Development Account Requisition), as applicable.

(d) If the Collateral Agent receives a completed Unconditional Project Development Account Requisition (except in the case of any Unconditional Project Development Account Requisition received by the Collateral Agent on the Effective Date, which the Collateral Agent shall fund on the Effective Date), the Collateral Agent shall fund such Unconditional Project Development Account Requisition within five Business Days after the Collateral Agent's receipt

of the completed Unconditional Project Development Account Requisition, *provided* that the Collateral Agent shall not honor any Project Development Account Requisition if three or more Project Development Account Requisitions previously have been submitted within the calendar month under this Section 3.03. If the Borrower delivers a Conditional Project Development Account Requisition, then the Collateral Agent shall fund such Conditional Project Development Account Requisition only after following the procedures set forth in Section 6.08(c) of the Senior Bond Indenture. Subject to the provisions of the immediately preceding sentence, the Collateral Agent may rely conclusively on, and shall be protected in acting upon, a completed Unconditional Project Development Account Requisition or Conditional Project Development Account Requisition as evidence of a Project Development Account Requisition meeting the requirements of Section 3.03(c). The Collateral Agent shall be under no duty to make any investigation or inquiry of a completed Project Development Account Requisition nor review any attachments thereto nor determine whether all documentation required to be attached to such Requisition has been received.

(e) Following the Collateral Agent's receipt of a Notice of Default, the Collateral Agent shall, if and to the extent so directed by a Notice of Account Restriction, transfer sums then on deposit in the Project Development Account to the Collateral Account.

(f) Upon receipt of certification from the Borrower that the Commercial Operations Date has occurred and that all Project Costs (other than Project Costs comprising deposits to the Operating Expense Reserve Account and the Major Maintenance Reserve Account) have been paid, which notice shall be delivered by the Borrower within five Business Days after such conditions are satisfied, the Collateral Agent shall, as directed by the Borrower in an Account Transfer Certificate,

(i) except as otherwise specified in a Notice of Account Restriction then in effect, transfer from the Project Development Account (to the extent available in the Project Development Account) sufficient funds (A) to the Operating Expense Reserve Account in order to bring the balance of the Operating Expense Reserve Account to the Operating Expense Reserve Requirement and (B) to the Major Maintenance Reserve Account in order to bring the balance of the Major Maintenance Reserve Account to the Major Maintenance Reserve Requirement; and

(ii) except as otherwise specified in a Notice of Account Restriction then in effect, transfer any funds remaining in the Project Development Account to the Revenue and Operating Account.

Section 3.04 **Revenue and Operating Account.**

(a) The Collateral Agent shall maintain an account (the "***Revenue and Operating Account***") for funds to be transferred from the Borrower Funds Account in accordance with the terms of this Agreement and for the deposit of all Cash Flow and other amounts in accordance with the provisions of Section 4.01(a). The Collateral Agent shall cause the amounts from time to time on deposit in the Revenue and Operating Account to be applied in accordance with the provisions of Section 4.02.

(b) Following the Collateral Agent's receipt of a Notice of Default, the Collateral Agent shall, if and to the extent so directed by a Notice of Account Restriction (and for so long as such Notice of Account Restriction remains in effect and so directs), transfer sums from time to time on deposit in the Revenue and Operating Account to the Collateral Account.

Section 3.05 **Loss Proceeds Account.**

(a) The Collateral Agent shall maintain an account (the "***Loss Proceeds Account***") for Loss Proceeds from time to time received by the Collateral Agent. From time to time the Collateral Agent will transfer funds from the Loss Proceeds Account at the direction of the Borrower in accordance with Section 7.08.

(b) Following the Collateral Agent's receipt of a Notice of Default, the Collateral Agent shall, if and to the extent so directed by a Notice of Account Restriction, transfer sums then on deposit in the Loss Proceeds Account to the Collateral Account.

Section 3.06 **Operating Expense Reserve Account.**

(a) The Collateral Agent shall maintain an account (the "***Operating Expense Reserve Account***") for funds to be held as a reserve for paying Operating Expenses of the Borrower.

(b) From time to time, the Collateral Agent shall transfer to the Operating Expense Reserve Account the amounts required to be so transferred in accordance with Section 3.03(f) or Section 4.02. From time to time, the Borrower may, at its option, deposit or cause to be deposited in the Operating Expense Reserve Account such additional amounts as the Borrower may determine to be necessary or desirable.

(c) From time to time, in accordance with an Account Transfer Certificate stating that funds on hand in the Revenue and Operating Account are expected to be insufficient to pay any amounts intended to be paid under clauses First through Eighth of Section 4.02 and specifying the amount of the expected deficiency, the Collateral Agent shall transfer from the Operating Expense Reserve Account to the Revenue and Operating Account the amount of the expected deficiency specified to be so transferred in the Account Transfer Certificate.

(d) Following the Collateral Agent's receipt of a Notice of Default, the Collateral Agent shall, if and to the extent so directed by a Notice of Account Restriction, transfer sums then on deposit in the Operating Expense Reserve Account to the Collateral Account.

Section 3.07 **Major Maintenance Reserve Account.**

(a) The Collateral Agent shall maintain an account (the "***Major Maintenance Reserve Account***") for funds to be held as a reserve for maintenance and repairs at the Project. From time to time, the Collateral Agent shall transfer to the Major Maintenance Reserve Account the amounts required to be so transferred in accordance with Section 3.03(f) or Section 4.02. From time to time, the Borrower may, at its option, deposit or cause to be deposited in the Major Maintenance Reserve Account such additional amounts as the Borrower may determine to be necessary or desirable.

(b) From time to time in accordance with an Account Transfer Certificate stating that (i) the Borrower has incurred, or is expected to incur in the thirty-day period following the date of the Account Transfer Certificate, Capital Expenditures reflected in the Operating Budget, and (ii) specifying the amount incurred or expected to be incurred, the Collateral Agent will transfer funds from the Major Maintenance Reserve Account at the direction of Borrower in an amount equal to the Capital Expenditures made, or expected to be made, as set forth in the Account Transfer Certificate.

(c) From time to time, in accordance with an Account Transfer Certificate (i) stating that funds on hand in the Revenue and Operating Account are expected to be insufficient to pay any amounts intended to be paid under clauses First through Eleventh of Section 4.02, and (ii) specifying the amount of the expected deficiency, the Collateral Agent shall transfer from the Major Maintenance Reserve Account to the Revenue and Operating Account the amount of the expected deficiency, as set forth in the Account Transfer Certificate.

(d) Following the Collateral Agent's receipt of a Notice of Default, the Collateral Agent shall, if and to the extent so directed by a Notice of Account Restriction, transfer sums then on deposit in the Major Maintenance Reserve Account to the Collateral Account.

Section 3.08 Feedstock Expense Reserve Account.

(a) The Collateral Agent shall maintain an account (the "***Feedstock Expense Reserve Account***") for funds to be held as a reserve for purchases of Feedstock. From time to time, the Collateral Agent shall transfer to the Feedstock Expense Reserve Account the amounts required to be so transferred in accordance with Section 4.02.

(b) From time to time in accordance with an Account Transfer Certificate (i) stating that the Borrower has incurred, or is expected to incur in the 30-day period following the date of such Account Transfer Certificate, expenses for the purchase of Feedstock and that the amounts so specified are consistent with the Operating Budget, and (ii) specifying such amount incurred or expected to be incurred, the Collateral Agent will transfer funds from the Feedstock Expense Reserve Account to the Local Bank Account in the amounts specified in the Account Transfer Certificate (less the amounts, if any, as are specified in the Account Transfer Certificate as remaining available from funds in the Local Bank Account intended to be used for the purchase of Feedstock in any prior period but not yet expended). If any funds so transferred are not used to purchase Feedstock within the 60-day period following the date of the Account Transfer Certificate, the Borrower shall promptly cause the amount not used to purchase Feedstock within such 60-day period to be redeposited in the Feedstock Expense Reserve Account.

(c) From time to time, in accordance with an Account Transfer Certificate stating that funds on hand in the Revenue and Operating Account are expected to be insufficient to pay any amounts intended to be paid under items First through Ninth of Section 4.02 and specifying the amount of the expected deficiency, the Collateral Agent shall transfer from the Feedstock Expense Reserve Account to the Revenue and Operating Account the amount of the expected deficiency so specified in the Account Transfer Certificate.

(d) Following the Collateral Agent's receipt of a Notice of Default, the Collateral Agent shall, if and to the extent so directed by a Notice of Account Restriction, transfer sums then on deposit in the Feedstock Expense Reserve Account to the Collateral Account.

Section 3.09 **Suspension Account.**

(a) The Collateral Agent shall maintain an account (the "*Suspension Account*") for funds to be held prior to distribution of funds (i) at any time when any Subordinate Loan Obligations shall remain outstanding, to the Subordinate Loan Representative for further application in accordance with the terms of the Subordinate Loan Documents, and (ii) otherwise, to the Distribution Account. From time to time in accordance with the provisions of Section 4.02, the Collateral Agent will transfer funds from the Revenue and Operating Account to the Suspension Account.

(b) From time to time as may be directed by the Borrower in accordance with an Account Transfer Certificate, the Collateral Agent shall transfer the amounts on deposit in the Suspension Account, and specified in the Account Transfer Certificate to be transferred, to the Revenue and Operating Account.

(c) Subject to the provisions of the immediately following sentence, from time to time as may be directed by the Borrower in accordance with an Account Transfer Certificate, if, and only if, the conditions set forth in clauses (b), (e), (f), (g), and (h) of the definition of Distribution Requirements in the Senior Bond Indenture are satisfied, as certified by the Borrower in the Account Transfer Certificate, the Collateral Agent shall transfer the amounts on deposit in the Suspension Account, and specified in the Account Transfer Certificate to be transferred, to the Local Bank Account in order to pay to CFP amounts owing as sales commissions (and interest thereon) under the CFP Sales Agreement. Notwithstanding the provisions of the immediately preceding sentence, at any time when any Subordinate Loan Obligations shall remain outstanding, and if so required by the provisions of the Subordinate Loan Documents, the Collateral Agent shall, in lieu of transferring to the Local Bank Account the amounts described in the immediately preceding sentence, distribute such amounts to the Subordinate Loan Representative for further application in accordance with the terms of the Subordinate Loan Documents.

(d) If the conditions set forth in clauses (a) through (j) (or (i) if the last sentence of Section 3.09(c) above applies) of the definition of Distribution Requirements in the Senior Bond Indenture are satisfied (as certified in an Account Transfer Certificate delivered to the Collateral Agent pursuant to this Section 3.09(d) within 45 days following the delivery of the DSCR Certificate with respect to a June 30 Calculation Date or within 45 days following the delivery of the Borrower's audited financials in accordance with Section 5.15(a)(ii) of the Senior Bond Loan Agreement), the Collateral Agent shall (i) at any time when any Subordinate Loan Obligations shall remain outstanding, transfer all amounts in the Suspension Account to the Subordinate Loan Representative for further application in accordance with the terms of the Subordinate Loan Documents and (ii) at any time when no Subordinate Loan Obligations shall remain outstanding, transfer from the Suspension Account the amount specified in the Account Transfer Certificate to the Distribution Account. If the DSCR Certificate upon which the satisfaction of the Distribution Requirements rely is based on a Calculation Date of December 31, the Collateral Agent shall not make any transfer of funds from the Suspension Account as provided in this Section 3.09(d), until

the Borrower has (1) delivered to the Senior Indenture Trustee the audit report for the year ended as of such Calculation Date in accordance with Section 5.15(a)(ii) of the Senior Bond Loan Agreement and (2) provided to the Senior Indenture Trustee confirmation under the provisions of Section 5.15(a)(ix) of the Senior Bond Loan Agreement with respect to the Borrower's audited financial statements for the year ended as of such Calculation Date. The Collateral Agent shall have no obligation to determine if any of the Distribution Requirements have been satisfied and shall rely for such determination solely upon on the Account Transfer Certificate.

(e) Before directing the Collateral Agent to make any transfer of funds from the Suspension Account as provided in Section 3.09(d), the Borrower shall first provide notice (which may be given by e-mail) to the Senior Indenture Trustee and the Collateral Agent of the Borrower's intention to direct the Collateral Agent to make such a transfer and shall file such notice with EMMA, which notice shall include such computations and other evidence upon which the Borrower relied and shall certify that the conditions set forth in clauses (a) through (j) (or (i) if the last sentence of Section 3.09(c) above applies) of the definition of Distribution Requirements in the Senior Bond Indenture have been satisfied. The Borrower shall not direct the Collateral Agent to make any transfer of funds that is the subject of a notice given under the terms of the immediately preceding sentence, unless a period of at least 30 days has elapsed following the delivery of such notice. No transfer may be made from the Suspension Account under Section 3.09(b), Section 3.09(c), or Section 3.09(d) at any time following the delivery of a Notice of Default by the Senior Indenture Trustee and until such Notice of Default is withdrawn.

(f) Following the Collateral Agent's receipt of a Notice of Default, the Collateral Agent shall, if and to the extent so directed by a Notice of Account Restriction, transfer sums then on deposit in the Suspension Account to the Collateral Account.

Section 3.10 **Subordinate Bond Proceeds Account.**

(a) The Collateral Agent shall maintain an account (the "***Subordinate Bond Proceeds Account***") for the net proceeds of the sale of the Subordinate Bonds as provided in this Section 3.10(a). On the Effective Date (and on any date thereafter and before the Commercial Operations Date on which additional Subordinate Bonds are sold by the Authority under the terms of the Subordinate Bond Indenture), the Subordinate Indenture Trustee shall deposit or cause to be deposited in the Subordinate Bond Proceeds Account the net proceeds of the sale of the Subordinate Bonds, after deducting from the gross proceeds from such sale received by the Subordinate Indenture Trustee from the Authority any amounts required under the terms of the Subordinate Bond Indenture (i) to be held by the Subordinate Indenture Trustee to pay interest or as reserves for debt service and (ii) any amount required to be paid or held by the Subordinate Indenture Trustee to pay costs of issuance of the Subordinate Bonds, *provided* that the amount deposited by the Subordinate Indenture Trustee to the Subordinate Bond Proceeds Account on the Effective Date shall in any event not be less than \$58,562,597.98. From and after the Effective Date, the Subordinate Trustee shall cause such other amounts to be deposited in the Subordinate Bond Proceeds Account when and as required by the Subordinate Bond Indenture.

(b) The Collateral Agent shall cause the amounts from time to time on deposit in the Subordinate Bond Proceeds Account to be paid for Project Costs which are Costs of the Tax-Exempt Project to or at the direction of the Borrower. Before each disbursement from the

Subordinate Bond Proceeds Account, the Borrower shall request disbursements of such funds by delivering to the Collateral Agent (with copies to the Debt Representatives), not later than the fifth Business Day prior to the proposed date of disbursement (except any disbursement requested on the Effective Date), a requisition (a “**Subordinate Bond Funds Requisition**”) signed by an Authorized Representative of the Borrower in the form of Exhibit E-1 (an “**Unconditional Subordinate Bond Funds Requisition**”) or E-2 (a “**Conditional Subordinate Bond Funds Requisition**”), as applicable, and, with respect to each Subordinate Bond Funds Requisition prior to Plant Acceptance, a certification by the Construction Monitor in the form of Exhibit F-1 (in the case of an Unconditional Subordinate Bond Funds Requisition) or F-2 (in the case of a Conditional Subordinate Bond Funds Requisition), as applicable.

(c) If the Collateral Agent receives a completed Unconditional Subordinate Bond Funds Requisition (except in the case of any Unconditional Subordinate Bond Funds Requisition received by the Collateral Agent on the Effective Date, which the Collateral Agent shall fund on the Effective Date), the Collateral Agent shall fund such Unconditional Subordinate Bond Funds Requisition within five Business Days after the Collateral Agent’s receipt of the completed Unconditional Subordinate Bond Funds Requisition, *provided* that the Collateral Agent shall not honor any Subordinate Bond Funds Requisition if three or more Subordinate Bond Funds Requisitions previously have been submitted within the calendar month under this Section 3.10. If the Borrower delivers a Conditional Subordinate Bond Funds Requisition, then the Collateral Agent shall fund such Conditional Subordinate Bond Funds Requisition only after following the procedures set forth in Section 6.08(c) of the Senior Bond Indenture, *provided* that, in the case of any Conditional Subordinate Bond Funds Requisition that takes exception to the certification set out in item (4) of the text of Exhibit E-2, the Collateral Agent shall fund such Conditional Subordinate Bond Funds Requisition only after also being instructed to do so by the Subordinate Debt Representative. Subject to the provisions of the immediately preceding sentence, the Collateral Agent may rely conclusively on, and shall be protected in acting upon, a completed Unconditional Subordinate Bond Funds Requisition or Conditional Subordinate Bond Funds Requisition as evidence of a Subordinate Bond Funds Requisition meeting the requirements of Section 3.10(b). The Collateral Agent shall be under no duty to make any investigation or inquiry of a completed Subordinate Bond Funds Requisition nor review any attachments thereto nor determine whether all documentation required to be attached to such Requisition has been received.

(d) After the Collateral Agent receives notice from the Borrower of the occurrence of the Commercial Operations Date, after payment of costs payable from the Subordinate Bond Proceeds Account, or provision having been made for payment of such costs not yet due, the Collateral Agent shall transfer any remaining balance in the Subordinate Bond Proceeds Account to the Subordinate Indenture Trustee for disposition in accordance with the terms of the Subordinate Bond Indenture.

(e) So long as any funds remain on deposit in the Subordinate Bond Proceeds Account, (i) the Collateral Agent shall observe, for the benefit of the Subordinate Bondholders, the covenants of the Subordinate Indenture Trustee under Section 6.05 (“Accounting Records and Reports”) of the Subordinate Bond Indenture (as in effect on the Effective Date), but only with respect to the Subordinate Bond Proceeds Account, and as if the Collateral Agent were the Subordinate Indenture Trustee for such purposes and (ii) as of December 31 and June 30 of each

year, commencing with June 30, 2020, the Collateral Agent shall provide to the Authority an audit letter, in the form of Exhibit G, which shall be received no later than January 15 or July 15 next following each such December 31 or June 30, as the case may be. The Authority is an intended third-party beneficiary of the provisions of this Section 3.10(e).

(f) Following the Collateral Agent's receipt of a Notice of Default, the Collateral Agent shall, if and to the extent so directed by a Notice of Account Restriction, transfer sums then on deposit in the Subordinate Bond Proceeds Account to the Collateral Account.

Section 3.11 **All Accounts.**

(a) Each of the Collateral Agent Accounts shall be an account maintained in the name of the Collateral Agent at its offices. The Collateral Agent shall, subject to the provisions of Article IV and Article VIII, from time to time at the direction of the Borrower, invest amounts on deposit in each of the Collateral Agent Accounts in Cash Equivalents at the expense and risk of the Borrower, *provided* that, during a Debt Documents Event of Default Period, such investments shall be made instead only in Cash Equivalents described in clause 2(g) of the definition of the term "Cash Equivalents" or as otherwise instructed by the Designated Debt Representative. All investments in Cash Equivalents held in the Collateral Agent Accounts, all interest and income received thereon and therefrom, and the net proceeds realized on the maturity or sale thereof, shall be held as part of the Collateral pursuant to the terms hereof. The Collateral Agent Accounts (and the funds, investments and other property on deposit therein or credited thereto) shall be held for the benefit of the Borrower, but shall be subject to a security interest in favor of the Collateral Agent in accordance with the terms of the Security Agreement. Except as expressly provided in this Agreement, all Collateral Agent Accounts (and the funds, investments and other property on deposit therein or credited thereto) shall be under the Control (as such term is defined in the Security Agreement) of the Collateral Agent, and the Borrower shall have no other right of withdrawal in respect of any of the Collateral Agent Accounts. Each Collateral Agent Account shall be either a Deposit Account (as that term is defined in Section 9-102 of the UCC) or a Securities Account (as that term is defined in Section 8-501 of the UCC). New York is the Collateral Agent's jurisdiction with respect to (i) Deposit Accounts (as that term is defined in Section 9-102 of the UCC) for the purpose of Article 9 of the UCC and (ii) Securities Accounts (as that term is defined in Section 8-501 of the UCC) for the purpose of Articles 8 and 9 of the UCC.

(b) All of the accounts established pursuant to the provisions of this Article III shall be subject to such applicable laws, and such applicable regulations of the Board of Governors of the Federal Reserve System and of any other appropriate Governmental Authority, as are in effect from time to time.

(c) The Collateral Agent shall take such actions as may be necessary to grant to the Borrower online access at all times to the Collateral Agent Accounts, in each case for the purpose of viewing account balances and transactions (but not for effecting any transactions). The Collateral Agent's obligation to invest such amounts is conditioned upon receipt by the Collateral Agent from the Borrower of a valid Form W-9 of the Internal Revenue Service of the United States and, absent standing written instructions from the Borrower, shall be invested in shares described in clause (2)(e) of the definition of Cash Equivalents. The Collateral Agent shall not be responsible

or liable for the loss or diminution of value of any investment of amounts on deposit in the Collateral Agent Accounts made pursuant to the terms of this Agreement other than any diminution of value caused solely by the gross negligence or willful misconduct of the Collateral Agent, as determined by a final and non-appealable order or judgment of a court of competent jurisdiction. In the event that the Collateral Agent receives any amounts in respect of the Borrower or any Affiliate thereof without adequate instruction as to the Collateral Agent Account into which such amounts are to be deposited, the Collateral Agent shall immediately deposit such monies into the Revenue and Operating Account.

ARTICLE IV

APPLICATION OF CASH FLOW

Section 4.01 **Deposits to Revenue and Operating Account.**

(a) The following amounts shall be deposited into the Revenue and Operating Account directly or, if received by the Borrower, as soon as practicable (but not more than two Business Days after receipt by the Borrower), in either case in accordance with this Section 4.01(a):

- (i) all Cash Flow;
- (ii) all amounts remaining in the Borrower Funds Account on the Commercial Operations Date;
- (iii) all amounts to be transferred from the Project Development Account in accordance with Section 3.03(f); and
- (iv) Any Performance Damages received on or after the Commercial Operations Date.

If any payments of Cash Flow required to be deposited with the Collateral Agent in accordance with the terms of this Agreement are received by the Borrower (or any Subsidiary of the Borrower), the Borrower shall (or shall cause any such Subsidiary to) hold such payments in trust for the Collateral Agent and shall promptly remit such payments to the Collateral Agent for deposit in the Revenue and Operating Account.

(b) The Borrower hereby represents that it has irrevocably instructed each counterparty to each Project Document in effect as of the Effective Date pursuant to which payments may be made to or received by the Borrower, and agrees that it shall so instruct each counterparty to each additional Project Document under which payments may be made to, or received by, the Borrower, to make all such payments directly to the Collateral Agent for deposit in, or to be credited to, the Revenue and Operating Account. The Borrower hereby covenants that it will obtain, to the extent required under the Project Documents and to the extent the Borrower has not yet obtained, a consent evidencing, among other things, the agreement or acknowledgment of each counterparty to each Project Document to make all such payments directly to the Collateral Agent for deposit in, or to be credited to, the Revenue and Operating Account. If, notwithstanding the foregoing, any payments of Cash Flow are remitted directly to the Borrower, the Borrower

shall hold such payments in trust for the Collateral Agent and shall as promptly as practicable (but no more than two Business Days after receipt by the Borrower) remit such payments to the Collateral Agent for deposit in, or to be credited to, the Revenue and Operating Account in accordance with the terms of this Agreement.

Section 4.02 Application of Funds. The Collateral Agent, without any further authorization from the Borrower or the Debt Representatives (except as expressly set forth below in this Section 4.02), shall make withdrawals and transfers (by wire transfer or otherwise in the reasonable discretion of the Borrower) of amounts from the Revenue and Operating Account, to the extent then available in the Revenue and Operating Account, on the dates, in the amounts, under the circumstances, and for the purposes and in the order of priority set forth below:

First, with respect to any calendar month, on any Business Day from time to time as directed by the Borrower in an Account Transfer Certificate, but not earlier than the tenth Business Day before the first day of such calendar month, transfer all or any portion of the funds in the Revenue and Operating Account to the Local Bank Account as specified in the Account Transfer Certificate, *provided* that (a) for any calendar month the amount directed to be transferred to the Local Bank Account is no greater than the Operating Expenses of the Borrower for such calendar month, as estimated by the Borrower, and set forth in the Account Transfer Certificate, to be incurred or become due and payable during such calendar month, less such amounts as may at the time be on deposit in the Local Bank Account and not accounted for by (1) checks that have not yet cleared or (2) Operating Expenses incurred by the Borrower in prior periods but remaining unpaid, (b) for any calendar year, the Borrower shall not cause the aggregate of all amounts transferred in accordance with this clause First to exceed 110% of the Operating Expenses as shown on the Operating Budget then in effect for such calendar year, and, in the case of both clauses (a) and (b) of this proviso, not taking into account the Operating Expenses for the relevant period that are or would be funded by operation of the transfers described in clauses Second through Twelfth of this Section 4.02, (c) if any funds being directed to be transferred to the Local Bank Account are intended to be used to pay CFP sales commissions under the CFP Sales Agreement (or interest thereon, but not including CFP's actual incremental and out-of-pocket expenses incurred during the relevant period in complying with its obligations under the CFP Sales Agreement), the Borrower shall certify in the Account Transfer Certificate that all transfers described in clauses Second through Twelfth of this Section 4.02 are being funded in full with other transfers directed in the Account Transfer Certificate or will otherwise be made in full pursuant to the provisions of this Section 4.02 and (d) notwithstanding the provisions of the foregoing clause (c), at any time when any Subordinate Loan Obligations shall remain outstanding, and if so required by the provisions of the Subordinate Loan Documents, such funds as would otherwise be permitted to be transferred to the Local Bank Account to pay CFP sales commissions under the CFP Sales Agreement (or interest thereon, but not including CFP's actual incremental and out-of-pocket expenses incurred during the relevant period in complying with its obligations under the CFP Sales Agreement) shall instead be transferred to the Suspension Account;

Second, on any Business Day from time to time as directed by the Borrower in an Account Transfer Certificate, transfer all or any portion of the funds in the Revenue and

Operating Account to the Local Bank Account as specified in the Account Transfer Certificate in the amount of any Extraordinary Expenses not provided for in any prior Account Transfer Certificate;

Third, on any Business Day from time to time as directed by the Borrower in an Account Transfer Certificate, after the application of clauses First and Second of this Section 4.02 on such Business Day, transfer all or any portion of the funds in the Revenue and Operating Account to the Collateral Agent for the fees and expenses payable to the Collateral Agent under Section 7.03 and due and payable (or reasonably expected to become due and payable) during the monthly period following the date of the Account Transfer Certificate;

Fourth, on any Business Day from time to time as directed by the Borrower in an Account Transfer Certificate, after the application of clauses First through Third of this Section 4.02 on such Business Day, transfer from the Revenue and Operating Account to (a) the Senior Bond Indenture Revenue Fund an amount (as set forth in the Account Transfer Certificate) equal to all administrative fees, costs and charges due and payable under the Senior Bond Loan Agreement or under the Senior Bond Indenture, less any amounts already transferred to the Senior Bond Indenture Revenue Fund for such purpose, and (b) the Subordinate Loan Representative an amount (as set forth in the Account Transfer Certificate) equal to all administrative fees, costs and charges due and payable under the Subordinate Loan Documents, less any amounts already transferred to the Subordinate Loan Representative for such purpose, *provided* that such amounts transferred to the Subordinate Loan Representative under this clause (b) shall not exceed (i) \$10,000 in the aggregate in any calendar year if no Senior Bonds Event of Default exists, and (ii) \$50,000 in the aggregate during the existence of a Senior Bonds Event of Default;

Fifth, on each Transfer Date, after the application of clauses First through Fourth of this Section 4.02 on such Transfer Date, transfer from the Revenue and Operating Account to the Rebate Fund established and maintained by the Senior Indenture Trustee pursuant to the Senior Bond Indenture, an amount equal to the applicable Rebate Requirement, less any amounts already on deposit in the Rebate Fund (as set forth in an Account Transfer Certificate);

Sixth, on each Transfer Date beginning with the Transfer Date immediately preceding June 1, 2019, after the application of clauses First through Fifth of this Section 4.02 on such Transfer Date, transfer from the Revenue and Operating Account to the Senior Bond Indenture Revenue Fund an amount (as set forth in an Account Transfer Certificate) equal to one-sixth of the amount of the interest payable on the Senior Bonds on the next succeeding Senior Bond Interest Payment Date together with any amounts that on prior Transfer Dates were not transferred as otherwise required by this clause Sixth due to lack of funds in the Revenue and Operating Account, *provided* that in no event will any amounts be required to be transferred under this clause Sixth to any extent greater than necessary for the Interest Account to have sufficient funds as of the Transfer Date to pay the interest payable on the Senior Bonds on the next succeeding Senior Bond Interest Payment Date;

Seventh, on each Transfer Date beginning with the Transfer Date immediately preceding June 1, 2020, after the application of clauses First through Sixth of this Section 4.02 on such Transfer Date, transfer from the Revenue and Operating Account to the Senior Bond Indenture Revenue Fund an amount (as set forth in an Account Transfer Certificate) equal to one-sixth of the amount of the principal payable on the Senior Bonds on the next succeeding Senior Bond Principal Payment Date together with any amounts that on prior Transfer Dates were not transferred as otherwise required by this clause Seventh due to lack of funds in the Revenue and Operating Account, *provided* that in no event will any amounts be required to be transferred under this clause Seventh to any extent greater than necessary for the Principal Account to have sufficient funds as of the Transfer Date to pay the principal payable on the Senior Bonds on the next succeeding Senior Bond Principal Payment Date;

Eighth, on each Transfer Date, after the application of clauses First through Seventh of this Section 4.02 on such Transfer Date, transfer from the Revenue and Operating Account to the Senior Bond Debt Service Reserve Account an amount (as set forth in an Account Transfer Certificate) which is sufficient to cause the balance in the Senior Bond Debt Service Reserve Account, to equal the required balance as set forth in the Senior Bond Indenture as of such Transfer Date;

Ninth, on each Transfer Date, after the application of clauses First through Eighth of this Section 4.02 on such Transfer Date, transfer from the Revenue and Operating Account to the Operating Expense Reserve Account an amount (as set forth in an Account Transfer Certificate) sufficient to cause the balance in the Operating Expense Reserve Account (including any portion of the balance that represents drawings under the Revolving Credit Facility) to at least equal the Operating Expense Reserve Requirement;

Tenth, on each Transfer Date following the Commercial Operations Date, but only during the First Semiannual Period of each calendar year (and after the application of clauses First through Ninth of this Section 4.02 on such Transfer Date), transfer from the Revenue and Operating Account to the Feedstock Expense Reserve Account the amounts specified in the Account Transfer Certificate;

Eleventh, following the Commercial Operations Date, on the Transfer Date that immediately precedes the end of the First Semiannual Period in each calendar year and on each Transfer Date during the balance of the Second Semiannual Period (and after the application of clauses First through Tenth of this Section 4.02 on such Transfer Date) transfer from the Revenue and Operating Account to the Feedstock Expense Reserve Account an amount (as set forth in an Account Transfer Certificate) sufficient to cause the balance in the Feedstock Expense Reserve Account to at least equal the Feedstock Expense Reserve Requirement as of such Transfer Date;

Twelfth, on each Transfer Date, after the application of clauses First through Eleventh of this Section 4.02 on such Transfer Date, transfer from the Revenue and Operating Account to the Major Maintenance Reserve Account an amount (as set forth in an Account Transfer Certificate) sufficient to cause the balance in the Major Maintenance Reserve Account to equal the Major Maintenance Reserve Requirement; and

Thirteenth, on each Transfer Date, after the application of clauses First through Twelfth of this Section 4.02 on such Transfer Date, transfer from the Revenue and Operating Account to the Suspension Account the balance of the amount then remaining in the Revenue and Operating Account.

Section 4.03 **Insufficient Funds in Revenue and Operating Account.** If on any Transfer Date there are insufficient funds in the Revenue and Operating Account to make the transfers set forth in clauses First through Seventh of Section 4.02, the Collateral Agent shall transfer amounts to the Revenue and Operating Account sufficient for such purposes from any available amounts in the following order: *first*, from the Suspension Account, *second*, from the from the Major Maintenance Reserve Account, but only to the extent of 50% of the amounts described in clause (b) of the definition of Major Maintenance Reserve Requirement (which amounts are to be determined by the Borrower), *third*, from the Operating Expense Reserve Account, *fourth*, from the Feedstock Expense Reserve Account, and *fifth*, from the balance of the Major Maintenance Reserve Account.

Section 4.04 **Effect of Notice of Account Restriction.** Notwithstanding the provisions of Section 4.02, if a Notice of Account Restriction has been delivered, then, for so long as such notice shall remain in effect, the transfers and withdrawals described in Section 4.02 shall be made only in accordance with the Notice of Account Restriction and any other written instruction from the Designated Debt Representative then in effect.

Section 4.05 **Transfers to the Senior Bond Indenture Revenue Fund.** Whenever a transfer is to be made to the Senior Bond Indenture Revenue Fund, the Account Transfer Certificate shall specify the amount of such transfer to be deposited into each of the Principal Account, the Interest Account, the Redemption Account, and the Administrative Costs Fund (as such terms are defined in the Senior Bond Indenture) and the Senior Bond Debt Service Reserve Account.

ARTICLE V

AUTHORITY TO ACT; DEBT DOCUMENTS EVENTS OF DEFAULT; REMEDIES

Section 5.01 **Authorization.** (a) The Collateral Agent and each agent thereof appointed in accordance with the provisions of this Agreement are expressly authorized and directed to exercise all rights, powers and remedies under the Collateral Instruments in accordance with the instructions of the Designated Debt Representative delivered to the Collateral Agent from time to time in accordance with the terms of this Agreement, but the foregoing shall not constitute authorization from the Borrower to the Collateral Agent to deviate from the terms of the Collateral Instruments. If the Collateral Agent at any time receives a Notice of Default from the Designated Debt Representative, the Collateral Agent shall promptly deliver a copy thereof to the Borrower and to the other Debt Representative (if any) and shall await direction or instruction, and shall act or decline to act, as directed by the Designated Debt Representative, in accordance with the terms of the Collateral Instruments. The Collateral Agent shall be entitled to assume conclusively that no Debt Documents Event of Default has occurred and is continuing until it receives a Notice of Default. If the Collateral Agent at any time receives a Notice of Account Restriction from the Designated Debt Representative, the Collateral Agent shall promptly deliver a copy thereof to the Borrower and to the other Debt Representative (if any).

(b) If the Designated Debt Representative gives a Notice of Default and notifies the Collateral Agent that the relevant Debt Documents Event of Default has been waived or cured, then, upon receipt of such notice of a cure or waiver by the Collateral Agent (i) the Notice of Default shall be deemed withdrawn and (ii) the Collateral Agent will not be required to take any additional action in connection with the Notice of Default. If, in connection solely with such a withdrawn Notice of Default, the Collateral Agent shall have been directed to take any action, and shall have commenced taking but shall not have completed the action, the Collateral Agent shall promptly terminate the action. A Notice of Account Restriction may be withdrawn only by a written instruction from the Designated Debt Representative that expressly withdraws the Notice of Account Restriction. Upon receipt of a written instruction from the Designated Debt Representative that withdraws a Notice of Account Restriction, the Collateral Agent shall promptly (x) deliver a copy thereof to Borrower and to the other Debt Representative (if any), and (y) restore to the applicable Collateral Agent Account from the Collateral Account, as expressly directed in the written instruction from the Designated Debt Representative, any funds transferred from the Collateral Agent Account to the Collateral Account by the Collateral Agent as directed by the Notice of Account Restriction.

(c) Unless otherwise expressly specified herein, the Collateral Agent shall only take an action hereunder if it is directed to do so by a written instruction from the Designated Debt Representative, and only to the extent such action is otherwise expressly permitted hereunder.

Section 5.02 Direction by Designated Debt Representative. As to any matters not expressly provided for under this Agreement or the other Collateral Instruments (including matters relating to enforcement and collection of the Secured Obligations), the Collateral Agent shall not be required to exercise any discretion, including the giving of any consent that is not to be unreasonably withheld or delayed, or to take any action under this Agreement or any of the other Collateral Instruments, or in respect of the Collateral, but shall be required to act or to refrain from acting (and shall be fully protected in acting or refraining from acting) in accordance with the instructions of the Designated Debt Representative, *provided* that neither the foregoing nor any other provision of this Agreement shall constitute a grant of any rights or Liens by any Borrower Party that is not expressly set forth in the Collateral Instruments.

Section 5.03 Right to Initiate Judicial Proceedings, Etc. Following the receipt by the Collateral Agent of a Notice of Default that has not been withdrawn, deemed withdrawn or cured as described in Section 5.01(b), the Collateral Agent (i) shall have the right and power to institute and maintain such suits and proceedings as directed by a written instruction from the Designated Debt Representative to protect and enforce the rights vested in the Collateral Agent by this Agreement and the other Collateral Instruments in accordance with the terms thereof, either in the name of the Collateral Agent or through a receiver appointed in accordance with applicable law, and (ii) may proceed by suit or suits at law or in equity (or non-judicially to the extent permitted by applicable law and the terms of the Collateral Instruments) as directed by a written instruction from the Designated Debt Representative to enforce such rights and to foreclose upon all or any portion of the Collateral in accordance with the provisions of the Collateral Instruments and to dispose of, collect or otherwise realize upon, all or any portion of the Collateral under the judgment or decree of a court of competent jurisdiction or otherwise as directed by a written instruction from the Designated Debt Representative, and in each case either in the name of the Collateral Agent or through a receiver appointed in accordance with applicable law. Without limiting the generality of the foregoing provisions of this Section 5.03,

the Collateral Agent, if directed by a written instruction from the Designated Debt Representative, may be a bidder at any foreclosure of all or any portion of the Collateral and may bid such portions of the Secured Obligations as the Collateral Agent may at the direction of the Designated Debt Representative elect. In anticipation of being the successful bidder at any foreclosure sale of all or any portion of the Collateral, the Collateral Agent may, if so jointly directed by the Debt Representatives, arrange for the Collateral that may be so acquired in foreclosure to be vested in a newly formed single-purpose purchaser entity (the “*Foreclosure Purchaser*”) satisfactory to the Debt Representatives. The owners of the equity interests in the Foreclosure Purchaser and the form of the Foreclosure Purchaser’s governing documents shall be as specified in a joint written instruction from the Debt Representatives.

Section 5.04 **Remedies Not Exclusive.** (a) No remedy conferred upon or reserved to the Collateral Agent in any of the Collateral Instruments is intended to be a limitation or exclusive of any other remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy conferred in any of the Collateral Instruments or now or hereafter existing at law, in equity or by statute.

(b) No delay or omission of the Collateral Agent to exercise any right, remedy or power accruing upon any Debt Documents Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver of any such Debt Documents Event of Default or any acquiescence therein; and, subject to receipt of authorization and direction in a written instruction from the Designated Debt Representative, every right, power and remedy given by any Collateral Instrument to the Collateral Agent may be exercised by the Collateral Agent from time to time and as often as the Collateral Agent and the Designated Debt Representative may deem expedient.

(c) In case the Collateral Agent, at the direction of a written instruction from the Designated Debt Representative, shall have proceeded to enforce any right, remedy or power under any Collateral Instrument and the proceeding for the enforcement thereof shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case the Borrower, the Collateral Agent, the Debt Representatives and the Beneficiaries shall, subject to any determination in such proceeding, severally be restored to their former positions and rights hereunder and under the Collateral Instruments with respect to the Collateral; and thereafter all rights, remedies and powers of such Collateral Agent shall continue as though no such proceeding had been taken.

(d) The Borrower expressly agrees that all rights of action and rights to assert claims upon or under this Agreement and the other Collateral Instruments may be enforced by the Collateral Agent, at the direction of a written instruction from the Designated Debt Representative, without the possession of any debt instrument or the production thereof in any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Collateral Agent shall be brought in its name as Collateral Agent, and any recovery of judgment shall be held as part of the Collateral, *provided* that nothing in this Section 5.04(d) shall constitute a waiver of any right that the Borrower may have or may hereafter acquire to challenge the amounts outstanding under the Debt Documents or the basis for the direction pursuant to a written instruction from the Designated Debt Representative.

Section 5.05 **Waiver of Certain Rights.** The Borrower, on behalf of itself and all who may claim through or under it, including any of its Affiliates, creditors, vendees, assignees and lienors,

expressly waives and releases, to the fullest extent permitted by law, any, every and all rights to demand or to have any marshalling, appraisal, valuation or other similar right of the Collateral upon any enforcement of any Collateral Instrument, including upon any sale, whether made under any power of sale or pursuant to judicial proceedings or upon any foreclosure or any enforcement of any Collateral Instrument, and agrees that all of the Collateral may in the discretion of the Collateral Agent and the Designated Debt Representative be offered and sold as an entirety or in parcels.

Section 5.06 Limitation on Collateral Agent's Duties in Respect of Collateral. Beyond the duties set forth in this Agreement, the Collateral Agent shall not have any duty to any of the Borrower Parties, the Debt Representatives, or any Beneficiary as to any Collateral in the Collateral Agent's possession or control or in the possession or control of any agent or nominee of the Collateral Agent or as to any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto, and no implied duties, covenants, obligations or responsibilities shall be read into this Agreement or otherwise exist against the Collateral Agent, except that the Collateral Agent shall be liable for its gross negligence or willful misconduct, as determined by a final and non-appealable order or judgment of a court of competent jurisdiction, in the handling of moneys and securities and other property actually received by the Collateral Agent.

Section 5.07 Limitation by Law. All rights, remedies and powers provided by this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement invalid or unenforceable in whole or in part.

ARTICLE VI

APPLICATION OF PROCEEDS

Section 6.01 Application of Proceeds. (a) If, pursuant to the exercise by the Collateral Agent of any rights and remedies set forth in any Collateral Instrument, any Collateral is sold or otherwise realized upon by the Collateral Agent, the proceeds received by the Collateral Agent in respect of the Collateral shall be deposited in the Collateral Account. All proceeds so realized by the Collateral Agent and all other amounts deposited in the Collateral Account as provided herein shall, to the extent available, and subject to Sections 6.02 and 6.03, be applied by the Collateral Agent on the date (an "**Application Date**") specified in a written instruction from the Designated Debt Representative, in the following order of priority:

First, to the payment of all reasonable fees and expenses, including any and all reasonable legal fees and expenses, and any and all other reasonable costs or expenses or other liabilities of any kind incurred by the Collateral Agent or any of its agents or sub-agents in connection with any Collateral Instrument, including the reimbursement to the Debt Representatives of any amounts theretofore advanced by the Debt Representatives for the payment of such fees, costs and expenses;

Second, to the payment (without duplication) of any of the Collateral Agent's Fees that are then unpaid, including the reimbursement to the Debt Representatives of any

amounts theretofore advanced by the Debt Representatives for the payment of the Collateral Agent's Fees;

Third, to the payment of all reasonable legal fees and expenses and other reasonable costs and expenses or other liabilities of any kind incurred by the Authority or the Debt Representatives in connection with the Bond Obligations, including such amounts as are specified in Sections 4.2(b), (c) and (d) and Section 9.3 of the Senior Bond Loan Agreement and corresponding provisions of the Subordinate Loan Documents, *provided* that, until the Senior Bonds Repayment Date, the amounts paid to the Subordinate Loan Representative under this clause Third shall not exceed \$50,000 in the aggregate;

Fourth, to the Senior Indenture Trustee for the benefit of the Senior Bondholders for application to the Senior Bond Obligations until the Senior Bonds Repayment Date;

Fifth, to the Subordinate Debt Representative for the benefit of the Beneficiaries of the Subordinate Loan Obligations until all of the Subordinate Loan Obligations have been paid in full in cash or deemed paid in full under the provisions of the Subordinate Bond Indenture; and

Sixth, any surplus remaining after the distributions required by clauses First through Fifth of this Section 6.01(a) shall be paid to the Borrower, its successors or assigns, or to whomsoever may be lawfully entitled to receive the surplus, or as a court of competent jurisdiction may direct.

(b) The Debt Representatives shall have the right, but not (except as provided in the penultimate sentence of Section 7.03) the obligation, to advance funds and make payments as described in clauses First and Second of Section 6.01(a).

Section 6.02 Application of Withheld Amounts. If on any Application Date any amounts on deposit in the Collateral Account are distributable to either of the Debt Representatives, and if the Debt Representative to which such amounts are distributable shall have given notice to the Collateral Agent on or prior to such Application Date that all or a portion of such proceeds that are otherwise distributable to such Debt Representative are instead to be held by the Collateral Agent on behalf of such Debt Representative for the benefit of the Beneficiaries for which such Debt Representative acts, then the Collateral Agent shall hold such portion of the proceeds in a separate cash collateral account of the Collateral Agent for the benefit of the applicable Debt Representative and the applicable Beneficiaries, until such time as the applicable Debt Representative shall deliver to the Collateral Agent a written request for the delivery thereof from such account to the applicable Debt Representative. The Collateral Agent shall invest amounts on deposit to any such account in accordance with the provisions of Section 3.10.

Section 6.03 Release of Amounts in Collateral Account. Amounts distributable to a Debt Representative on any Application Date shall be paid by the Collateral Agent to the applicable Debt Representative for the benefit of applicable Debt Representative and the Beneficiaries for which the Debt Representative acts (or deposited to a cash collateral account for the benefit of such Debt Representative and the Beneficiaries for which the Debt Representative acts as provided in Section 6.02) upon receipt by the Collateral Agent of a certificate of the applicable Debt Representative setting

forth appropriate payment instructions. If no such certificate is delivered by the applicable Debt Representative within ten Business Days following the Application Date, the Collateral Agent shall deposit amounts otherwise distributable to such Debt Representative to a cash collateral account for the benefit of the applicable Debt Representative and the Beneficiaries for which such Debt Representative acts as provided in Section 6.02.

ARTICLE VII

AGREEMENTS WITH THE COLLATERAL AGENT

Section 7.01 **Delivery of Agreements.** On or before the Effective Date, the Borrower shall deliver to the Collateral Agent a true and complete copy of each of the Debt Documents and each Collateral Instrument, in each case as in effect on the Effective Date. Promptly upon the execution thereof, the Borrower shall deliver to the Collateral Agent a true and complete copy of each principal Debt Document and any and all Collateral Instruments entered into subsequent to the Effective Date and a true and complete copy of any and all amendments, modifications or supplements to any of the foregoing.

Section 7.02 **Information.** Each of the Debt Representatives shall deliver to the Collateral Agent (with a copy to the Borrower) from time to time within five Business Days after the request of the Collateral Agent or the Borrower a written statement (the “*Statement of Amount*”) of the amount of the Senior Bond Obligations (in the case of a Statement of Amount from the Senior Indenture Trustee) or the Subordinate Loan Obligations (in the case of a Statement of Amount from the Subordinate Loan Representative), setting forth:

- (a) the aggregate principal amount of indebtedness in respect thereof,
- (b) the accrued and unpaid interest in respect thereof as of a recent date not more than 30 days prior to the date of the Statement of Amount,
- (c) the accrued and unpaid fees and other amounts (if any) in respect thereof as of a recent date not more than 45 days prior to the date of the Statement of Amount,
- (d) the sum of all other unpaid amounts owing with respect to the Senior Bond Obligations (in the case of a Statement of Amount from the Senior Indenture Trustee) or the Subordinate Loan Obligations (in the case of a Statement of Amount from the Subordinate Loan Representative),
- (e) the amounts then on deposit in the Senior Bond Debt Service Reserve Account and the Senior Bond Indenture Project Account (in the case of a Statement of Amount from the Senior Indenture Trustee) or any corresponding reserves and accounts (if any) under the Subordinate Loan Documents (in the case of a Statement of Amount from the Subordinate Loan Representative), and
- (f) such other information regarding the Senior Bond Obligations (in the case of a Statement of Amount from the Senior Indenture Trustee) or the Subordinate Loan Obligations (in the case of a Statement of Amount from the Subordinate Debt Representative) as the Borrower or the Collateral Agent may reasonably request.

Section 7.03 Compensation and Expenses. The Borrower shall pay to the Collateral Agent and any of its agents or sub-agents appointed hereunder, from time to time upon demand, (a) such compensation for their services hereunder and under the other Collateral Instruments and for administering the Collateral and any other collateral account or accounts established pursuant to this Agreement and (b) all the reasonable fees, costs and expenses incurred by any of them (including the reasonable fees and disbursements of their counsel) (i) arising in connection with the preparation, execution, delivery, modification and termination of this Agreement and each Collateral Instrument or the enforcement of any of the provisions hereof or thereof, or (ii) incurred or required to be advanced in connection with the administration of the Collateral and any other collateral account or accounts established pursuant to this Agreement or any of the Collateral Instruments, the performance of the Collateral Agent's obligations under any of the Collateral Instruments, the sale or other disposition of any of the Collateral pursuant to any Collateral Instrument, or the preservation, protection or defense of their rights under any Collateral Instrument, or in and to the Collateral or any other collateral account or accounts established pursuant to this Agreement, or any of the Collateral Instruments. The Collateral Agent's current fee schedule is set forth on Schedule 2, and such schedule may be amended from time to time by the written agreement of the Borrower and the Collateral Agent. As security for such payment, the Collateral Agent, on behalf of itself and its agents, and sub-agents shall, following a Debt Documents Event of Default that has occurred and is continuing, have a lien upon all of the Collateral and other property and funds held or collected by the Collateral Agent to secure the Secured Obligations, and the Collateral Agent may set off all amounts due to the Collateral Agent in respect of its customary fees and expenses for the routine maintenance and operation of the Collateral Agent Accounts, including overdraft fees, and the face amount of any checks or other items which have been credited to the Collateral Agent Accounts but are subsequently returned unpaid. The Borrower's obligation under this Section 7.03 shall survive the termination of this Agreement and the resignation and removal of the Collateral Agent. If at any time the Borrower has not satisfied its obligation to pay the Collateral Agent's Fees and the Collateral Agent has not otherwise been paid the Collateral Agent's Fees upon distribution under Section 6.01(a), the Beneficiaries or the Debt Representatives shall promptly pay same on demand. Whenever this Agreement shall obligate the Debt Representatives to make any payment, the Debt Representatives' respective obligations shall be limited to the funds available to them under the terms of the Debt Documents.

Section 7.04 Stamp and Other Similar Taxes. The Borrower shall indemnify and hold harmless the Collateral Agent and each agent or sub-agent of the Collateral Agent, from any present or future claim for liability for any stamp or other similar tax and any penalties or interest with respect thereto, which may be assessed, levied or collected by any jurisdiction in connection with this Agreement, any Collateral Instrument, the Collateral, or any collateral account or accounts established pursuant to this Agreement or any Collateral Instrument. The obligations of the Borrower under this Section 7.04 shall survive the termination of this Agreement.

Section 7.05 Filing Fees, Excise Taxes, Etc. The Borrower shall pay or reimburse the Collateral Agent, and each agent or sub-agent of the Collateral Agent, for any and all amounts in respect of all reasonable search, filing, recording and registration fees, taxes, excise taxes and other similar imposts which may be payable or determined to be payable in respect of the execution, delivery, performance and enforcement of this Agreement and each Collateral Instrument. The obligations of the Borrower under this Section 7.05 shall survive the termination of this Agreement.

Section 7.06 **Indemnification.** The Borrower shall indemnify and hold harmless the Collateral Agent and each agent or sub-agent of the Collateral Agent, and their respective Related Parties and any successors and permitted assigns (each of the foregoing, an “*Indemnified Party*”), to the full extent permitted by applicable law, from and against any and all claims, obligations, actions, suits, costs, demands, losses, judgments, damages, expenses and liabilities (including liabilities for penalties) or disbursements of any kind incurred by or asserted against any of them as a result of, or arising out of, or in any way related to, or by reason of, any actual or prospective investigation, claim, litigation or other proceeding (whether based on contract, tort or other theory and regardless of whether or not any Indemnified Party is a party thereto) related to the entering into or performance of any Collateral Instrument in its capacity as Collateral Agent, or any other agreement or instrument contemplated by any of the foregoing or the consummation of any other transaction contemplated in any Collateral Instrument, including the reasonable fees and disbursements of counsel incurred in connection with any such investigation, claim, litigation or other proceeding (but excluding any such losses, liabilities, claims, demands, judgments, damages or expenses of an Indemnified Party to the extent incurred by reason of the gross negligence or willful misconduct of such Indemnified Party, as determined by a final and non-appealable order or judgment of a court of competent jurisdiction). If any proceeding, including any governmental investigation, shall be instituted involving any Indemnified Party, in respect of which indemnity may be sought against the Borrower, the Indemnified Party shall promptly notify the Borrower in writing, and the Borrower shall assume the defense thereof on behalf of the Indemnified Party including the employment of counsel (reasonably satisfactory to the Indemnified Party) and payment of all reasonable fees and expenses. Any Indemnified Party shall have the right to employ separate counsel in any such proceeding and participate in the defense thereof, but the fees and expenses of such separate counsel shall be at the expense of the employing Indemnified Party unless the employment of such separate counsel has been specifically authorized by the Borrower or the rules of ethics governing conflicts of interest require the employ of separate counsel. At any time after the Borrower has assumed the defense of any proceeding involving any Indemnified Party in respect of which indemnity has been sought against the Borrower, the Indemnified Party may elect, by notice to the Borrower, to withdraw its request for indemnity and thereafter the defense of such proceeding shall be maintained by counsel of the Indemnified Party’s choosing and at the Indemnified Party’s expense. The foregoing indemnity agreement includes any reasonable costs incurred by an Indemnified Party in connection with any action or proceeding which may be instituted in respect of the foregoing by the Collateral Agent or any agent or sub-agent of the Collateral Agent, or by any other Person either against the Collateral Agent or any agent or sub-agent of the Collateral Agent, or in connection with which any officer or employee of any of the foregoing is called as a witness or deponent, including the reasonable fees and disbursements of counsel, any reasonable out-of-pocket costs incurred in appearing as a witness or in otherwise complying with legal process served upon them. Any payment to be made by the Borrower to the Collateral Agent shall be made on the date due without setoff or counterclaim. The obligations of the Borrower under this Section 7.06 shall survive the termination of this Agreement. Any amount due under this Section 7.06 shall be payable by the Borrower promptly after written demand therefor.

Section 7.07 **Condemnation and Casualty.** The Borrower shall deliver to the Collateral Agent and the Debt Representatives a copy of any documents served upon or by the Borrower in connection with any Condemnation proceedings relating to any portion of the Plant. The Borrower may take such actions in connection with any actual or threatened Condemnation as are not prohibited under the provisions of the Senior Bond Documents or, after the Senior Bonds Repayment Date, the Subordinate Loan Documents. If the Borrower requests the Collateral Agent to take any action with

respect to such actual or threatened Condemnation, and provides to the Collateral Agent a certificate of the Borrower to the effect that such action is permitted under the Senior Bond Documents (or, after the Senior Bonds Repayment Date, the Subordinate Loan Documents) and provides satisfactory indemnification by the Borrower to the Collateral Agent (which indemnification shall not require any collateral other than the Collateral provided under this Agreement), then the Collateral Agent shall take the requested action unless the Collateral Agent is otherwise advised by counsel such actions shall subject it to liability not indemnified against as provided in this Agreement or otherwise adversely affects the interests of the Collateral Agent. All Loss Proceeds received by the Borrower shall be deposited by the Borrower into the Loss Proceeds Account and shall be used as provided in Section 7.08.

Section 7.08 Delivery of Loss Proceeds. (a) If (i) a Loss Event occurs and (ii) either (A) the Borrower determines not to Restore the Plant or (B) the Borrower determines that the Plant cannot be Restored to permit operation of the Plant on a Commercially Feasible Basis, then, upon delivery to the Collateral Agent of a certificate of the Borrower certifying to the foregoing (together with, in the case of clause (B) of this sentence, a certificate from the Technical Advisor concurring with such Borrower's certificate), then the Collateral Agent shall deposit the Loss Proceeds received in connection with the Loss Event with the Designated Debt Representative, *first*, for deposit in the Senior Bond Indenture Revenue Fund for application to the redemption of the Bonds in accordance with Section 4.01(e) of the Senior Bond Indenture, until the Senior Bonds Repayment Date and, *second*, to the extent of any remaining Loss Proceeds, for deposit in such corresponding fund or account under the Subordinate Loan Documents until the Subordinate Loan Obligations shall have been paid in full in cash or deemed paid in full under the provisions of the Subordinate Bond Indenture, and, *third*, to the extent of any remaining Loss Proceeds, to the Borrower.

(b) If (i) a Loss Event occurs, (ii) the Borrower or the Collateral Agent receives Loss Proceeds in respect of such Loss Event, and (iii) the Borrower determines that the Plant can be Restored to permit operation of the Plant on a Commercially Feasible Basis, the Borrower shall deliver to the Collateral Agent a certificate of the Borrower certifying to the foregoing and (in the case a Loss Event resulting in more than \$10,000,000 in Loss Proceeds) a certificate from the Technical Advisor concurring with such Borrower's certificate, and such Loss Proceeds shall be applied as set forth in Section 7.08(c).

(c) If the Borrower from time to time requires any funds held in the Loss Proceeds Account in order to Restore the Plant, the Borrower shall request disbursements of such funds by delivering to the Collateral Agent (with a copy to the Debt Representatives), not later than the fifth Business Day prior to the proposed date of disbursement, a requisition signed by an Authorized Representative of the Borrower in the form of Exhibit B (together with, in the case a Loss Event resulting in more than \$10,000,000 in Loss Proceeds, a certificate of the Technical Advisor in the form of Annex 1 to Exhibit B) and the Collateral Agent shall comply with any such requisition received in compliance with this Section 7.08(c).

(d) The Borrower agrees that any certification to be delivered by the Borrower under Section 7.08(a) or (b) shall be made within a commercially reasonable time following the date of the applicable Loss Event, taking into consideration the scale of the applicable Loss Event and complexity of reconstruction required.

Section 7.09 Further Assurances (a) The Borrower agrees, from time to time, at its own expense, to execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register, and cause any other relevant Borrower Parties, to promptly execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further documents, financing statements and continuations thereof, notices of assignment, transfers, certificates, assurances and other instruments, and to take such actions, in each case, as may be reasonably necessary or desirable, or as the Collateral Agent or any of its agents or sub-agents, or the Designated Debt Representative, may reasonably request from time to time in order (i) to carry out more effectively the purposes of this Agreement, (ii) to subject to the Liens and security interests created by any of the Collateral Instruments, any of the properties, rights or interests of the Borrower or any other Borrower Parties covered or now or hereafter intended to be covered by any of the Collateral Instruments, (iii) to perfect and maintain the validity, effectiveness and priority of any of the Collateral Instruments and the Liens and security interests intended to be created thereby, (iv) to better assure, convey, grant, assign, transfer, preserve, protect and confirm to the Collateral Agent the rights granted or now or hereafter intended to be granted to the Collateral Agent under any Collateral Instrument or under any other instrument executed in connection with any Collateral Instrument to which the Borrower or a Borrower Party is or may become a party, and (v) to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder and under each other Collateral Instrument with respect to any Collateral.

(b) The Borrower hereby authorizes the Collateral Agent to file one or more financing or continuation statements relative to all or any part of the Collateral with a description of the “Collateral” as “all personal property and after-acquired personal property”, and amendments thereto to correct the name and address of the Borrower or the Collateral Agent, in each case without the signature of the Borrower where permitted by law. A photocopy or other reproduction of this Agreement, any other Collateral Instrument or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Collateral Agent shall not have any duty to file and shall not be responsible or liable for any such filings referred to in this Section 7.09.

(d) The Borrower will furnish such information about the Borrower or any of the Collateral as the Collateral Agent may reasonably request from time to time for the purposes of monitoring the Collateral.

ARTICLE VIII

THE COLLATERAL AGENT

Section 8.01 Collateral Agent’s Acceptance. The Collateral Agent, for itself, its agents, sub-agents and its successors, hereby accepts the obligations created by this Agreement upon the terms and conditions of this Agreement, including those contained in this Article VIII. Further, the Collateral Agent, for itself, its agents, sub-agents and its successors, does hereby declare that it will hold all of the estate, right, title and interest in (a) the Collateral as agent for the Debt Representatives for the benefit of the Beneficiaries and at the direction of the Debt Representatives as provided herein, and (b) each account as may be established pursuant to Section 6.02. The Collateral Agent shall not have, by reason of this Agreement, any Collateral Instrument, or any Debt Documents, a fiduciary relationship in

respect of either Debt Representative or any Beneficiary, and nothing herein or any of the other Collateral Instruments or Debt Documents, expressed or implied, is intended to or shall be so construed as to impose upon the Collateral Agent any obligations in respect hereof or any of the Collateral Instruments or Debt Documents except as expressly set forth herein or therein.

Section 8.02 Exculpatory Provisions. (a) Neither the Collateral Agent nor any of its agents or sub-agents shall be responsible in any manner whatsoever for the correctness of any recitals, statements, representations or warranties contained in this Agreement or in any of the Collateral Instruments, all of which are made solely by the Borrower Parties party thereto. Neither the Collateral Agent nor any of its agents or sub-agents makes any representations as to the value or condition of the Collateral or any part thereof, or as to the title of the Borrower Parties thereto or as to the security afforded by this Agreement or any of the Collateral Instruments or as to the validity, execution (except the Collateral Agent's own execution), enforceability, legality or sufficiency of this Agreement or any Collateral Instrument, and neither the Collateral Agent nor any of its agents or sub-agents shall incur any liability or responsibility in respect of any such matters. Neither the Collateral Agent nor any of its agents or sub-agents shall be responsible for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral, except that in the event that any Collateral Agent or any of its agents or sub-agents enters into possession of a part or all of the Collateral, such Person shall preserve the part in its possession.

(b) The Collateral Agent shall not be required to ascertain or inquire as to the performance by the Borrower Parties of any of the covenants or agreements contained herein, in any Collateral Instrument or any of the Debt Documents.

(c) The Collateral Agent shall not be liable or responsible for any loss or diminution in the value of any of the Collateral, by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Collateral Agent in good faith.

(d) The Collateral Agent shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence or willful misconduct, as determined by a final and non-appealable order or judgment of a court of competent jurisdiction, on the part of the Collateral Agent, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of the Collateral Agent to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral.

(e) The Collateral Agent shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and believed by it to be authorized or within the rights or powers conferred upon it by this Agreement or any of the Collateral Instruments, unless the Collateral Agent was grossly negligent or engaged in willful misconduct, as determined by a final and non-appealable order or judgment of a court of competent jurisdiction in ascertaining the pertinent facts.

(f) The rights, privileges, protections, immunities and benefits given to the Collateral Agent, including its right to be indemnified, are extended to, and shall be enforceable by, the Collateral Agent and each agent, custodian and other Person employed by the Collateral Agent to act hereunder.

(g) The permissive right of the Collateral Agent to take or refrain from taking action hereunder or under any of the Collateral Instruments shall not be construed as a duty.

(h) To the extent permitted by applicable law, anything in this Agreement or in any of the Collateral Instruments notwithstanding, in no event shall the Collateral Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of profit), even if the Collateral Agent has been advised as to the likelihood of such loss or damage and regardless of the form of action.

(i) The Collateral Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement or any of the Collateral Instruments or the Debt Documents arising out of or caused, directly or indirectly, by circumstances beyond its control, including acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; accidents; labor disputes; acts of civil or military authority and governmental action; it being understood that the Collateral Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances and that the Collateral Agent shall not by reason of this Section 8.02(i) be exculpated from the results of its gross negligence or willful misconduct, as determined by a final and non-appealable order or judgment of a court of competent jurisdiction.

(j) The Collateral Agent shall not be responsible to either Debt Representative or any Beneficiary for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any of the Collateral Instruments or Debt Documents, or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by the Collateral Agent to the Debt Representatives or the Beneficiaries in connection with the Debt Documents, and the transactions contemplated thereby or for the financial condition or business affairs of the Borrower or any other Person liable for the payment of any Secured Obligations, nor shall the Collateral Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Collateral Instruments or Debt Documents, or as to the use of any proceeds or as to the existence or possible existence of any Senior Bonds Event of Default or Subordinate Loan Event of Default or to make any disclosures with respect to the foregoing.

(k) The Collateral Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Collateral Instruments, or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until the Collateral Agent shall have received written instructions in respect thereof from the Designated Debt Representative, and, upon receipt of such

written instructions, the Collateral Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions and the other provisions of this Agreement. Without prejudice to the generality of the foregoing, (i) the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on advice, opinions and judgments of attorneys (who may be attorneys for either Debt Representative), accountants, experts and other professional advisors selected by it (and shall have no duty whatsoever to investigate or verify whether any such signature is genuine or authorized or whether the information in any such communication, instrument or other document is genuine or accurate); and (ii) neither the Debt Representatives nor any Beneficiary shall have any right of action whatsoever against the Collateral Agent, as a result of the Collateral Agent acting or (where so instructed) refraining from acting hereunder or any of the other Collateral Instruments or Debt Documents, in accordance with written instruction from the Designated Debt Representative.

(1) None of the provisions of this Agreement or the Collateral Instruments shall be construed to require the Collateral Agent in its individual capacity to expend or risk its own funds or otherwise to incur any personal financial liability in the performance of any of its duties hereunder or thereunder.

Section 8.03 Delegation of Duties. The Collateral Agent may execute or perform any right, power, remedy or duty under this Agreement either directly or by or through employees, agents, sub-agents or attorneys-in-fact (which shall not include any Affiliate of the Borrower or any officer or employee of the Borrower or any Affiliate of the Borrower). The Collateral Agent and any such employee, agent or attorney may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The Collateral Agent shall be entitled to rely upon advice of reasonably selected counsel and other professionals concerning all matters pertaining to such rights, powers, remedies and duties. The exculpatory provisions of Section 8.02 shall apply to any such employee, agent or attorney and to the Affiliates of the Collateral Agent and any such agent, employee or attorney. The Collateral Agent shall not be responsible for the negligence or misconduct of any of its agents, sub-agents or attorneys-in-fact reasonably selected by the Collateral Agent in good faith and with reasonable care.

Section 8.04 Reliance by Collateral Agent. The Collateral Agent shall be entitled to rely upon any certificate, notice or other document (including any cable, telegram, telecopy or facsimile) reasonably believed by it to be genuine and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice of legal counsel, independent accountants and other experts selected by the Collateral Agent in good faith and shall have no liability for its actions taken thereupon, unless due to the willful misconduct or gross negligence of the Collateral Agent, as determined by a final and non-appealable order or judgment of a court of competent jurisdiction. The Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement (i) if such action would, in the reasonable opinion of the Collateral Agent be contrary to applicable law or the terms of this Agreement, (ii) if such action is not specifically provided for in this Agreement, or (iii) if, in connection with the taking of any such action that would constitute an exercise of remedies under this Agreement (whether such action is or is intended to be an action of the Collateral Agent), it shall not first be indemnified to its satisfaction against any and all liability and expense (including the fees and expenses of its counsel) which may be incurred by it by reason of taking or continuing to take

any such action. The Collateral Agent may request that the Borrower deliver a certificate setting forth the names of individuals or titles of officers, or both, authorized at such time to take specified actions pursuant to this Agreement or any of the Debt Documents or the Collateral Instruments, which certificate may be signed by any person authorized to sign such a certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded. Whenever the Collateral Agent is directed by the Designated Debt Representative in accordance with this Agreement to take (or refrain from taking) any action, to the extent the taking (or refraining from taking) of such action shall require approval of any of the Beneficiaries, the Designated Debt Representative shall conclusively be deemed to have obtained such approval. The Collateral Agent may act on advice or opinion of counsel selected with due care and shall not be responsible for any loss or damage resulting from any action or non-action by it taken or omitted to be taken in good faith and in reliance upon the advice or opinion of such counsel.

Section 8.05 **Limitations on Duties of the Collateral Agent.** The Collateral Agent undertakes to perform only the duties expressly set forth in this Agreement and in the Collateral Instruments, and no implied covenant or obligation shall be read into this Agreement or any of the Collateral Instruments against the Collateral Agent or any of its agents or sub-agents.

(a) The Collateral Agent and any of its agents or sub-agents may exercise the rights and powers granted to it by this Agreement and the other Collateral Instruments, but only pursuant to the terms of this Agreement and the other Collateral Instruments and where applicable in accordance with any written instruction from the Designated Debt Representative. Neither the Collateral Agent nor any of its agents or sub-agents shall be liable with respect to any action taken or omitted by it in accordance with this Agreement and the Collateral Instruments and in accordance with a written instruction from the Designated Debt Representative except in the case of its own gross negligence, or willful misconduct, in any case as determined by a final and non-appealable order or judgment of a court of competent jurisdiction.

(b) The Collateral Agent shall not be under any obligation to take any action that is discretionary under the provisions of this Agreement or under any Collateral Instrument. For the purpose of the immediately preceding sentence, any provision to the effect that the Collateral Agent's consent may not be unreasonably withheld or delayed (or similar formulation) shall be construed to require a discretionary action. The Collateral Agent shall not be required to initiate or conduct any litigation or collection proceeding under this Agreement unless indemnified to its reasonable satisfaction by the party requesting that such action be taken.

(c) The Collateral Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement or any Collateral Instrument at the request or direction of a written instruction from the Designated Debt Representative pursuant to this Agreement, unless the Collateral Agent shall have been furnished security or indemnity satisfactory to the Collateral Agent against the costs, expenses and liabilities that might be incurred by the Collateral Agent in complying with such request or direction.

(d) The Collateral Agent may refrain from taking any action in any jurisdiction if, in its good faith opinion, the taking of such action in that jurisdiction would be contrary to any law of that jurisdiction or of the State of New York, it would otherwise render it liable to any Person in that jurisdiction or the State of New York (unless first indemnified to the reasonable

satisfaction as provided in Section 8.05(b)), the taking of such action would require it to obtain any license or otherwise qualify to do business or subject it to taxation in such jurisdiction, it would not have the power or authority to take such action in such jurisdiction by virtue of any law in that jurisdiction or in the State of New York, or it is determined by any court or other competent authority in that jurisdiction or in the State of New York that it does not have such power or authority.

(e) If the Collateral Agent shall be required under this Agreement or pursuant to any directions given by the Borrower or the Designated Debt Representative to make any withdrawal, disbursement, transfer or payment on a day other than a Business Day, the Collateral Agent shall make such withdrawal, disbursement, transfer or payment on the next succeeding Business Day.

Section 8.06 Moneys to Be Held in Trust. All moneys received by the Collateral Agent under or pursuant to any provision of this Agreement or any Collateral Instrument shall be separated and held in trust for the purposes for which they were paid or are held and the Collateral Agent shall exercise ordinary care in the handling of any such moneys actually received by it.

Section 8.07 Resignation and Removal of Collateral Agent.

(a) The Collateral Agent may at any time, by giving at least 30 days' prior notice to the Borrower, the Authority, and the Debt Representatives, resign and be discharged of its responsibilities created by this Agreement and the Collateral Instruments. Any resignation of the Collateral Agent shall become effective only upon the appointment of a successor Collateral Agent by the Borrower, which appointment shall be effective if not objected to by the Designated Debt Representative or by the Authority within 30 days of the date of such appointment, *provided* that, if a Debt Documents Event of Default shall have occurred and be continuing, the successor Collateral Agent shall be appointed by the Designated Debt Representative rather than by the Borrower. The Collateral Agent may be removed, with or without cause, at any time and a successor Collateral Agent appointed (a) if no Debt Documents Event of Default shall have occurred and be continuing, by a written instruction from the Borrower, which appointment shall be effective if not objected to by the Designated Debt Representative or the Authority within 30 days of the date of such appointment or (b) if a Debt Documents Event of Default shall have occurred and be continuing, by a written instruction from the Designated Debt Representative, *provided* that, in either case, the removed Collateral Agent shall be entitled to its fees and expenses accrued to the date of its removal. If no successor Collateral Agent shall be appointed and approved within 30 days after the date of the giving of a notice of resignation or within 30 days after the date of such vote for removal, the Collateral Agent shall be consented to through a written instruction from the Designated Debt Representative (in each case only with the approval of the Required Beneficiaries) who may, under the respective circumstances described above, apply to any court of competent jurisdiction to appoint a successor Collateral Agent to act until such time, if any, as a successor Collateral Agent shall have been appointed as above provided. Any successor Collateral Agent so appointed by such court shall immediately and without further act be superseded by any Collateral Agent approved as above provided. Any successor Collateral Agent appointed pursuant to this Section 8.07 must satisfy the requirements of Section 8.08.

(b) If at any time the Collateral Agent shall become incapable of acting, or if at any time a vacancy shall occur in the office of the Collateral Agent for any other cause, a successor Collateral Agent shall be promptly appointed as provided in Section 8.07(a), and the powers, duties, authority and title of the predecessor Collateral Agent terminated and cancelled without procuring the resignation of such predecessor Collateral Agent, and without any formality (except as may be required by applicable law) other than appointment of a successor Collateral Agent in writing delivered to the predecessor Collateral Agent and the Borrower.

(c) The appointment of a Collateral Agent referred to in Section 8.07(a) or 8.07(b) shall be sufficient evidence of the right and authority of the Designated Debt Representative and the Borrower to make the appointment and of all the facts recited in the appointment, and this Agreement shall vest in the successor Collateral Agent, without any further act, deed or conveyance, all of the estate and title of the predecessor Collateral Agent, and the successor Collateral Agent shall become fully vested with all the estates, properties, rights, powers, trusts, duties, authority and title of its predecessor. Notwithstanding the provisions of the immediately preceding sentence, the predecessor Collateral Agent shall nevertheless execute, acknowledge and deliver such instruments as may be necessary (for public record in the case of the Deed of Trust and any other Collateral Instruments as may require public recordings, notices or filings, or for which such public recordings, notices or filings may be advisable as directed in a written instruction from the Designated Debt Representative) to transfer to the successor Collateral Agent all the estates, properties, rights, powers, trusts, duties, authority and title of such predecessor hereunder and shall deliver all securities and moneys held by it to the successor Collateral Agent. Should any deed, conveyance or other instrument in writing from any Borrower Party be required by any successor Collateral Agent for more fully and certainly vesting in such successor Collateral Agent the estates, properties, rights, powers, trusts, duties, authority and title vested or intended to be vested in the predecessor Collateral Agent, any and all such deeds, conveyances and other instruments in writing shall, on request of such successor Collateral Agent, be executed, acknowledged and delivered by the Borrower (and, in the case of any such deed, conveyance or other instrument required to be executed, acknowledged and delivered by any other Borrower Party, the Borrower shall cause such other Borrower Party to execute, acknowledge and deliver the same). Upon satisfying the requirements of this Section 8.07(c), the resigning or removed Collateral Agent shall be discharged from its duties and obligations hereunder and under the Collateral Instruments.

Section 8.08 Status of Collateral Agent. The Initial Collateral Agent and any successor Collateral Agent appointed as provided in Section 8.07 shall (a) be a bank or trust company in good standing and having power so to act, incorporated under the laws of the United States or any State thereof or the District of Columbia, and (b) shall have capital, surplus and undivided profits of not less than \$100,000,000, if there be such an institution with such capital, surplus and undivided profits that is willing, qualified and able to serve as the Collateral Agent upon reasonable or customary terms.

Section 8.09 Merger of the Collateral Agent. Any Person into which the Collateral Agent may be merged, or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Collateral Agent shall be a party, or to which all or substantially all of the Collateral Agent's corporate trust business is sold, shall become the Collateral Agent and be vested with all the rights, powers, privileges and duties of the Collateral Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto. The Collateral

Agent covenants that any Person becoming the Collateral Agent by operation of the immediately preceding sentence (or by operation of law with the same effect) shall satisfy the eligibility requirements specified in Section 8.08 and that prior to any transaction described in the immediately preceding sentence, the Collateral Agent shall notify the Borrower, the Authority, and the Debt Representatives thereof in writing.

Section 8.10 **Reasonable Care.** The Collateral Agent and its agents and sub-agents shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in their possession if the Collateral is accorded treatment substantially equal to that which the Collateral Agent or such agents and sub-agents accord their own property.

Section 8.11 **Notice of Default.** The Collateral Agent shall not be deemed to have actual knowledge or notice of the occurrence of any Debt Documents Event of Default unless the Collateral Agent has received a Notice of Default referring to this Agreement and the applicable document or documents governing such Debt Documents Event of Default, describing such Debt Documents Event of Default and stating that such notice is a “Notice of Default”.

ARTICLE IX

RELEASE OF COLLATERAL

Section 9.01 **Permitted Releases of Collateral.** The Collateral Agent may release any Collateral to the Borrower when it is instructed to so release by a joint written instruction from the Debt Representatives or upon payment in full of the Secured Obligations or as required in the Debt Documents.

Section 9.02 **Automatic Releases of Collateral.** Upon the occurrence of any of the following, the Lien of the Collateral Instruments in the applicable Collateral specified below shall automatically, without further action, be released:

(a) With respect to amounts distributed by the Collateral Agent from the Collateral Account pursuant to, and in accordance with the provisions of this Agreement, upon such distribution, the Lien of the Collateral Instruments in such amounts shall automatically, without further action, be released.

(b) With respect to any Collateral for which the release of the Lien of the Collateral Instruments is expressly provided for pursuant to a provision of any Collateral Instrument, the Lien of the Collateral Instruments on such Collateral shall automatically, without further action, hereunder be released as provided in such provision.

Following any of the foregoing, and receipt by the Collateral Agent of written certification thereof by the Borrower, the Collateral Agent shall take action under Section 9.04 with respect thereto.

Section 9.03 **Release Upon Termination of Collateral Agency.** The Lien of the Collateral Instruments in all Collateral shall automatically, without further action, be released upon the release of all Collateral in accordance with Section 9.01. Following the foregoing, and receipt by the Collateral Agent of written certification thereof by an Authorized Representative of the Borrower, the Collateral Agent shall take action under Section 9.04 with respect thereto.

Section 9.04 **Procedures for and Effect of Release of Collateral.** (a) For any release of Collateral under Section 9.01, 9.02 or 9.03, on or before the date of the release of Collateral (or if not feasible on or before such date, as promptly thereafter as possible, but in no event later than five Business Days thereafter), the Collateral Agent shall provide, at the Borrower's direction and expense, written releases (including Uniform Commercial Code termination statements, and, if applicable, instruments of satisfaction, discharge or reconveyance) ready for filing or recording as to the Collateral released, and any items of Collateral in the possession of the Collateral Agent or any sub-agent that are released shall be returned promptly to the Borrower or as otherwise directed by the Borrower. Any execution and delivery of releases pursuant to this Section 9.04(a) shall be without recourse to or warranty (either express or implied) by the Collateral Agent, and upon execution and delivery shall be conclusive and binding and may be relied upon by any Person.

(b) Upon the effectiveness of the release of the Collateral pursuant to Section 9.03, and subject to Section 9.04(c), (i) all right, title and interest of the Collateral Agent and the Beneficiaries in, to and under the Collateral and the Collateral Instruments shall terminate and shall revert to the Borrower, (ii) the estate, right, title and interest of the Collateral Agent therein shall thereupon cease, and (iii) upon the written request of the Borrower, and at the cost and expense of the Borrower, the Collateral Agent shall promptly execute and deliver a satisfaction of the Collateral Instruments and such instruments as are necessary or desirable to terminate and remove of record any documents constituting public notice of the Collateral Instruments and the security interests granted thereunder and shall transfer, or cause to be transferred, and shall deliver or cause to be delivered to the Borrower Parties, all property, including all moneys, instruments and securities of the Borrower Parties then held by the Collateral Agent, including all amounts on deposit in any of the accounts established by the Collateral Agent pursuant to the provisions of Article III. The cancellation and satisfaction of the Collateral Instruments shall be without prejudice to the rights of the Collateral Agent or any successor trustee or trustees to charge and be reimbursed for any expenditures that they may thereafter incur in connection therewith.

(c) Notwithstanding the provisions of Section 9.04(b), upon the effectiveness of the release of Collateral pursuant to Section 9.03, any moneys held in any account which has been established at the request of either Debt Representative pursuant to Section 6.02 shall be released only upon receipt by the Collateral Agent from the applicable Debt Representative of written instructions to do so. If the Collateral Agent shall not have received an instruction so to release such Collateral, the Collateral Agent shall not release such Collateral unless and until the applicable Debt Representative or a court of competent jurisdiction so directs the Collateral Agent.

ARTICLE X

OTHER AGREEMENTS OF DEBT REPRESENTATIVES

Section 10.01 **Receipt of Debt Documents.** The Subordinate Indenture Trustee acknowledges that it has received copies of the Senior Bond Documents. The Senior Indenture Trustee acknowledges that it has received copies of the Subordinate Bond Documents.

Section 10.02 **Subordination of Subordinate Loan Obligations.** The Subordinate Indenture Trustee acknowledges and agrees that the Subordinate Loan Obligations and the Subordinate Loan Documents and all rights, remedies, terms, and covenants contained therein are subordinate to

the Senior Bond Obligations and the Senior Bond Documents and all rights, remedies, terms, and covenants contained therein. No amendment to any Senior Bond Document or waiver of any provision thereof shall affect the subordination of the Subordinate Loan Obligations or the Subordinate Loan Documents set forth in this Section 10.02. The Subordinate Indenture Trustee consents to and authorizes, at the option of the Senior Bondholders and the Senior Indenture Trustee, the release of all or any portion of the Collateral, and the Subordinate Indenture Trustee waives any equitable right in respect of marshalling the Subordinate Indenture Trustee might otherwise have in connection with the release of any portion of the Collateral by the Senior Indenture Trustee in its capacity as Designated Debt Representative.

Section 10.03 Payment Subordination. All of the rights of the Subordinate Indenture Trustee to payment of the Subordinate Loan Obligations are hereby subordinated to all of the Senior Bond Obligations and the Senior Indenture Trustee's rights to receive payments from the Borrower of the Senior Bond Obligations. Other than payments expressly permitted by this Agreement, prior to the Senior Bonds Repayment Date the Subordinate Indenture Trustee will not accept or receive payments of any kind or character from any Borrower Party, including payments in cash or other property and whether received directly, indirectly or by set-off, counterclaim or otherwise, *provided* that the Subordinate Indenture Trustee shall in any case be entitled to payment exclusively from the Subordinate Loan Obligations Separate Collateral and to enforce its rights against the Subordinate Loan Obligations Separate Collateral, in either case in accordance with the terms of the Subordinate Loan Documents. Other than payments expressly permitted by this Agreement to be made to the Subordinate Indenture Trustee or the Subordinate Debt Representative, the Senior Indenture Trustee shall be entitled to receive payment in full in cash of all of the Senior Bond Obligations before the Subordinate Indenture Trustee or the Subordinate Debt Representative is entitled to receive any payment on account of the Subordinate Loan Obligations, including in any Proceeding. In no event shall the Subordinate Indenture Trustee take any action or institute any proceeding against any Borrower Party prior to the Senior Bonds Repayment Date, except to the extent necessary to enforce the Subordinate Loan Obligations exclusively against the Subordinate Loan Obligations Separate Collateral in accordance with the terms of the Subordinate Loan Documents.

Section 10.04 Rights of Subrogation; Bankruptcy. No payment to the Senior Indenture Trustee made in accordance with this Agreement (or the further distribution of any such payment to the Senior Bondholders) shall entitle the Subordinate Indenture Trustee to any right of subrogation prior to the Senior Bonds Repayment Date. The provisions of this Article X shall be applicable both before and after the commencement, whether voluntary or involuntary of any Proceeding. Prior to the Senior Bonds Repayment Date, the Subordinate Indenture Trustee shall not, and shall not solicit any other Person to, and shall not direct or cause the Borrower or any other Person to (a) commence any Proceeding, (b) institute proceedings to have the Borrower adjudicated a bankrupt or insolvent, (c) consent to or acquiesce in the institution of any Proceeding against the Borrower, (d) file a petition or consent to the filing of a petition seeking reorganization, arrangement, adjustment, winding up, dissolution, composition, liquidation or other relieve by or on behalf of the Borrower, (e) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower or all or any portion of the Collateral, (f) make any assignment for the benefit of any creditor of the Borrower, (g) seek to consolidate the Collateral with any assets of Holdco or any other Affiliate of the Borrower in any Proceeding, or (h) take any action in furtherance of the foregoing. In any Proceeding, (a) the Subordinate Indenture Trustee shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application, or take

any other action by or against the Borrower without the prior consent of the Senior Indenture Trustee, (b) the Senior Indenture Trustee may vote any and all claims of the Subordinate Indenture Trustee or the Beneficiaries of the Subordinate Loan Obligations, and the Subordinate Indenture Trustee hereby appoints the Senior Indenture Trustee as its agent, and grants to the Senior Indenture Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions that would otherwise be available to the Subordinate Indenture Trustee or the Beneficiaries of the Subordinate Loan Obligations to file and prosecute any claims, to vote to accept or reject a plan of reorganization, and to make any election under Section 1111(b) of the Bankruptcy Code, (c) the Subordinate Indenture Trustee shall not challenge the validity or amount of any claim submitted by the Senior Indenture Trustee against any Borrower Party or any valuations of any portion of the Collateral, and (d) the Subordinate Indenture Trustee shall not take any other action adverse to the Senior Indenture Trustee's enforcement of its claim or receipt of adequate protection (as that term is defined in the Bankruptcy Code). In furtherance of the foregoing (a) the Subordinate Indenture Trustee hereby assigns to the Senior Indenture Trustee, until the Senior Bonds Repayment Date, all of the Subordinate Indenture Trustee's rights to vote in connection with any dissolution, liquidation, arrangements, plan of reorganization or other matter with respect to the Borrower, Holdco, or any other Affiliate of the Borrower in any Proceeding, and (b) the Subordinate Indenture Trustee shall not, without the Senior Indenture Trustee's prior consent, make any filing or motion or vote or take any other action in any Proceeding, the result of which would be that the Senior Indenture Trustee's rights in any the Proceeding, including Senior Indenture Trustee's ability to receive payments on account of the Senior Bond Obligations (or the amount or time of receipt of such payments), would be adversely affected as a result of the existence of the Subordinate Loan Obligations. To the extent any payment on account of the Senior Bond Obligations (whether by or on behalf of Borrower, as proceeds of the Collateral, enforcement of any right of setoff, or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law, then if such payment is recovered by, or paid over to, such trustee, receiver or other similar party, and notwithstanding any prior termination of this Agreement, (a) the Senior Bond Obligations or part thereof originally intended to be satisfied by such payment shall for all purposes of this Agreement be deemed to be reinstated and outstanding as if such payment had not occurred and (b) the Senior Indenture Trustee's rights under this Agreement shall be deemed to be reinstated as if such payment had not occurred.

Section 10.05 Cure Rights. The Subordinate Indenture Trustee shall at all times have the right, but not the obligation, to cure any payment default existing under the terms of the Senior Bond Documents, but any such cure shall entitle the Subordinate Indenture Trustee to a right of subrogation against the Borrower only with respect to the amounts advanced by the Subordinate Indenture Trustee in effecting such cure, and no such cure shall entitle the Subordinate Indenture Trustee to any right of reimbursement from the Senior Indenture Trustee or the Collateral Agent or to any right of subrogation in the Senior Indenture Trustee's rights or preferences in the Collateral or otherwise under the terms of this Agreement.

Section 10.06 Continuing Agreement. The provisions of this Article X are continuing agreements and shall remain in full force and effect until the Senior Bonds Repayment Date.

Section 10.07 Agreements Binding on Successor Subordinate Loan Representatives. Without limiting the generality of any other provision of this Agreement, the obligations of the Subordinate Indenture Trustee (and the rights of the Senior Indenture Trustee) under this Article X

shall be binding upon any successor of the Subordinate Indenture Trustee and any other Subordinate Loan Representative.

Section 10.08 **Agreements Binding on Beneficiaries.** The acknowledgements and agreements of the Debt Representatives in this Article X are binding (a) in the case of the Senior Indenture Trustee, on the Senior Bondholders, and (b) in the case of the Subordinate Indenture Trustee, on the Beneficiaries of the Subordinate Loan Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01 **Amendments, Supplements and Waivers.** No amendment, modification or waiver of any of the provisions of this Agreement or any of the Collateral Instruments shall be deemed to be made unless the same shall be in writing signed by Borrower and consented to (a) by the Collateral Agent, (b) until the Senior Bonds Repayment Date, by the Senior Indenture Trustee in accordance with Section 6.07(c) of the Senior Bond Indenture, and (c) as long as any Subordinate Loan Obligations shall remain outstanding, by the Subordinate Loan Representative in accordance with any corresponding provision of the Subordinate Loan Documents, *provided* that any action or decision that is expressly required under the terms of this Agreement from the Designated Debt Representative or that is left to the discretion of the Designated Debt Representative may be waived by the Designated Debt Representative (and, if the Designated Debt Representative is then the Senior Indenture Trustee, without the consent of the Subordinate Debt Representative).

Section 11.02 **Notices.** All notices, requests, approvals, consents, demands and other communications required, provided for or otherwise permitted under this Agreement shall be in writing and shall be sent by registered or certified mail, return receipt requested), nationally recognized overnight courier (or internationally recognized overnight courier in the case of notices being sent outside the United States), facsimile, or hand delivery (or by e-mail in the case of (a) any Account Transfer Certificate, whether or not expressly provided in this Agreement to be permitted to be delivered by e-mail, or (b) any other communication if expressly provided in this Agreement as permitted or required to be delivered by e-mail) to the party for which intended at its address specified on Schedule 4. Other than with respect to the Collateral Agent, all such notices, requests, approvals, consents, demands, and other communications shall be deemed to have been duly given or made, (i) five Business Days after being deposited in the mail, postage prepaid, return receipt requested, if by registered or certified mail, (ii) when delivered, if delivered by facsimile, by hand or by overnight courier service, or (iii) if permitted to be given by e-mail, upon receipt at the specified e-mail address. With respect to the Collateral Agent, any notice or other communication herein required or permitted to be given shall be in writing, and shall be deemed effective only if sent as provided in the first sentence of this Section 11.02, and shall be deemed to have been given only when actually received by the Collateral Agent. Any of the Borrower, the Collateral Agent or either Debt Representative may from time to time change its address specified on Schedule 4 by notice sent in accordance with this Section 11.02 to each other party to this Agreement. The Collateral Agent shall have the right to rely upon and comply with instructions and directions sent by e-mail, facsimile and other similar unsecured electronic methods by persons believed in good faith by the Collateral Agent to be authorized to give instructions and directions on behalf of the Person or Persons authorized to give such notice or other communication hereunder. If the Collateral Agent believes in good faith that a Person is authorized to give such

instructions and directions hereunder, the Collateral Agent shall have no further duty or obligation to verify or confirm that the Person who sent such instructions or directions is, in fact, a Person authorized to give instructions or directions on behalf of the Person or Persons notice or other communication; and the Collateral Agent shall have no liability for any losses, liabilities, costs or expenses incurred or sustained by the Person sending such notice or other communication as a result of such reliance upon or compliance with such instructions or directions. The Person sending such notice or other communication agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Collateral Agent, including the risk of the Collateral Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 11.03 **Headings.** Section, subsection and other headings used in this Agreement are for convenience of reference only and shall not affect the construction of the provisions of this Agreement.

Section 11.04 **Severability.** Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 11.05 **Claims.** This Agreement is made for the ultimate benefit of the Beneficiaries, but none of the Beneficiaries may enforce its rights directly, but only through action by the applicable Debt Representative. Neither Debt Representative nor any Beneficiary shall commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, the Collateral or the Borrower except as set out in a written instruction from the Designated Debt Representative.

Section 11.06 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Borrower, the Collateral Agent and the Debt Representatives (and shall inure to the benefit of the Debt Representatives on behalf of the Beneficiaries) and their respective successors and assigns, and nothing herein or in any other Collateral Instrument is intended or shall be construed to give any other Person any right, remedy or claim under, to or in respect of this Agreement, the Collateral, or any Collateral Instrument, *provided* that the Authority is intended to be a beneficiary of the provisions of Sections 6.01, 8.07, and 8.09 with respect to the rights there specifically afforded to the Authority.

Section 11.07 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York. With respect to any action or proceeding arising out of or relating to this Agreement, each party to this Agreement hereby (a) unconditionally and irrevocably submits itself to the exclusive jurisdiction of the United States District Court for the Southern District of New York located in the Borough of Manhattan (the “*Agreed Tribunal*”) and (b) agrees not to assert any objection to adjudication by the Agreed Tribunal and not to assert any objection or defense to removal of any such action or proceeding to the Agreed Tribunal, *provided* that, notwithstanding the foregoing, if the Agreed Tribunal will not take jurisdiction or if there is no basis for federal jurisdiction in respect of the legal action or proceeding, then each party submits itself in any such legal action or proceeding to the exclusive jurisdiction of the courts of the State of New York located in the Borough of Manhattan in New York City. Each party to this Agreement hereby

irrevocably waives, to the fullest extent it may lawfully do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding in the courts specified in this Section 11.07.

Section 11.08 **Waiver of Jury Trial.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES TO THIS AGREEMENT HEREBY EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Section 11.09 **Effect on Other Documents.** Except as expressly set forth in Sections 9.02 and 9.03, nothing in this Agreement shall operate or be deemed to prevent any amendment, modification or waiver of the Debt Documents by the parties thereto in accordance with the terms thereof.

Section 11.10 **Counterparts.** This Agreement may be executed in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of any executed counterpart of a signature page of this Agreement by facsimile or in electronic format (such as “.pdf” or “.tif”) shall be effective as delivery of a manually signed counterpart of this Agreement.

Section 11.11 **Requests for Information.** The Collateral Agent shall provide such information regarding the Collateral or any Collateral Instrument as from time to time shall be reasonably requested by either Debt Representative or any Beneficiary through a Debt Representative.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BORROWER:

CALPLANT I, LLC

By: _____

Name:

Title:

COLLATERAL AGENT:

UMB BANK, N.A., as Collateral Agent

By: _____

Name:

Title:

SENIOR INDENTURE TRUSTEE:

UMB BANK, N.A., as Senior Indenture Trustee

By: _____

Name:

Title:

SUBORDINATE INDENTURE TRUSTEE:

**UMB BANK, N.A., as Subordinate Indenture Trustee
and Subordinate Loan Representative**

By: _____

Name:

Title:

Schedule 1
to Collateral Agency Agreement

Collateral Instruments

1. Line of Credit Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated on or about the Original Effective Date, executed by Borrower, as the “Trustor,” in favor of Fidelity National Title Company, as the “Trustee,” for the benefit of the Collateral Agent, as the “Beneficiary”
2. Pledge Agreement, dated on or about the Original Effective Date, executed by Holdco, as the “Pledgor,” in favor of the Collateral Agent and consented to by the Borrower
3. Security Agreement, dated on or about the Original Effective Date, executed by the Borrower, as the “Grantor,” in favor of the Collateral Agent
4. Environmental Indemnity Agreement, dated on or about the Original Effective Date, executed by the Borrower, as the “Indemnitor,” in favor of the Collateral Agent
5. Direct Agreement, dated on or about the Original Effective Date, executed by SICO in favor of the Collateral Agent, in relation to the Equipment Supply Agreement
6. Direct Agreement, dated on or about the First Supplement Effective Date, executed by Siempelkamp Contracting LLC, a Georgia limited liability company (“SICO USA”), in favor of the Collateral Agent, in relation to the Installation Contract A0893.80, dated as of October 10, 2018, between the Borrower, as owner, and SICO USA, as contractor.
7. Direct Agreement, dated on or about the First Supplement Effective Date, executed by SICO in favor of the Collateral Agent, in relation to the Supply Contract A0893.20, dated as of October 10, 2018, between the Borrower, as buyer, and SICO, as seller.
8. Direct Agreement, dated on or about the Original Effective Date, executed by Casey Industrial, Inc. in favor of the Collateral Agent, in relation to the Construction Agreement with Casey Industrial, Inc.
9. Direct Agreement, dated on or about the First Supplement Effective Date, executed by Phoenix Industrial, Inc. in favor of the Collateral Agent, in relation to the Construction Agreement with Phoenix Industrial, Inc.
10. Direct Agreement, dated on or about the First Supplement Effective Date, executed by International Line Builders, Inc. in favor of the Collateral Agent, in relation to the Construction Agreement with International Line Builders, Inc.
11. Direct Agreement, dated on or about the Original Effective Date, executed by Columbia Forest Products, Inc. in favor of the Collateral Agent, in relation to the CFP Sales Agreement

Schedule 2
to Collateral Agency AgreementCollateral Agent Fee Schedule

Acceptance Fee	\$1,500/one-time
Collateral Agent Administrative Fee	\$2,500/per year
Transaction Fees	
Investment Fee	\$15/per trade

The acceptance fee and first year collateral agent fee are due on the Effective Date. Subsequent administrative fees are due in advance of the period for which service is to be rendered and billed on the anniversary.

All expenses related to the administration of the Bonds (other than the normal overhead expenses of the regular staff) such as, but not limited to, travel, postage, shipping, courier, long distance telephone, supplies, wire transfers, legal fees, accounting fees, etc., will be reimbursable. The fees, charges and expenses specified herein are for the typical and customary services as collateral agent. Fees for additional or extraordinary services not now part of the customary services provided, such as special services during default or additional government reporting requirements will be charged at the then current rates for such services.

Authorized Representatives of the Borrower

Name	Title
Gerald Uhland	Chief Executive Officer and President
Leslie L. Younie, Jr.	Vice President of Manufacturing and Engineering
Christopher P. Motley	Chief Financial Officer and Treasurer

Notice Addresses

Borrower:

CalPlant I, LLC
6101 Hwy 162
Willows, CA 95988-9641
Attn: Gerald Uhland
E-mail: juhland@calplant1.com
Phone: (530) 521-0249
Facsimile: (530) 685-5003

With a copy to:

Hepner & Myers LLP
1241 Johnson Avenue, Suite 360
San Luis Obispo, CA 93401
Attn: Irv Hepner, Esq.
E-mail: ihepner@HepnerMyers.com

Collateral Agent:

UMB BANK, N.A.
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail: david.massa@umb.com
Phone: (646) 650-3790
Facsimile: (314) 612-8499

With a copy to:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102

Senior Indenture Trustee:

UMB BANK, N.A.
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail: david.massa@umb.com

Phone: (646) 650-3790
Facsimile: (314) 612-8499

With a copy to:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102

Subordinate Indenture Trustee and Subordinate Loan Representative:

UMB BANK, N.A.
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail: david.massa@umb.com
Phone: (646) 650-3790
Facsimile: (314) 612-8499

With a copy to:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102

Authority:

California Pollution Control Financing Authority
P.O. Box 942809
Sacramento, CA 94209
Attn: Executive Director

Exhibit A
to Collateral Agency Agreement

Form of Account Transfer Certificate

CALPLANT I, LLC

[Date]

By E-mail

UMB BANK, N.A.
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail: david.massa@umb.com

ACCOUNT TRANSFER CERTIFICATE

Dear Sir or Madam:

Reference is made to the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “*Collateral Agency Agreement*”), among CalPlant I, LLC, as the Borrower, UMB BANK, N.A., as the Senior Indenture Trustee, UMB BANK, N.A., as the Subordinate Indenture Trustee, and UMB BANK, N.A., as the initial Collateral Agent. Capitalized terms used but not defined in this Account Transfer Certificate (this “*Certificate*”) shall have the respective meanings given to such terms in the Collateral Agency Agreement.

The Borrower hereby directs the Collateral Agent to transfer the following funds from the specified source account (maintained with the Collateral Agent) to the specified destination account:

[Use the following table if the destination account is maintained with the Collateral Agent, and include multiple copies of the following table if more than a single transfer is being directed by this Certificate.]

<u>Amount to Transfer:</u>	\$ _____	
<u>Source Account:</u>	_____	1
<u>Destination Account:</u>	_____	1

¹ Specify account name used in Collateral Agency Agreement.

**Collateral Agency
Agreement Section
Reference**

[Use the following table if the destination account is the Local Bank Account.]

<u>Amount to Transfer:</u>	\$ _____
<u>Source Account:</u>	_____ ² ,
<u>Destination Account:</u>	_____ ³
Bank:	_____
Bank Address:	_____

Bank Phone No.:	_____
ABA Routing No.:	_____
Acct. No.:	_____
<u>Collateral Agency Agreement Section Reference</u>	_____

[Use the following table if the destination account is the Senior Bond Indenture Revenue Fund.]

<u>Amount to Transfer:</u>	\$ _____ of which amount \$ _____ shall be deposited into the Principal Account (as defined in the Senior Bond Indenture), \$ _____ shall be deposited into the Interest Account (as defined in the Senior Bond Indenture), \$ _____ shall be deposited into the Redemption Account and \$ _____ shall be deposited into the Administrative Costs Fund (as defined in the Senior Bond Indenture)
<u>Source Account:</u>	_____ ⁴ ,
<u>Destination Account:</u>	Senior Bond Indenture Revenue Fund
Bank:	_____
Bank Address:	_____

² Specify account name used in Collateral Agency Agreement.

³ Specify any reference name used for the Local Bank Account, e.g., “Operating Account.”

⁴ Specify account name used in Collateral Agency Agreement.

 Bank Phone No.: _____
 ABA Routing No.: _____
 Acct. No. (Principal Account): _____
 Acct. No. (Interest Account) _____

Collateral Agency Agreement Section Reference

[Use the following table if the destination account is the Rebate Fund maintained with the Senior Indenture Trustee pursuant to the Senior Bond Indenture.]

Amount to Transfer: \$ _____
Source Account: Revenue and Operating Account,
Destination Account: Rebate Fund
 Bank: _____
 Bank Address: _____

 Bank Phone No.: _____
 ABA Routing No.: _____
 Acct. No.: _____

Collateral Agency Agreement Section Reference

[Use the following table if the destination account is an account maintained with the Subordinate Loan Representative pursuant to the Subordinate Loan Documents.]

Amount to Transfer: \$ _____
Source Account: Suspension Account
Destination Account: _____
 Bank: _____
 Bank Address: _____

 Bank Phone No.: _____
 ABA Routing No.: _____
 Acct. No.: _____

Collateral Agency Agreement Section Reference

Please make the requested transfer(s) on [the date you receive this Certificate, provided such date is a Business Day and this Certificate is received prior to your deadline for processing same-day transfers, or on the first Business Day following your receipt of this Certificate, in all other cases] [_____, 20__]⁵. If any of the transfers requested in this Certificate are being made to the Revenue and Operating Account, please make those transfers before making any transfers requested in this Certificate to be made from the Revenue and Operating Account.

The Borrower hereby certifies to the Collateral Agent as follows:

1. The Borrower has not received a Notice of Account Restriction, other than any Notice of Account Restriction that (i) has been withdrawn as described in Section 5.01(b) of the Collateral Agency Agreement or (ii) by its terms permits the transfer specified herein.

2. No Debt Documents Event of Default will result from the transfer of funds directed by this Certificate.

3. The transfer of funds directed by this Certificate is in compliance with the terms of the Collateral Agency Agreement and the Debt Documents.

4. *[If the funds transfer is being requested pursuant to Section 3.06(c) of the Collateral Agency Agreement, include the following:* The funds transfer described in this Certificate is being requested pursuant to Section 3.06(c) of the Collateral Agency Agreement. Funds on hand in the Revenue and Operating Account are expected to be insufficient to pay any amounts intended to be paid under clauses First through Eighth of Section 4.02 of the Collateral Agency Agreement. The amount of the expected deficiency is \$_____.]

5. *[If the funds transfer is being requested pursuant to Section 3.07(c) of the Collateral Agency Agreement, include the following:* The funds transfer described in this Certificate is being requested pursuant to Section 3.07(c) of the Collateral Agency Agreement. Funds on hand in the Revenue and Operating Account are expected to be insufficient to pay any amounts intended to be paid under clauses First through Eleventh of Section 4.02 of the Collateral Agency Agreement. The amount of the expected deficiency is \$_____.]

6. *[If the funds transfer is being requested pursuant to Section 3.08(c) of the Collateral Agency Agreement, include the following:* The funds transfer described in this Certificate is being requested pursuant to Section 3.08(c) of the Collateral Agency Agreement. Funds on hand in the Revenue and Operating Account are expected to be insufficient to pay any amounts intended to be paid under clauses First through Ninth of Section 4.02 of the Collateral Agency Agreement. The amount of the expected deficiency is \$_____.]

7. *[If the funds transfer is being requested pursuant to Section 3.07(b) of the Collateral Agency Agreement, include the following:* The funds transfer described in this Certificate is being requested pursuant to Section 3.07(b) of the Collateral Agency Agreement.

⁵ Specify a Business Day following the date of this Certificate.

The Borrower has incurred, or is expected to incur in the 30-day period following the date of this Certificate, Capital Expenditures reflected in the Operating Budget in the amount of \$_____.]

8. *[If the funds transfer is being requested pursuant to Section 3.08(b) of the Collateral Agency Agreement, include the following:* The funds transfer described in this Certificate is being requested pursuant to Section 3.08(b) of the Collateral Agency Agreement. The Borrower has incurred, or is expected to incur in the 30-day period following the date of this Certificate, expenses for the purchase of Feedstock in the amount of \$_____ and such amount is consistent with the Operating Budget.]

9. *[If the funds transfer is being requested pursuant to Section 3.09(b) of the Collateral Agency Agreement, include the following:* The funds transfer described in this Certificate is being requested pursuant to Section 3.09(b) of the Collateral Agency Agreement.]

10. *[If the funds transfer is being requested pursuant to Section 3.09(c) of the Collateral Agency Agreement, and no Subordinate Loan Obligations remain outstanding that require the transfer of funds to the Subordinate Loan Representative, include the following:* The funds transfer described in this Certificate is being requested pursuant to Section 3.09(c) of the Collateral Agency Agreement, and no Subordinate Loan Obligations remain outstanding that require the transfer of funds to the Subordinate Loan Representative. The amount to be transferred from the Suspension Account to the Local Bank Account is \$_____. Such amount represents amounts owing to CFP as sales commissions (or interest on sales commissions or both) under the CFP Sales Agreement and not previously transferred from the Suspension Account in accordance with any prior Account Transfer Certificate. The conditions set forth in clauses (b), (e), (f), (g), and (h) of the definition of Distribution Requirements in the Senior Bond Indenture are satisfied.]

11. *[If the funds transfer is being requested pursuant to Section 3.09(c) of the Collateral Agency Agreement, and Subordinate Loan Obligations remain outstanding that require the transfer of funds to the Subordinate Loan Representative, include the following:* The funds transfer described in this Certificate is being requested pursuant to Section 3.09(c) of the Collateral Agency Agreement, and Subordinate Loan Obligations remain outstanding that require the transfer of funds to the Subordinate Loan Representative. The amount to be distributed from the Suspension Account to the Subordinate Loan Representative is \$_____. Such amount represents amounts owing to CFP as sales commissions (or interest on sales commissions or both) under the CFP Sales Agreement and not previously transferred from the Suspension Account in accordance with any prior Account Transfer Certificate. The conditions set forth in clauses (b), (e), (f), (g), and (h) of the definition of Distribution Requirements in the Senior Bond Indenture are satisfied.]

12. *[If the funds transfer is being requested pursuant to Section 3.09(d) of the Collateral Agency Agreement, and Subordinate Loan Obligations remain outstanding that require the transfer of funds to the Subordinate Loan Representative, include the following:* The funds transfer described in this Certificate is being requested pursuant to Section 3.09(d) of the Collateral Agency Agreement, and Subordinate Loan Obligations remain outstanding that require the transfer of funds to the Subordinate Loan Representative. The conditions set forth in clauses (a) through (i) of the definition of Distribution Requirements in the Senior Bond Indenture are satisfied. At

least 30 days have elapsed since the delivery of the notice required by Section 3.09(e) of the Collateral Agency Agreement with respect to the funds transfer described in this Certificate.]

13. *[If the funds transfer is being requested pursuant to Section 3.09(d) of the Collateral Agency Agreement, and no Subordinate Loan Obligations remain outstanding that require the transfer of funds to the Subordinate Loan Representative, include the following: The funds transfer described in this Certificate is being requested pursuant to Section 3.09(d) of the Collateral Agency Agreement, and no Subordinate Loan Obligations remain outstanding that require the transfer of funds to the Subordinate Loan Representative. The conditions set forth in clauses (a) through (j) of the definition of Distribution Requirements in the Senior Bond Indenture are satisfied. At least 30 days have elapsed since the delivery of the notice required by Section 3.09(e) of the Collateral Agency Agreement with respect to the funds transfer described in this Certificate.]*

14. *[If the funds transfer is being requested pursuant to Section 4.02 of the Collateral Agency Agreement, include the sentence that follows and whichever of the statements in clauses (a) through (l) below as are applicable: The funds transfer described in this Certificate is being requested pursuant to Section 4.02 of the Collateral Agency Agreement.]*

(a) *[If the funds transfer is being requested pursuant to clause First of Section 4.02 of the Collateral Agency Agreement, include the following: In the calendar month of the transfer directed by this Certificate (a) the amount requested to be transferred in this Certificate pursuant to clause First of Section 4.02 of the Collateral Agency Agreement the Local Bank Account is not greater than the Operating Expenses of the Borrower for such calendar month estimated by the Borrower, and set forth in the Account Transfer Certificate to be incurred or become due and payable during such calendar month, less such amounts as may at the time be on deposit in the Local Bank Account and not accounted for by (1) checks that have not yet cleared or (2) Operating Expenses incurred by the Borrower in prior periods but remaining unpaid and (b) for the calendar year, the aggregate of all amounts transferred in this Certificate pursuant to clause First of Section 4.02 of the Collateral Agency Agreement does not exceed 110% of the Operating Expenses as shown in the Operating Budget currently in effect for such calendar year, year, and, in the case of both of the foregoing clauses (a) and (b), not taking into account the Total Operating Expenses for such relevant period that are or would be funded by operation of the transfers described in clauses Second through Twelfth of Section 4.02 of the Collateral Agency Agreement. *If any portion of the funds transfer being requested is intended to be used to pay sales commissions (or interest thereon but not including CFP's actual incremental and out-of-pocket expenses incurred during the relevant period in complying with its obligations under the CFP Sales Agreement) under the terms of the CFP Sales Agreement, include the following: All transfers described in clauses Second through Twelfth of Section 4.02 of the Collateral Agency Agreement are being funded in full with other transfers directed in this Certificate or will otherwise be made in full under the provisions of Section 4.02 of the Collateral Agency Agreement, and no Subordinate Loan Obligations remain outstanding that require the transfer of funds to the Subordinate Loan Representative.]**

(b) *[If the funds transfer is being requested pursuant to clause Second of Section 4.02 of the Collateral Agency Agreement, include the following:* The amount from the Revenue and Operating Account to the Local Bank Account is \$_____. Such amount represents Extraordinary Expenses not transferred from the Revenue and Operating Account in accordance with any prior Account Transfer Certificate.]

(c) *[If the funds transfer is being requested pursuant to clause Third of Section 4.02 of the Collateral Agency Agreement, include the following:* The amount of fees and expenses due and payable (or reasonably expected to become due and payable) during the monthly period following the date of this Certificate to the Collateral Agent from the Revenue and Operating Account to the Collateral Agent is \$_____.]

(d) *[If the funds transfer is being requested pursuant to clause Fourth of Section 4.02 of the Collateral Agency Agreement, include the following:* The amount of all administrative fees, costs and charges due and payable (a) under the Senior Bond Loan Agreement or under the Senior Bond Indenture, less the amount already transferred to the Senior Bond Indenture Revenue Fund for such purpose, is \$_____, and (b) under the Subordinate Loan Documents, less the amount already transferred to the Subordinate Loan Representative for such purpose, is \$_____, which amount in the aggregate, together with other amounts transferred to the Subordinate Loan Representative pursuant to Section 4.02 during the relevant period, does not exceed the maximum amount permitted for the relevant period under the Collateral Agency Agreement.]

(e) *[If the funds transfer is being requested pursuant to clause Fifth of Section 4.02 of the Collateral Agency Agreement, include the following:* The amount of the Rebate Requirement under the Rebate Fund maintained with the Senior Indenture Trustee pursuant to the Senior Bond Indenture, less the amount already on deposit in such Rebate Fund is \$_____.]

(f) *[If the funds transfer is being requested pursuant to clause Sixth of Section 4.02 of the Collateral Agency Agreement, include the following:* The amount equal to one-sixth of amount of the interest payable on the Senior Bonds on the next succeeding Senior Bond Interest Payment Date, together with any amounts that were not transferred due to lack of funds in the Revenue and Operating Account, is \$_____.]

(g) *[If the funds transfer is being requested pursuant to clause Seventh of Section 4.02 of the Collateral Agency Agreement, include the following:* The amount equal to one-sixth of amount of principal payable on the Senior Bonds on the next succeeding Senior Bond Principal Payment Date, together with any amounts that were not transferred due to lack of funds in the Revenue and Operating Account, is \$_____.]

(h) *[If the funds transfer is being requested pursuant to clause Eighth of Section 4.02 of the Collateral Agency Agreement, include the following:* The amount necessary to cause the balance in the Senior Bond Debt Service Reserve Account to equal the required balance as set forth in the Senior Bond Indenture is \$_____.]

(i) *[If the funds transfer is being requested pursuant to clause Ninth of Section 4.02 of the Collateral Agency Agreement, include the following: The amount necessary to cause the balance in the Operating Expense Reserve Account (including any portion of the balance that represents drawings under the Revolving Credit Facility) to equal the Operating Expense Reserve Requirement is \$_____.]*

(j) *[If the funds transfer is being requested pursuant to clause Tenth of Section 4.02 of the Collateral Agency Agreement, include the following: The amount to be transferred from the Revenue and Operating Account to the Feedstock Expense Reserve Account is \$_____.]*

(k) *[If the funds transfer is being requested pursuant to clause Eleventh of Section 4.02 of the Collateral Agency Agreement, include the following: The amount necessary to cause the balance in the Feedstock Expense Reserve Account to equal the Feedstock Expense Reserve Requirement as of such Transfer Date is \$_____.]*

(l) *[If the funds transfer is being requested pursuant to clause Twelfth of Section 4.02 of the Collateral Agency Agreement, include the following: The amount necessary to cause the balance in the Major Maintenance Reserve Account to equal the Major Maintenance Reserve Requirement is \$_____.]*

15. *[If the funds transfer is being requested pursuant to Section 4.03 of the Collateral Agency Agreement, include the following: There are insufficient funds in the Revenue and Operating Account to make the transfers set forth in clauses First through Seventh of Section 4.02 of the Collateral Agency Agreement. The amounts to be transferred to the Revenue and Operating Account are permitted to be so transferred in accordance with Section 4.03 of the Collateral Agency Agreement.]*

Thank you for your attention to the foregoing.

Sincerely,

[Name], [Title]

Exhibit B
to Collateral Agency Agreement

Form of Loss Proceeds Requisition

[Date]¹

By E-mail

UMB BANK, N.A., as Collateral Agent
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail: david.massa@umb.com

UMB BANK, N.A., as Senior Indenture Trustee
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail: david.massa@umb.com

UMB BANK, N.A., as Subordinate Indenture Trustee
140 Broadway, Suite 4624
New York, NY 10005
Attn: David Massa, Corporate Trust
E-mail: david.massa@umb.com

LOSS PROCEEDS REQUISITION

Dear Sir or Madam:

Reference is made to the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “*Collateral Agency Agreement*”), among CalPlant I, LLC, as the Borrower (the “*Borrower*”), UMB Bank, N.A., as the Senior Indenture Trustee, UMB Bank, N.A., as the Subordinate Indenture Trustee, and UMB Bank, N.A., as the initial Collateral Agent (the “*Collateral Agent*”). Capitalized terms used but not defined in this Loss Proceeds Requisition (this “*Requisition*”) shall have the respective meanings given to such terms in the Collateral Agency Agreement.

The Borrower hereby certifies:

1. (a) a Loss Event has occurred, (b) the Collateral Agent has received Loss Proceeds in respect of such Loss Event, and (c) the Borrower has determined that the Plant can be

¹ Requisition to be delivered no later than the fifth Business Day prior to the proposed date of disbursement.

Restored to permit operation of the Plant on a Commercially Feasible Basis. The Borrower understands that the amount on deposit in the Loss Proceeds Account as of [_____] was \$[_____]; the Borrower has not requested the disbursement of any funds held in the Loss Proceeds Account after such date;

2. Invoices from contractors for materials and services provided for purposes of effecting the Restoration of the Plant, which total \$[_____] in the aggregate, are attached hereto as Attachment 1 (the “Invoices”);
3. Such Invoices have been rendered by contractors and are in amounts now due and payable under contracts with the Borrower and have not been previously paid, other than such invoices attached hereto that have been marked “Paid” , which have been paid by the Borrower and for which reimbursement is being requested; and
4. At the time of submission of each Invoice under this Certificate, the contractor that issued such Invoice has provided to the Borrower a signed conditional lien waiver in customary form, which lien waivers are attached as Attachment 2.

[The Technical Advisor has certified its concurrence with this Requisition by executing the Technical Advisor Certificate attached in the form of Annex I attached hereto.]²

Pursuant to Section 7.08 of the Collateral Agency Agreement, the Borrower hereby requests disbursement of \$[_____] from the Loss Proceeds Account in order to Restore the Plant. Such disbursement shall be made (a) by wire transfers of immediately available funds in the aggregate amount of \$[_____] in payment of Invoices to the payees in each case as set forth on Schedule 1 attached hereto and (b) by transfer from the Loss Proceeds Account to the [Project Development Account]³[Revenue and Operating Account]⁴ in the amount of \$[_____] in reimbursement of the Invoices that have been previously paid by the Borrower.

Thank you for your attention to the foregoing.

Sincerely,

[Name]
[Title, Authorized Representative]

² Insert bracketed sentence only in the case a Loss Event resulting in more than \$10,000,000 in Loss Proceeds.

³ Include bracketed phrase only if the Commercial Operations Date has not occurred.

⁴ Include bracketed phrase only if the Commercial Operations Date has occurred.

Attachment 1

Invoices

Attachment 2

Lien Waivers

Schedule 1
Payment Procedures

Payee	Payee Address	Purpose	Wiring or Other Payment Instructions	Amount

[ANNEX I]

[Form of Technical Advisor Certificate]

CERTIFICATE OF TECHNICAL ADVISOR

[_____], 20[__]

This certificate is delivered pursuant to Section 7.08 of the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “*Collateral Agency Agreement*”), among CalPlant I, LLC, as the Borrower (the “*Borrower*”), UMB Bank, N.A., as the Senior Indenture Trustee, UMB Bank, N.A., as the Subordinate Indenture Trustee, and UMB Bank, N.A., as the initial Collateral Agent (the “*Collateral Agent*”). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Collateral Agency Agreement.

The undersigned, [Stephen Vajda Consulting], is currently acting as the Technical Advisor under the terms of the Collateral Agency Agreement. The undersigned, in its professional judgment and its capacity as the Technical Advisor, hereby certifies:

1. It concurs with the certifications made by the Borrower in paragraph 1 of the Loss Proceeds Requisition that (a) a Loss Event has occurred, (b) the Collateral Agent has received Loss Proceeds in respect of such Loss Event, and (c) the Loss Proceeds in respect of such Loss Event, together with any other amounts available to the Borrower and permitted to be used for such purpose (i) in the Collateral Agent Accounts and the accounts maintained by the Debt Representatives under the Debt Documents and (ii) through irrevocable commitments of Affiliates of the Borrower, will be sufficient to pay the costs of the Restoration of the Plant.
2. It concurs with the certifications made by the Borrower in paragraphs 2, 3 and 4 of the Loss Proceeds Requisition with respect to the Invoices attached thereto.

The statements contained in this certificate are an expression of the undersigned’s professional opinion, are made to the best of the undersigned’s knowledge, information and belief, and are made in accordance the standards of care practiced by independent and consulting technical advisors in performing similar tasks on like projects and has relied on certain information from third parties and information has been deemed reliable in the good faith judgment of the Technical Advisor.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the date first written above.

[STEPHEN VAJDA CONSULTING]

By: _____

Name:

Title:

Form of Unconditional Project Development Account Requisition

UNCONDITIONAL PROJECT DEVELOPMENT ACCOUNT REQUISITION

No. _____

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

[Date]

CALPLANT I PROJECT SERIES 2017 (AMT) BONDS

Ladies and Gentlemen:

Reference is made to the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “*Collateral Agency Agreement*”), among CalPlant I, LLC, as the Borrower (the “*Borrower*”), UMB Bank, N.A., as the Senior Indenture Trustee, UMB Bank, N.A., as the Subordinate Indenture Trustee, and UMB Bank, N.A., as the initial Collateral Agent (the “*Collateral Agent*”). Capitalized terms used but not defined in this Requisition (this “*Requisition*”) shall have the respective meanings given to such terms in the Collateral Agency Agreement or, if not defined in the Collateral Agency Agreement, in the Senior Bond Indenture referred to in the Collateral Agency Agreement.

The undersigned, an Authorized Representative of the Borrower, provides this Requisition in connection with Section 3.03(c) of the Collateral Agency Agreement. The Borrower hereby gives you notice that it requests a payment from the Project Development Account established by the Collateral Agency Agreement, and in that connection sets forth below the terms on which such payment is requested to be made.

Funds are to be disbursed to the payees in each case as set forth on Schedule 1 attached hereto, which amounts constitute Project Costs. The Borrower hereby certifies that, on the date of this Requisition (after giving pro forma effect to the requested payment), the following:

- (1) Each payment requested in this Requisition is for the purpose of paying Project Costs;
- (2) The amount on deposit in the Project Development Account is \$[_____], and none of the items for which payment is requested in this Requisition has been previously paid from the Project Development Account;
- (3) Each obligation listed on Schedule 1 has been properly incurred (or, in the case of amounts to be disbursed to the Local Bank Account for the payment of salaries, employment taxes

and other direct expenses of employment, will be incurred within a period of thirty-five (35) days immediately succeeding the date of proposed disbursement) and is a proper charge against the Project Development Account;

- (4) None of the items for which payment is requested in this Requisition has been previously paid from the Project Fund established under the Senior Bond Indenture or from the Project Development Account or from the Subordinate Bond Proceeds;
- (5) Invoices evidencing any payments on account of the categories described in the Construction Budget as “Siempelkamp Supply Agreements” and “Construction Contracts” are attached hereto as Exhibit A;
- (6) The Borrower reasonably believes that the Commercial Operations Date will occur on or before the fourth anniversary of the Delivery Date (unless a Force Majeure Event has occurred, in which case on or before the Force Majeure Adjusted Date);
- (7) (a) Unused amounts in the Project Development Account, (b) other funds held under the Collateral Agency Agreement and available to pay Project Costs, and (c) any unused amounts of Committed Equity and Subordinate Bond Proceeds, are not less than the aggregate unpaid amount required to cause the Commercial Operations Date to occur materially in accordance with all Laws and Governmental Approvals, the Material Contracts (as well as with any other Project Documents, the failure to comply with which would be reasonably likely to result in a Material Adverse Effect) and the Debt Documents prior to the fourth anniversary of the Delivery Date, barring events currently unanticipated (unless a Force Majeure Event has occurred, in which case prior to the Force Majeure Adjusted Date), and to pay or provide for all reasonably anticipated non-construction costs of Plant Construction, all as set forth in the Construction Budget;
- (8) The aggregate amount of the payment from the Project Development Account does not, in the reasonable belief of the Borrower, exceed the amount required to be paid from the Project Development Account for Project Costs over the thirty-five (35) days immediately succeeding the date of payment from the Project Development Account in accordance with the Construction Budget; and
- (9) All change orders that have been entered into in respect of the Construction Agreements and the SICO Supply Agreements have been submitted to the Construction Monitor and the Collateral Agent.

[Signature Page Follows]

IN WITNESS WHEREOF, by the undersigned has caused this Requisition to be executed and delivered as of the day and year first above written.

Sincerely,

[Name]

[Title, Authorized Representative]

Schedule 1

WITHDRAWALS FROM PROJECT DEVELOPMENT ACCOUNT

Payee	Payee Address	Purpose	Wiring or Other Payment Instructions	Amount

Exhibit A

Invoices

Form of Conditional Project Development Account Requisition

CONDITIONAL PROJECT DEVELOPMENT ACCOUNT REQUISITION

No. _____

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

[Date]

CALPLANT I PROJECT SERIES 2017 (AMT) BONDS

Ladies and Gentlemen:

Reference is made to the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “*Collateral Agency Agreement*”), among CalPlant I, LLC, as the Borrower (the “*Borrower*”), UMB Bank, N.A., as the Senior Indenture Trustee, UMB Bank, N.A., as the Subordinate Indenture Trustee, and UMB Bank, N.A., as the initial Collateral Agent (the “*Collateral Agent*”). Capitalized terms used but not defined in this Requisition (this “*Requisition*”) shall have the respective meanings given to such terms in the Collateral Agency Agreement or, if not defined in the Collateral Agency Agreement, in the Senior Bond Indenture referred to in the Collateral Agency Agreement.

The undersigned, an Authorized Representative of the Borrower, provides this Requisition in connection with Section 3.03(c) of the Collateral Agency Agreement. The Borrower hereby gives you notice that it requests a payment from the Project Development Account established by the Collateral Agency Agreement, and in that connection sets forth below the terms on which such payment is requested to be made.

Funds are to be disbursed to the payees in each case as set forth on Schedule 1 attached hereto, which amounts constitute Project Costs. The Borrower hereby certifies that, on the date of this Requisition (after giving pro forma effect to the requested payment), the following:¹

- (1) Each payment requested in this Requisition is for the purpose of paying Project Costs;
- (2) The amount on deposit in the Project Development Account is \$[_____], and none of the items for which payment is requested in this Requisition has been previously

¹ Insert any exceptions to the certifications in items 1 through 9, following the text of the related item.

paid from the Project Development Account;

- (3) Each obligation listed on Schedule 1 has been properly incurred (or, in the case of amounts to be disbursed to the Local Bank Account for the payment of salaries, employment taxes and other direct expenses of employment, will be incurred within a period of thirty-five (35) days immediately succeeding the date of proposed disbursement) and is a proper charge against the Project Development Account;
- (4) None of the items for which payment is requested in this Requisition has been previously paid from the Project Fund established under the Senior Bond Indenture or from the Project Development Account or from the Subordinate Bond Proceeds;
- (5) Invoices evidencing any payments on account of the categories described in the Construction Budget as “Siempelkamp Supply Agreements” and “Construction Contracts” are attached hereto as Exhibit A;
- (6) The Borrower reasonably believes that the Commercial Operations Date will occur on or before the fourth anniversary of the Delivery Date (unless a Force Majeure Event has occurred, in which case on or before the Force Majeure Adjusted Date);
- (7) (a) Unused amounts in the Project Development Account, (b) other funds held under the Collateral Agency Agreement and available to pay Project Costs, and (c) any unused amounts of Committed Equity and Subordinate Bond Proceeds, are not less than the aggregate unpaid amount required to cause the Commercial Operations Date to occur materially in accordance with all Laws and Governmental Approvals, the Material Contracts (as well as with any other Project Documents, the failure to comply with which would be reasonably likely to result in a Material Adverse Effect) and the Debt Documents prior to the fourth anniversary of the Delivery Date, barring events currently unanticipated (unless a Force Majeure Event has occurred, in which case prior to the Force Majeure Adjusted Date), and to pay or provide for all reasonably anticipated non-construction costs of Plant Construction, all as set forth in the Construction Budget;
- (8) The aggregate amount of the payment from the Project Development Account does not, in the reasonable belief of the Borrower, exceed the amount required to be paid from the Project Development Account for Project Costs over the thirty-five (35) days immediately succeeding the date of payment from the Project Development Account in accordance with the Construction Budget; and
- (9) All change orders that have been entered into in respect of the Construction Agreements and the SICO Supply Agreements have been submitted to the Construction Monitor and the Collateral Agent.

The obligation of the Collateral Agent to fund this Requisition is subject to the process set forth in Section 6.08(c) of the Senior Bond Indenture.

[Signature Page Follows]

IN WITNESS WHEREOF, by the undersigned has caused this Requisition to be executed and delivered as of the day and year first above written.

Sincerely,

[Name]

[Title, Authorized Representative]

Schedule 1

WITHDRAWALS FROM PROJECT DEVELOPMENT ACCOUNT

Payee	Payee Address	Purpose	Wiring or Other Payment Instructions	Amount

Exhibit A

Invoices

Form of Construction Monitor Certificate
(Unconditional Project Development Account Requisition)

[date]

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

Subject: CalPlant I, LLC

Ladies and Gentlemen:

Reference is made to the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “**Collateral Agency Agreement**”), among CalPlant I, LLC, as the Borrower (the “**Borrower**”), UMB Bank, N.A., as the Senior Indenture Trustee, UMB Bank, N.A., as the Subordinate Indenture Trustee, and UMB Bank, N.A., as the initial Collateral Agent (the “**Collateral Agent**”). Capitalized terms used but not defined in this Certificate shall have the respective meanings given to such terms in the Collateral Agency Agreement or, if not defined in the Collateral Agency Agreement, in the Senior Bond Indenture referred to in the Collateral Agency Agreement.

This certificate (this “**Certificate**”) is related to a request by the Borrower dated [_____], and designated Unconditional Project Development Account Requisition No. ___ (the “**Requisition**”), for payment of amounts to be funded for the account of the Borrower by the Collateral Agent from amounts on deposit in the Project Development Account relating to payments to the Persons listed on Schedule 1 thereto and for the purposes set forth therein. The Construction Monitor has discussed matters set forth in this Certificate, where it deems such discussions to be pertinent, with the Contractors, the Borrower and other appropriate third parties, including the Technical Advisor. The Construction Monitor has performed the services required in connection with the delivery of this Certificate in accordance with the terms and conditions of the contract for construction monitoring services between the Construction Monitor and the Borrower (the “**Construction Monitor Agreement**”) in a professional manner using principles and procedures in accordance with the standard of care for the level of services as practiced by other construction monitors on industrial facilities. The Construction Monitor has made such reviews, examinations and investigations as the Construction Monitor believes in its professional judgment to be reasonably necessary for the purposes of making the certifications set forth herein and has relied on certain information from third parties, including the Technical Advisor, and such information has been deemed reliable in the good faith judgment of the Construction Monitor.

On the basis of the foregoing and on the understanding and assumption that the Construction Monitor has been provided true, correct and complete information from such other parties as to the matters set forth herein, the Construction Monitor, subject to the terms and

conditions of the Construction Monitor Agreement, hereby, makes the following certifications to the Collateral Agent as of the date hereof:

1. We have (a) reviewed the (i) Construction Agreements and other related documents and specifications referred to in the Construction Agreements, (ii) the SICO Supply Agreements (collectively, the foregoing described in clauses (i) and (ii) are referred to as the “**Plant Construction Documents**”) and (iii) other materials and data in connection with Plant Construction made available to us and (b) performed such other investigations as we believe to be necessary for the purpose of making the certifications set forth herein. We have visited the Plant on a periodic basis and have observed the status of construction progress and startup activities at the Plant. We last visited the Plant on [_____], 20____. We have reviewed the project schedule and applications for payment provided under the Plant Construction Documents. We have also reviewed each amendment under the Plant Construction Documents, including any change orders and the project schedule updates from the Contractors and SICO (which we hereby confirm are in form and substance reasonably consistent with other similar projects and in accordance with Prudent Operating Practice).

2. Based on our review of the information discussed above, and any other information or data that we deemed necessary to making the certifications herein, we are of the opinion that:

- (a) Based on the information we have been provided and the limited site visits we have conducted, we are not aware of any equipment or material procurements or engineering performed under the Plant Construction Documents that is not in accordance with generally accepted engineering practices.
- (b) Since the date of our last Certificate, if any, and based on the information provided to us, we are not aware of any claim by any of the Contractors or SICO that it is entitled to a material change in (i) the date by which “Substantial Completion” (as defined in the applicable Construction Agreements with (A) Casey Industrial, Inc., (B) Phoenix Industrial, Inc. and (C) International Line Builders, Inc.) is to occur, (ii) the date by which “First Board” (as defined in the Equipment Supply Agreement) is to occur, (iii) the date by which “Mechanical Completion” (defined in the SICO Installation Agreement) is to occur, (iv) the project schedules under the Plant Construction Documents, or (v) the “contract price” or the “contract sum” (as either such term is defined in the Plant Construction Documents), in each case except as specified in any applicable change orders.
- (c) To the best of our knowledge, all payments to date from and after the designation of the undersigned as the Construction Monitor, and any payment to be made under the Plant Construction Documents with the funds from the Requisition pursuant to which this certification is provided, correspond to provisions of the Plant Construction Documents.
- (d) The change orders, if any, listed on Schedule 1 hereto are the only change orders that, to our knowledge, have been entered into by the Borrower with respect to the Plant Construction Documents since the date of the Borrower’s requisition (either under the terms of the Senior Bond Indenture or the Collateral Agency Agreement)

immediately preceding the Requisition. The work contemplated by such change orders under the Plant Construction Documents is necessary and complies with the terms of the relevant Plant Construction Document.

- (e) Each item for which payment is requested in the Requisition and stated to be for the costs of Plant Construction is or was necessary in connection with the Plant Construction.
- (f) Invoices or other satisfactory evidence for each item for the payment of costs of Plant Construction provided for in the Borrowing Requisition are attached to the Requisition.
- (g) [The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are anticipated to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____]¹ (the “Anticipated Plant Substantial Completion Date”), barring events currently unanticipated. The unused amounts in the Project Development Account and other funds available to the Borrower, including any amounts available in the Project Fund under the Senior Bond Indenture and any unused amounts of Committed Equity and Subordinate Bond Proceeds, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated. The unused amounts in the Capitalized Interest Account, together with (1) other funds on deposit in the Project Development Account and (2) any unused Committed Equity and Subordinate Bond Proceeds (and in either case not otherwise necessary in order to cause the Plant Substantial Completion Date to occur) are sufficient to pay all interest due and payable on the 2017 Bonds through the Anticipated Plant Substantial Completion Date.]²

¹ Insert the currently anticipated Plant Substantial Completion Date.

² Insert the bracketed paragraph only if the Plant Substantial Completion Date has not yet occurred.

The person signing this Certificate is a duly qualified representative of the Construction Monitor and as such is authorized to execute this Certificate on behalf of the Construction Monitor.

Very truly yours,

By: _____

Name:

Title:

Schedule 1

Change Orders

[to be included only when applicable]

<u>Change Order</u>	<u>Adjustment to the Scope of Work, if any</u>	<u>Adjustment to Guaranteed Values, if any</u>	<u>Adjustment to Guaranteed Final Project Completion Date, if any</u>	<u>Adjustment to Project Payment Schedule, if any</u>	<u>Adjustment to Contract Price or Contract Sum, if any</u>	<u>Adjustment to any other terms and conditions, if any</u>
<i>[Insert additional rows as necessary]</i>						

Form of Construction Monitor Certificate
(Conditional Project Development Account Requisition)

[date]

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

Subject: CalPlant I, LLC

Ladies and Gentlemen:

Reference is made to the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “*Collateral Agency Agreement*”), among CalPlant I, LLC, as the Borrower (the “*Borrower*”), UMB Bank, N.A., as the Senior Indenture Trustee, UMB Bank, N.A., as the Subordinate Indenture Trustee, and UMB Bank, N.A., as the initial Collateral Agent (the “*Collateral Agent*”). Capitalized terms used but not defined in this Certificate shall have the respective meanings given to such terms in the Collateral Agency Agreement or, if not defined in the Collateral Agency Agreement, in the Senior Bond Indenture referred to in the Collateral Agency Agreement.

This certificate (this “*Certificate*”) is related to a request by the Borrower dated [_____], and designated Conditional Project Development Account Requisition No. ___ (the “*Requisition*”), for payment of amounts to be funded for the account of the Borrower by the Collateral Agent from amounts on deposit in the Project Development Account relating to payments to the Persons listed on Schedule 1 thereto and for the purposes set forth therein. The Construction Monitor has discussed matters set forth in this Certificate, where it deems such discussions to be pertinent, with the Contractors, the Borrower and other appropriate third parties, including the Technical Advisor. The Construction Monitor has performed the services required in connection with the delivery of this Certificate in accordance with the terms and conditions of the contract for construction monitoring services between the Construction Monitor and the Borrower (the “*Construction Monitor Agreement*”) in a professional manner using principles and procedures in accordance with the standard of care for the level of services as practiced by other construction monitors on industrial facilities. The Construction Monitor has made such reviews, examinations and investigations as the Construction Monitor believes in its professional judgment to be reasonably necessary for the purposes of making the certifications set forth herein and has relied on certain information from third parties, including the Technical Advisor, and such information has been deemed reliable in the good faith judgment of the Construction Monitor.

On the basis of the foregoing and on the understanding and assumption that the Construction Monitor has been provided true, correct and complete information from such other parties as to the matters set forth herein, the Construction Monitor, subject to the terms and

conditions of the Construction Monitor Agreement, hereby, makes the following certifications to the Collateral Agent as of the date hereof:

1. We have (a) reviewed the (i) Construction Agreements and other related documents and specifications referred to in the Construction Agreements, (ii) the SICO Supply Agreements (collectively, the foregoing described in clauses (i) and (ii) are referred to as the “**Plant Construction Documents**”) and (iii) other materials and data in connection with Plant Construction made available to us and (b) performed such other investigations as we believe to be necessary for the purpose of making the certifications set forth herein. We have visited the Plant on a periodic basis and have observed the status of construction progress and startup activities at the Plant. We last visited the Plant on [_____], 20____. We have reviewed the project schedule and applications for payment provided under the Plant Construction Documents. We have also reviewed each amendment under the Plant Construction Documents, including any change orders and the project schedule updates from the Contractors and SICO (which we hereby confirm are in form and substance reasonably consistent with other similar projects and in accordance with Prudent Operating Practice).

2. Subject to the exceptions described in Appendix A attached hereto, based on our review of the information discussed above, and any other information or data that we deemed necessary to making the certifications herein, we are of the opinion that:

- (a) Based on the information we have been provided and the limited site visits we have conducted, we are not aware of any equipment or material procurements or engineering performed under the Plant Construction Documents that is not in accordance with generally accepted engineering practices.
- (b) Since the date of our last Certificate, if any, and based on the information provided to us, we are not aware of any claim by any of the Contractors or SICO that it is entitled to a material change in (i) the date by which “Substantial Completion” (as defined in the applicable Construction Agreements with (A) Casey Industrial, Inc., (B) Phoenix Industrial, Inc. and (C) International Line Builders, Inc.) is to occur, (ii) the date by which “First Board” (as defined in the Equipment Supply Agreement) is to occur, (iii) the date by which “Mechanical Completion” (defined in the SICO Installation Agreement) is to occur, (iv) the project schedules under the Plant Construction Documents, or (v) the “contract price” or the “contract sum” (as either such term is defined in the Plant Construction Documents), in each case except as specified in any applicable change orders.
- (c) To the best of our knowledge, all payments to date from and after the designation of the undersigned as the Construction Monitor, and any payment to be made under the Plant Construction Documents with the funds from the Requisition pursuant to which this certification is provided, correspond to provisions of the Plant Construction Documents.
- (d) The change orders, if any, listed on Schedule 1 hereto are the only change orders that, to our knowledge, have been entered into by the Borrower with respect to the Plant Construction Documents since the date of the Borrower’s requisition (either

under the terms of the Senior Bond Indenture or the Collateral Agency Agreement) immediately preceding the Requisition. The work contemplated by such change orders under the Plant Construction Documents is necessary and complies with the terms of the relevant Plant Construction Document.

- (e) Each item for which payment is requested in the Requisition and stated to be for the costs of Plant Construction is or was necessary in connection with the Plant Construction.
- (f) Invoices or other satisfactory evidence for each item for the payment of costs of Plant Construction provided for in the Borrowing Requisition are attached to the Requisition.
- (g) [The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are anticipated to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____]¹ (the “Anticipated Plant Substantial Completion Date”), barring events currently unanticipated. The unused amounts in the Project Development Account and other funds available to the Borrower, including any amounts available in the Project Fund under the Senior Bond Indenture and any unused amounts of Committed Equity and Subordinate Bond Proceeds, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated. The unused amounts in the Capitalized Interest Account, together with (1) other funds on deposit in the Project Development Account and (2) any unused Committed Equity and Subordinate Bond Proceeds (and in either case not otherwise necessary in order to cause the Plant Substantial Completion Date to occur) are sufficient to pay all interest due and payable on the 2017 Bonds through the Anticipated Plant Substantial Completion Date.]²

¹ Insert the currently anticipated Plant Substantial Completion Date.

² Insert the bracketed paragraph only if the Plant Substantial Completion Date has not yet occurred.

The person signing this Certificate is a duly qualified representative of the Construction Monitor and as such is authorized to execute this Certificate on behalf of the Construction Monitor.

Very truly yours,

By: _____

Name:

Title:

Schedule 1

Change Orders

[to be included only when applicable]

<u>Change Order</u>	<u>Adjustment to the Scope of Work, if any</u>	<u>Adjustment to Guaranteed Values, if any</u>	<u>Adjustment to Guaranteed Final Project Completion Date, if any</u>	<u>Adjustment to Project Payment Schedule, if any</u>	<u>Adjustment to Contract Price or Contract Sum, if any</u>	<u>Adjustment to any other terms and conditions, if any</u>
<i>[Insert additional rows as necessary]</i>						

Form of Unconditional Subordinate Bond Funds Requisition

UNCONDITIONAL SUBORDINATE BOND FUNDS REQUISITION

No. _____

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

[Date]

CALPLANT I PROJECT

Ladies and Gentlemen:

Reference is made to the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “*Collateral Agency Agreement*”), among CalPlant I, LLC, as the Borrower (the “*Borrower*”), UMB Bank, N.A., as the Senior Indenture Trustee, UMB Bank, N.A., as the Subordinate Indenture Trustee, and UMB Bank, N.A., as the initial Collateral Agent (the “*Collateral Agent*”). Capitalized terms used but not defined in this Requisition (this “*Requisition*”) shall have the respective meanings given to such terms in the Collateral Agency Agreement or, if not defined in the Collateral Agency Agreement, in the Senior Bond Indenture referred to in the Collateral Agency Agreement.

The undersigned, an Authorized Representative of the Borrower, provides this Requisition in connection with Section 3.10(b) of the Collateral Agency Agreement. The Borrower hereby gives you notice that it requests a payment from the Subordinate Bond Proceeds Account established by the Collateral Agency Agreement, and in that connection sets forth below the terms on which such payment is requested to be made.

Funds are to be disbursed to the payees in each case as set forth on Schedule 1 attached hereto, which amounts constitute Project Costs. The Borrower hereby certifies that, on the date of this Requisition (after giving pro forma effect to the requested payment), the following:

- (1) Each payment requested in this Requisition is for the purpose of paying Project Costs;
- (2) The amount on deposit in the Subordinate Bond Proceeds Account is \$[_____], and none of the items for which payment is requested in this Requisition has been previously paid from the Subordinate Bond Proceeds Account, the Project Development Account, or the Senior Bond Project Fund or, if so paid from the Project Development Account, the Borrower is requesting reimbursements from the Subordinate Bond Proceeds Account to be paid to the Project Development Account;

- (3) Each obligation listed on Schedule 1 has been properly incurred and is a proper charge against the Subordinate Bond Proceeds Account;
- (4) With respect to any payment or transfer from the Subordinate Bond Proceeds Account:
 - (a)(i) each item for which payment is requested is or was necessary in connection with the acquisition, construction, installation, improvement, equipping or financing of the Tax-Exempt Project; and (ii) that all of the amounts requisitioned, together with all amounts requisitioned to date from the Subordinate Bond Proceeds Account, have in the aggregate been used to pay for or to reimburse, in accordance with the Subordinate Tax Certificate, the Borrower for expenditures properly allocable to Costs of the Tax-Exempt Project; or
 - (b) the Collateral Agent has received an Opinion of Bond Counsel to the effect that such payment or transfer will not have an adverse effect on the Tax-Exempt status of the Tax-Exempt Bonds;
- (5) Invoices evidencing each item for payment are attached hereto as Exhibit A, including invoices for costs previously paid and for which reimbursement is being requested;
- (6) The Borrower reasonably believes that the Commercial Operations Date will occur on or before the fourth anniversary of the Original Effective Date (unless a Force Majeure Event has occurred, in which case on or before the Force Majeure Adjusted Date);
- (7) (a) Unused amounts in the Project Development Account and the Subordinate Bond Proceeds Account, (b) other funds held under the Collateral Agency Agreement and available to pay Project Costs, and (c) any unused amounts of Committed Equity are not less than the aggregate unpaid amount required to cause the Commercial Operations Date to occur materially in accordance with all Laws and Governmental Approvals, the Material Contracts (as well as with any other Project Documents, the failure to comply with which would be reasonably likely to result in a Material Adverse Effect) and the Debt Documents prior to the fourth anniversary of the Original Effective Date, barring events currently unanticipated (unless a Force Majeure Event has occurred, in which case prior to the Force Majeure Adjusted Date), and to pay or provide for all reasonably anticipated non-construction costs of Plant Construction, all as set forth in the Construction Budget; and
- (8) All change orders that have been entered into in respect of the Construction Agreements and the SICO Supply Agreements have been submitted to the Construction Monitor and the Collateral Agent.

[Signature Page Follows]

IN WITNESS WHEREOF, by the undersigned has caused this Requisition to be executed and delivered as of the day and year first above written.

Sincerely,

[Name]

[Title, Authorized Representative]

Schedule 1

WITHDRAWALS FROM SUBORDINATE BOND PROCEEDS ACCOUNT

Payee	Payee Address	Purpose	Wiring or Other Payment Instructions	Amount

Exhibit A

Invoices

Form of Conditional Subordinate Bond Funds Requisition

CONDITIONAL SUBORDINATE BOND FUNDS REQUISITION

No. _____

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

[Date]

CALPLANT I PROJECT

Ladies and Gentlemen:

Reference is made to the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “*Collateral Agency Agreement*”), among CalPlant I, LLC, as the Borrower (the “*Borrower*”), UMB Bank, N.A., as the Senior Indenture Trustee, UMB Bank, N.A., as the Subordinate Indenture Trustee, and UMB Bank, N.A., as the initial Collateral Agent (the “*Collateral Agent*”). Capitalized terms used but not defined in this Requisition (this “*Requisition*”) shall have the respective meanings given to such terms in the Collateral Agency Agreement or, if not defined in the Collateral Agency Agreement, in the Senior Bond Indenture referred to in the Collateral Agency Agreement.

The undersigned, an Authorized Representative of the Borrower, provides this Requisition in connection with Section 3.10(b) of the Collateral Agency Agreement. The Borrower hereby gives you notice that it requests a payment from the Subordinate Bond Proceeds Account established by the Collateral Agency Agreement, and in that connection sets forth below the terms on which such payment is requested to be made.

Funds are to be disbursed to the payees in each case as set forth on Schedule 1 attached hereto, which amounts constitute Project Costs. The Borrower hereby certifies that, on the date of this Requisition (after giving pro forma effect to the requested payment), the following:¹

- (1) Each payment requested in this Requisition is for the purpose of paying Project Costs;
- (2) The amount on deposit in the Subordinate Bond Proceeds Account is \$[_____], and none of the items for which payment is requested in this

¹ Insert any exceptions to the certifications in items 1 through 8, following the text of the related item.

Requisition has been previously paid from the Subordinate Bond Proceeds Account, the Project Development Account, or the Senior Bond Project Fund or, if so paid from the Project Development Account, the Borrower is requesting reimbursements from the Subordinate Bond Proceeds Account to be paid to the Project Development Account;

- (3) Each obligation listed on Schedule 1 has been properly incurred and is a proper charge against the Subordinate Bond Proceeds Account;
- (4) With respect to any payment or transfer from the Subordinate Bond Proceeds Account:
 - (a)(i) each item for which payment is requested is or was necessary in connection with the acquisition, construction, installation, improvement, equipping or financing of the Tax-Exempt Project; and (ii) that all of the amounts requisitioned, together with all amounts requisitioned to date from the Subordinate Bond Proceeds Account, have in the aggregate been used to pay for or to reimburse, in accordance with the Subordinate Tax Certificate, the Borrower for expenditures properly allocable to Costs of the Tax-Exempt Project; or
 - (b) the Collateral Agent has received (i) an Opinion of Bond Counsel to the effect that such payment or transfer will not have an adverse effect on the Tax-Exempt status of the Tax-Exempt Bonds and (ii) if applicable, the consent of the Authority;
- (5) Invoices evidencing each item for payment are attached hereto as Exhibit A, including invoices for costs previously paid and for which reimbursement is being requested;
- (6) The Borrower reasonably believes that the Commercial Operations Date will occur on or before the fourth anniversary of the Original Effective Date (unless a Force Majeure Event has occurred, in which case on or before the Force Majeure Adjusted Date);
- (7) (a) Unused amounts in the Project Development Account and the Subordinate Bond Proceeds Account, (b) other funds available held under the Collateral Agency Agreement and available to pay Project Costs, and (c) any unused amounts of Committed Equity are not less than the aggregate unpaid amount required to cause the Commercial Operations Date to occur materially in accordance with all Laws and Governmental Approvals, the Material Contracts (as well as with any other Project Documents, the failure to comply with which would be reasonably likely to result in a Material Adverse Effect) and the Debt Documents prior to the fourth anniversary of the Original Effective Date, barring events currently unanticipated (unless a Force Majeure Event has occurred, in which case prior to the Force Majeure Adjusted Date), and to pay or provide for all reasonably anticipated non-construction costs of Plant Construction, all as set forth in the Construction Budget; and
- (8) All change orders that have been entered into in respect of the Construction Agreements and the SICO Supply Agreements have been submitted to the Construction Monitor and the Collateral Agent.

The obligation of the Collateral Agent to fund this Requisition is subject to the process set forth in Section 6.08(c) of the Senior Bond Indenture.

[Signature Page Follows]

IN WITNESS WHEREOF, by the undersigned has caused this Requisition to be executed and delivered as of the day and year first above written.

Sincerely,

[Name]

[Title, Authorized Representative]

Schedule 1

WITHDRAWALS FROM SUBORDINATE BOND PROCEEDS ACCOUNT

Payee	Payee Address	Purpose	Wiring or Other Payment Instructions	Amount

Exhibit A

Invoices

Form of Construction Monitor Certificate
(Unconditional Subordinate Bond Funds Requisition)

[date]

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

Subject: CalPlant I, LLC

Ladies and Gentlemen:

Reference is made to the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “*Collateral Agency Agreement*”), among CalPlant I, LLC, as the Borrower (the “*Borrower*”), UMB Bank, N.A., as the Senior Indenture Trustee, UMB Bank, N.A., as the Subordinate Indenture Trustee, and UMB Bank, N.A., as the initial Collateral Agent (the “*Collateral Agent*”). Capitalized terms used but not defined in this Certificate shall have the respective meanings given to such terms in the Collateral Agency Agreement or, if not defined in the Collateral Agency Agreement, in the Senior Bond Indenture referred to in the Collateral Agency Agreement.

This certificate (this “*Certificate*”) is related to a request by the Borrower dated [_____], and designated Unconditional Subordinate Bond Funds Requisition No. ___ (the “*Requisition*”), for payment of amounts to be funded for the account of the Borrower by the Collateral Agent from amounts on deposit in the Subordinate Bond Proceeds Account relating to payments to the Persons listed on Schedule 1 thereto and for the purposes set forth therein. The Construction Monitor has discussed matters set forth in this Certificate, where it deems such discussions to be pertinent, with the Contractors, the Borrower and other appropriate third parties, including the Technical Advisor. The Construction Monitor has performed the services required in connection with the delivery of this Certificate in accordance with the terms and conditions of the contract for construction monitoring services between the Construction Monitor and the Borrower (the “*Construction Monitor Agreement*”) in a professional manner using principles and procedures in accordance with the standard of care for the level of services as practiced by other construction monitors on industrial facilities. The Construction Monitor has made such reviews, examinations and investigations as the Construction Monitor believes in its professional judgment to be reasonably necessary for the purposes of making the certifications set forth herein and has relied on certain information from third parties, including the Technical Advisor, and such information has been deemed reliable in the good faith judgment of the Construction Monitor.

On the basis of the foregoing and on the understanding and assumption that the Construction Monitor has been provided true, correct and complete information from such other parties as to the matters set forth herein, the Construction Monitor, subject to the terms and

conditions of the Construction Monitor Agreement, hereby, makes the following certifications to the Collateral Agent as of the date hereof:

1. We have (a) reviewed the (i) Construction Agreements and other related documents and specifications referred to in the Construction Agreements, (ii) the SICO Supply Agreements (collectively, the foregoing described in clauses (i) and (ii) are referred to as the “**Plant Construction Documents**”) and (iii) other materials and data in connection with Plant Construction made available to us and (b) performed such other investigations as we believe to be necessary for the purpose of making the certifications set forth herein. We have visited the Plant on a periodic basis and have observed the status of construction progress and startup activities at the Plant. We last visited the Plant on [_____], 20____. We have reviewed the project schedule and applications for payment provided under the Plant Construction Documents. We have also reviewed each amendment under the Plant Construction Documents, including any change orders and the project schedule updates from the Contractors and SICO (which we hereby confirm are in form and substance reasonably consistent with other similar projects and in accordance with Prudent Operating Practice).

2. Based on our review of the information discussed above, and any other information or data that we deemed necessary to making the certifications herein, we are of the opinion that:

- (a) Based on the information we have been provided and the limited site visits we have conducted, we are not aware of any equipment or material procurements or engineering performed under the Plant Construction Documents that is not in accordance with generally accepted engineering practices.
- (b) Since the date of our last Certificate, if any, and based on the information provided to us, we are not aware of any claim by any of the Contractors or SICO that it is entitled to a material change in (i) the date by which “Substantial Completion” (as defined in the applicable Construction Agreements with (A) Casey Industrial, Inc., (B) Phoenix Industrial, Inc. and (C) International Line Builders, Inc.) is to occur, (ii) the date by which “First Board” (as defined in the Equipment Supply Agreement) is to occur, (iii) the date by which “Mechanical Completion” (defined in the SICO Installation Agreement) is to occur, (iv) the project schedules under the Plant Construction Documents, or (v) the “contract price” or the “contract sum” (as either such term is defined in the Plant Construction Documents), in each case except as specified in any applicable change orders.
- (c) To the best of our knowledge, all payments to date from and after the designation of the undersigned as the Construction Monitor, and any payment to be made under the Plant Construction Documents with the funds from the Requisition pursuant to which this certification is provided, correspond to provisions of the Plant Construction Documents.
- (d) The change orders, if any, listed on Schedule 1 hereto are the only change orders that, to our knowledge, have been entered into by the Borrower with respect to the Plant Construction Documents since the date of the Borrower’s requisition (either under the terms of the Senior Bond Indenture or the Collateral Agency Agreement)

immediately preceding the Requisition. The work contemplated by such change orders under the Plant Construction Documents is necessary and complies with the terms of the relevant Plant Construction Document.

- (e) Each item for which payment is requested in the Requisition and stated to be for the costs of Plant Construction is or was necessary in connection with the Plant Construction.
- (f) Invoices or other satisfactory evidence for each item for the payment of costs of Plant Construction provided for in the Borrowing Requisition are attached to the Requisition.
- (g) [The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are anticipated to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____]¹ (the “Anticipated Plant Substantial Completion Date”), barring events currently unanticipated. The unused amounts in the Project Development Account and other funds available to the Borrower, including any amounts available in the Project Fund under the Senior Bond Indenture and any unused amounts of Committed Equity and Subordinate Bond Proceeds, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated. The unused amounts in the Capitalized Interest Account, together with (1) other funds on deposit in the Project Development Account and (2) any unused Committed Equity and Subordinate Bond Proceeds (and in either case not otherwise necessary in order to cause the Plant Substantial Completion Date to occur) are sufficient to pay all interest due and payable on the 2017 Bonds through the Anticipated Plant Substantial Completion Date.]²

¹ Insert the currently anticipated Plant Substantial Completion Date.

² Insert the bracketed paragraph only if the Plant Substantial Completion Date has not yet occurred.

The person signing this Certificate is a duly qualified representative of the Construction Monitor and as such is authorized to execute this Certificate on behalf of the Construction Monitor.

Very truly yours,

By: _____

Name:

Title:

Schedule 1

Change Orders

[to be included only when applicable]

<u>Change Order</u>	<u>Adjustment to the Scope of Work, if any</u>	<u>Adjustment to Guaranteed Values, if any</u>	<u>Adjustment to Guaranteed Final Project Completion Date, if any</u>	<u>Adjustment to Project Payment Schedule, if any</u>	<u>Adjustment to Contract Price or Contract Sum, if any</u>	<u>Adjustment to any other terms and conditions, if any</u>
<i>[Insert additional rows as necessary]</i>						

Form of Construction Monitor Certificate
(Conditional Subordinate Bond Funds Requisition)

[date]

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402
Attn: Corporate Trust

Subject: CalPlant I, LLC

Ladies and Gentlemen:

Reference is made to the Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 7, 2019 (as amended to date, the “*Collateral Agency Agreement*”), among CalPlant I, LLC, as the Borrower (the “*Borrower*”), UMB Bank, N.A., as the Senior Indenture Trustee, UMB Bank, N.A., as the Subordinate Indenture Trustee, and UMB Bank, N.A., as the initial Collateral Agent (the “*Collateral Agent*”). Capitalized terms used but not defined in this Certificate shall have the respective meanings given to such terms in the Collateral Agency Agreement or, if not defined in the Collateral Agency Agreement, in the Senior Bond Indenture referred to in the Collateral Agency Agreement.

This certificate (this “*Certificate*”) is related to a request by the Borrower dated [_____], and designated Conditional Subordinate Bond Funds Requisition No. __ (the “*Requisition*”), for payment of amounts to be funded for the account of the Borrower by the Collateral Agent from amounts on deposit in the Subordinate Bond Proceeds Account relating to payments to the Persons listed on Schedule 1 thereto and for the purposes set forth therein. The Construction Monitor has discussed matters set forth in this Certificate, where it deems such discussions to be pertinent, with the Contractors, the Borrower and other appropriate third parties, including the Technical Advisor. The Construction Monitor has performed the services required in connection with the delivery of this Certificate in accordance with the terms and conditions of the contract for construction monitoring services between the Construction Monitor and the Borrower (the “*Construction Monitor Agreement*”) in a professional manner using principles and procedures in accordance with the standard of care for the level of services as practiced by other construction monitors on industrial facilities. The Construction Monitor has made such reviews, examinations and investigations as the Construction Monitor believes in its professional judgment to be reasonably necessary for the purposes of making the certifications set forth herein and has relied on certain information from third parties, including the Technical Advisor, and such information has been deemed reliable in the good faith judgment of the Construction Monitor.

On the basis of the foregoing and on the understanding and assumption that the Construction Monitor has been provided true, correct and complete information from such other parties as to the matters set forth herein, the Construction Monitor, subject to the terms and

conditions of the Construction Monitor Agreement, hereby, makes the following certifications to the Collateral Agent as of the date hereof:

1. We have (a) reviewed the (i) Construction Agreements and other related documents and specifications referred to in the Construction Agreements, (ii) the SICO Supply Agreements (collectively, the foregoing described in clauses (i) and (ii) are referred to as the “**Plant Construction Documents**”) and (iii) other materials and data in connection with Plant Construction made available to us and (b) performed such other investigations as we believe to be necessary for the purpose of making the certifications set forth herein. We have visited the Plant on a periodic basis and have observed the status of construction progress and startup activities at the Plant. We last visited the Plant on [_____], 20____. We have reviewed the project schedule and applications for payment provided under the Plant Construction Documents. We have also reviewed each amendment under the Plant Construction Documents, including any change orders and the project schedule updates from the Contractors and SICO (which we hereby confirm are in form and substance reasonably consistent with other similar projects and in accordance with Prudent Operating Practice).

2. Subject to the exceptions described in Appendix A attached hereto, based on our review of the information discussed above, and any other information or data that we deemed necessary to making the certifications herein, we are of the opinion that:

- (a) Based on the information we have been provided and the limited site visits we have conducted, we are not aware of any equipment or material procurements or engineering performed under the Plant Construction Documents that is not in accordance with generally accepted engineering practices.
- (b) Since the date of our last Certificate, if any, and based on the information provided to us, we are not aware of any claim by any of the Contractors or SICO that it is entitled to a material change in (i) the date by which “Substantial Completion” (as defined in the applicable Construction Agreements with (A) Casey Industrial, Inc., (B) Phoenix Industrial, Inc. and (C) International Line Builders, Inc.) is to occur, (ii) the date by which “First Board” (as defined in the Equipment Supply Agreement) is to occur, (iii) the date by which “Mechanical Completion” (defined in the SICO Installation Agreement) is to occur, (iv) the project schedules under the Plant Construction Documents, or (v) the “contract price” or the “contract sum” (as either such term is defined in the Plant Construction Documents), in each case except as specified in any applicable change orders.
- (c) To the best of our knowledge, all payments to date from and after the designation of the undersigned as the Construction Monitor, and any payment to be made under the Plant Construction Documents with the funds from the Requisition pursuant to which this certification is provided, correspond to provisions of the Plant Construction Documents.
- (d) The change orders, if any, listed on Schedule 1 hereto are the only change orders that, to our knowledge, have been entered into by the Borrower with respect to the Plant Construction Documents since the date of the Borrower’s requisition (either

under the terms of the Senior Bond Indenture or the Collateral Agency Agreement) immediately preceding the Requisition. The work contemplated by such change orders under the Plant Construction Documents is necessary and complies with the terms of the relevant Plant Construction Document.

- (e) Each item for which payment is requested in the Requisition and stated to be for the costs of Plant Construction is or was necessary in connection with the Plant Construction.
- (f) Invoices or other satisfactory evidence for each item for the payment of costs of Plant Construction provided for in the Borrowing Requisition are attached to the Requisition.
- (g) [The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are anticipated to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____]¹ (the “Anticipated Plant Substantial Completion Date”), barring events currently unanticipated. The unused amounts in the Project Development Account and other funds available to the Borrower, including any amounts available in the Project Fund under the Senior Bond Indenture and any unused amounts of Committed Equity and Subordinate Bond Proceeds, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated. The unused amounts in the Capitalized Interest Account, together with (1) other funds on deposit in the Project Development Account and (2) any unused Committed Equity and Subordinate Bond Proceeds (and in either case not otherwise necessary in order to cause the Plant Substantial Completion Date to occur) are sufficient to pay all interest due and payable on the 2017 Bonds through the Anticipated Plant Substantial Completion Date.]²

¹ Insert the currently anticipated Plant Substantial Completion Date.

² Insert the bracketed paragraph only if the Plant Substantial Completion Date has not yet occurred.

The person signing this Certificate is a duly qualified representative of the Construction Monitor and as such is authorized to execute this Certificate on behalf of the Construction Monitor.

Very truly yours,

By: _____

Name:

Title:

Schedule 1

Change Orders

[to be included only when applicable]

<u>Change Order</u>	<u>Adjustment to the Scope of Work, if any</u>	<u>Adjustment to Guaranteed Values, if any</u>	<u>Adjustment to Guaranteed Final Project Completion Date, if any</u>	<u>Adjustment to Project Payment Schedule, if any</u>	<u>Adjustment to Contract Price or Contract Sum, if any</u>	<u>Adjustment to any other terms and conditions, if any</u>
<i>[Insert additional rows as necessary]</i>						

Appendix A

Exceptions

Exhibit G
to Collateral Agency Agreement

AUDIT LETTER
(Collateral Agent Completes)

[Name of Trust Officer]

UMB Bank, N.A.

[Los Angeles], California 9___

Attn: Corporate Trust Department

		Principal Amount Issued	Bonds Outstanding as of December 31 , _____ or June 30, _____, as applicable
1.	<u>Description of Bond Issue</u>		

2. The above information _____ agrees _____ does not agree with our records. **Please identify differences and documentation of details.**

3. During the past six months, did the Borrower make all required payments to the Collateral Agent at the proper time and in the manner required by the Collateral Agency Agreement?

Yes _____ No _____

4. If the Borrower failed to make required payments, please attach copies of any correspondence between the Collateral Agent and the Borrower discussing the failure and any steps to correct such failure.

5. If required under the terms of the Collateral Agency Agreement, has the Collateral Agent received a certificate of an officer of the Borrower signed within 120 days of the close of the fiscal year, stating whether there exists any default under the Collateral Agency Agreement, and if a default exists, what the default is, what steps have been or will be taken to correct the default?

Yes _____ No _____ Not Required _____

6. Has the Collateral Agent received a copy of the Borrower's annual rebate calculations prepared by or on behalf of the Borrower?

Yes _____ No _____ Not Applicable _____

If no, and the Trustee has any actual knowledge of why it did not receive such calculations, please explain on a separate page.

7. Has the Collateral Agent received a Final Tax-Exempt Project Completion Certificate from the Borrower?

Yes _____ No _____ Not Applicable _____

8. Has a Certificate of the Borrower been received stating that its Financial Statements have been completed?

Yes _____ No _____ Not Applicable _____

9. Has Borrower provided Subordinate Bond Funds Requisitions to the Collateral Agent in accordance with the procedures specified in the Indenture?

Yes _____ No _____ Not Applicable _____

10. Has Borrower provided Cost of Issuance Fund Requisitions to the Collateral Agent in accordance with the procedures specified in the Collateral Agency Agreement?

Yes _____ No _____ Not Applicable _____

11. Has the Collateral Agent been notified by the Borrower of any conflicts that the Collateral Agent may have as a result of other business dealings between the Collateral Agent and the Borrower and, if so, has the Collateral Agent sent a letter to the Authority informing them about this matter?

Yes _____ No _____ Not Applicable _____

If you answered "No" to any of the above, please explain on a separate paper.

Authorized Signature

Date _____

Title _____

Phone No. _____

FIRST AMENDMENT TO AMENDED AND RESTATED COLLATERAL AGENCY AND
INTERCREDITOR AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT (this “*Amendment*”) is dated as of October 13, 2020 (the “*Effective Date*”), by and among CALPLANT I, LLC, a California limited liability company (the “*Borrower*”), BOKF, N.A., a national banking association (“*BOKF*”), in its capacity as successor trustee under the Senior Bond Indenture referred to in the Collateral Agency Agreement described below (together with its successors from time to time in such capacity, the “*Senior Indenture Trustee*”), UMB BANK, N.A., a national banking association (“*UMB*”), in its capacity as Trustee under the Subordinate Bond Indenture referred to in the Collateral Agency Agreement described below (together with its successors from time to time in such capacity, the “*Subordinate Indenture Trustee*”; the Subordinate Indenture Trustee and the Senior Indenture Trustee are referred to collectively as the “*Indenture Trustees*”), and BOKF, not in its individual capacity but as the successor collateral agent under the Collateral Agency Agreement referred to below for the Indenture Trustees for the further benefit of the Beneficiaries (in such capacity, together with its successors and assigns, BOKF is referred to as the “*Collateral Agent*”). Capitalized terms used in this Amendment without definition have the meaning given them in the Collateral Agency Agreement referred to below.

RECITALS

WHEREAS, the Borrower, UMB in its capacity as the original Senior Indenture Trustee, the Subordinate Indenture Trustee, and UMB in its capacity as the original Collateral Agent, entered into that certain Amended and Restated Collateral Agency and Interc Creditor Agreement, dated as of August 7, 2019 (the “*Collateral Agency Agreement*”) pursuant to which the parties set forth certain agreements with respect to, among other things, the administration of the Collateral, the Collateral Agent Accounts, and the Cash Flow, all in connection with the Borrower’s solid waste disposal facility for the recycling of waste rice straw located in Glenn County, California (the “*Tax-Exempt Project*”); and

WHEREAS, the Borrower requires additional funds to complete the Tax-Exempt Project; and

WHEREAS, pursuant to and in accordance with the California Pollution Control Financing Authority Act (commencing with Section 44500 of Division 27 of the Health and Safety Code of the State of California), as supplemented and amended, the California Pollution Control Financing Authority proposes (the “*Authority*”) has authorized and undertaken to issue its California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2020 Bonds (AMT) (Green Bonds) (the “*2020 Bonds*”), in the aggregate principal amount not to exceed \$53,000,000, to, among other things, finance, or reimburse the financing of, a portion of the cost of the Tax-Exempt Project; and

WHEREAS, the Borrower wishes to make certain amendments to the Collateral Agency Agreement in connection with the issuance of the 2020 Bonds; and

WHEREAS, the Collateral Agency Agreement may be amended with written consent of the Senior Indenture Trustee, given in accordance with the Senior Bond Indenture, and the with

written consent of the Subordinate Indenture Trustee, given in accordance with the Subordinate Loan Documents; and

WHEREAS, the Borrower has furnished a Required Bondholders Approval Certificate certifying that, among other things, it has received written consent from the Required Bondholders (as that term is defined in the Senior Bond Indenture) of the Senior Bonds (the “**Required Senior Holders**”) and the Required Bondholders (as that term is defined in the Subordinate Bond Indenture) of the Subordinate Bonds (the “**Required Subordinate Holders**”) to amend, among other documents, the Collateral Agency Agreement pursuant to this Amendment.

NOW THEREFORE, the parties hereto hereby amend the Collateral Agency Agreement as follows:

1. Amendment of Collateral Agency Agreement. As of the Effective Date, the Collateral Agency Agreement is hereby amended as follows:

1.1. Paragraph (2) of the definition of “Cash Equivalents” in Section 1.01 is deleted in its entirety and replaced with the following:

(2) Any of the following securities (other than those issued by the Authority or the Borrower), if and to the extent the same are permitted by law for investment of funds:

(a) Governmental Obligations;

(b) bonds, notes or other obligations of the State or any political subdivision of the State, which at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service;

(c) obligations of Federal National Mortgage Association, the Government National Mortgage Association, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, National Veteran Business Development Corporation, Federal Farm Credit Banks, Federal Agricultural Mortgage Corporation and SLM Corporation;

(d) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) or (c) above and that have a market value at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account;

(e) certificates of deposit, time deposits or demand deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit, time deposits or demand deposit shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2)

continuously and fully collateralized by such securities as are described above in paragraphs 2(a) through (2)(d) of this definition, inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit, time deposits or demand deposits;

(f) commercial paper which is rated at the time of purchase at least A-1 or its equivalent by S&P or Moody's and which matures not more than 270 days after the date of purchase;

(g) money market funds registered under the Investment Company Act of 1940, and having a rating AAA or better by either S&P or Moody's, including money market funds of the Collateral Agent or its affiliates; and

(h) investments in or shares of any "regulated investment company" within the meaning of Section 851(a) of the Code, the assets of which are securities or investments described in paragraphs (2)(a) through (2)(e) of this definition, including funds for which the Collateral Agent, its parent holding company, if any, or any affiliates or subsidiaries of the Collateral Agent or such holding company provide investment advisory or other management services.

1.2. The definition of "Cash Flow" in Section 1.01 is deleted in its entirety and replaced with the following:

"Cash Flow" means all cash amounts received by the Borrower in respect of the Project, *provided* that the term "Cash Flow" does not include any (a) proceeds held by either of the Debt Representatives in the funds and accounts established under the terms of the Senior Bond Indenture or the Subordinate Loan Documents, and the proceeds thereof in the hands of either of the Debt Representatives, or in the hands of the Borrower after disbursement of such proceeds to the Borrower by the Senior Debt Representatives or either of them, (b) any Performance Damages, (c) any sums deposited by the Borrower in the Borrower Funds Account, (d) any sums deposited in the Subordinate Bond Proceeds Account, and (e) investment earnings on any of the foregoing.

1.3. Section 1.01 is amended by adding the following definitions in alphabetical order:

"Governmental Obligations" means (a) non-callable, nonredeemable direct obligations of the United States of America, and (b) obligations the timely payment of the principal of, and interest on, which is fully and unconditionally guaranteed by the United States of America, and (c) securities or receipts evidencing ownership interests in obligations or specified in portions (such as principal or interest) of obligations described in (a) or (b).

“*State*” means the State of California.

1.4. Schedule 4 is amended by replacing the Senior Indenture Trustee’s and the Collateral Agent’s notice addresses to read as follows:

Collateral Agent:

BOKF, N.A.
2405 Grand Boulevard, Suite 840
Kansas City, Missouri 64108
Attn: Kenneth J. Dotson, Senior Vice President
E-mail: kdotson@bokf.com

Senior Indenture Trustee:

BOKF, N.A.
2405 Grand Boulevard, Suite 840
Kansas City, Missouri 64108
Attn: Kenneth J. Dotson, Senior Vice President
E-mail: kdotson@bokf.com

1.5. Exhibits C-1 and C-2 are amended by (1) replacing “fourth” with “fifth” in Paragraph (6), and (2) replacing Paragraph (7) in its entirety with the following:

“(a) Unused amounts in the Project Development Account, (b) other funds held under the Collateral Agency Agreement and available to pay Project Costs, (c) any unused amounts of Committed Equity and Subordinate Bond Proceeds, (d) unused amounts in the 2020 Project Fund, and (e) unused amounts in the Contingency Fund included in the Contingency Fund Construction Budget, but only to the extent that (i) a particular item is added to the Construction Budget, (ii) the amount for such item does not exceed the amount set forth in the Contingency Fund Construction Budget, and (iii) the date by which such amounts must have been expended as set forth in the Contingency Fund Construction Budget has not expired, are not less than the aggregate unpaid amount required to cause the Commercial Operations Date to occur materially in accordance with all Laws and Governmental Approvals, the Material Contracts (as well as with any other Project Documents, the failure to comply with which would be reasonably likely to result in a Material Adverse Effect) and the Debt Documents prior to the fifth anniversary of the Delivery Date, barring events currently unanticipated (unless a Force Majeure Event has occurred, in which case prior to the Force Majeure Adjusted Date), and to pay or provide for all reasonably anticipated non-construction costs of Plant Construction, all as set forth in the Construction Budget.”

1.6. Exhibit D-1 is amended by replacing Paragraph 2(g) in its entirety with the following:

“[The major construction and operation activities (if any) and the progress of the construction of the Plant through the date of this Certificate are anticipated to allow, to the best of our knowledge, the Plant Substantial Completion Date to occur on or before [_____] (the “Anticipated Plant Substantial Completion Date”), barring events currently unanticipated. The unused amounts in the Project Development Account and other funds available to the Borrower, including any amounts available in the Project Fund, the 2020 Project Fund, any unused amounts of Committed Equity, unused amounts in the Subordinate Bond Proceeds Account, and unused amounts in the Contingency Fund included in the Contingency Fund Construction Budget, but only to the extent that (i) a particular item is added to the Construction Budget, (ii) the amount for such item does not exceed the amount set forth in the Contingency Fund Construction Budget, and (iii) the date by which such amounts must have been expended as set forth in the Contingency Fund Construction Budget has not expired, are not less than the aggregate unpaid amount under the Plant Construction Documents required to cause the Plant Substantial Completion Date to occur by the Anticipated Plant Substantial Completion Date, barring events currently unanticipated.]¹”

2. Effect on Collateral Agency Agreement. Except as specifically amended hereby, the terms and provisions of the Collateral Agency Agreement are in all other respects ratified and confirmed and remain in full force and effect without modification or limitation. No reference to this Amendment need be made in any notice, writing or other communication relating to the Collateral Agency Agreement, any such reference to the Collateral Agency Agreement following the Effective Date to be deemed a reference thereto as amended by this Amendment.

3. Governing Law; Venue. This Amendment shall be governed by and construed in accordance with the laws of the State of New York. With respect to any action or proceeding arising out of or relating to this Amendment, each party to this Amendment hereby (a) unconditionally and irrevocably submits itself to the exclusive jurisdiction of the United States District Court for the Southern District of New York located in the Borough of Manhattan (the “*Agreed Tribunal*”) and (b) agrees not to assert any objection to adjudication by the Agreed Tribunal and not to assert any objection or defense to removal of any such action or proceeding to the Agreed Tribunal, *provided* that, notwithstanding the foregoing, if the Agreed Tribunal will not take jurisdiction or if there is no basis for federal jurisdiction in respect of the legal action or proceeding, then each party submits itself in any such legal action or proceeding to the exclusive jurisdiction of the courts of the State of New York located in the Borough of Manhattan in New York City. Each party to this Amendment hereby irrevocably waives, to the fullest extent it may lawfully do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding in the courts specified in this Section 3.

4. Counterparts. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which will constitute but one and the

¹ Insert the bracketed paragraph only if the Plant Substantial Completion Date has not yet occurred.

same instrument.

[Signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

BORROWER:

CALPLANT I, LLC

By: _____
Name: Jeffrey Wagner
Title: Executive Chairman

COLLATERAL AGENT:

BOKF, N.A.

By: _____
Name:
Title:

SENIOR INDENTURE TRUSTEE:

BOKF, N.A.

By: _____
Name:
Title:

SUBORDINATE INDENTURE TRUSTEE:

UMB BANK, N.A.

By: _____
Name:
Title:

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”) will act as securities depository for the 2020 Senior Bonds. The 2020 Senior Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2020 Senior Bond will be issued for the 2020 Senior Bonds, in the aggregate principal amount of the 2020 Senior Bonds, and will be deposited with the Bond Trustee as custodian for DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 2020 Senior Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Senior Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2020 Senior Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2020 Senior Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2020 Senior Bonds, except in the event that use of the book-entry system for the 2020 Senior Bonds is discontinued.

To facilitate subsequent transfers, all 2020 Senior Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2020 Senior Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2020 Senior Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 Senior Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2020 Senior Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020 Senior Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2020 Senior Bond documents. For example, Beneficial Owners of 2020 Senior Bonds may wish to ascertain that the nominee holding the 2020 Senior Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Trustee and request that copies of notices be provided directly to them. THE AUTHORITY, THE BORROWER, THE UNDERWRITERS AND THE BOND TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT AND INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE 2020 SENIOR BONDS.

Redemption notices shall be sent to DTC. If less than all of the 2020 Senior Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2020 Senior Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2020 Senior Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2020 Senior Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Bond Trustee, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2020 Senior Bonds at any time by giving reasonable notice to the Authority or the Bond Trustee. In addition, the Authority, in its sole discretion and without the consent of any other Person, may terminate, upon provision of notice to the Bond Trustee and the Borrower, the services of DTC with respect to the 2020 Senior Bonds if the Authority determines that the continuation of the system of book-entry only transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners of the 2020 Senior Bonds or is burdensome to the Authority. Under such circumstances, in the event that a successor securities depository is not obtained, 2020 Senior Bonds are required to be printed and delivered as described in the Senior Indenture.

THE AUTHORITY, THE BOND TRUSTEE, THE BORROWER AND THE UNDERWRITERS SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT OR INDIRECT PARTICIPANT, ANY BENEFICIAL OWNER OR ANY OTHER PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE 2020 SENIOR BONDS UNDER OR THROUGH DTC OR ANY DTC PARTICIPANT, OR ANY OTHER PERSON WHICH IS NOT SHOWN ON THE REGISTRATION BOOKS OF THE BOND TRUSTEE AS BEING A HOLDER, WITH RESPECT TO THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; THE PAYMENT BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2020 SENIOR BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS UNDER THE SENIOR INDENTURE; THE SELECTION BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2020 SENIOR BONDS; ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS AN OWNER; OR ANY OTHER PROCEDURES OR OBLIGATIONS OF DTC UNDER THE BOOK-ENTRY SYSTEM.

SO LONG AS CEDE & CO. (OR SUCH OTHER NOMINEE AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) IS THE REGISTERED OWNER OF THE 2020 SENIOR BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDERS OR OWNERS OR REGISTERED HOLDERS OR REGISTERED OWNERS OF THE 2020 SENIOR BONDS MEANS CEDE & CO., AS AFORESAID, AND DOES NOT MEAN THE BENEFICIAL OWNERS OF THE 2020 SENIOR BONDS.

The foregoing description of the procedures and record keeping with respect to Beneficial Ownership Interests in the 2020 Senior Bonds, payment of principal, interest and other payments on the 2020 Senior Bonds to Direct and Indirect Participants or Beneficial Owners, confirmation and transfer of Beneficial Ownership Interest in such 2020 Senior Bonds and other related transactions by and between DTC, the Direct and Indirect Participants and the Beneficial Owners is based on information the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof. Accordingly, no representations can be made concerning these matters, and neither the Direct nor Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC.

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APPENDIX F

PRO FORMA AND OTHER FINANCIAL INFORMATION

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CALPLANT I, LLC

FINANCIAL PROJECTIONS

SUMMARY OF MAJOR INPUTS AFFECTING

OPERATING CASH FLOW

<i>Description</i>	<i>Base Case Value</i>
<i>Issuance of 2020 Senior Bonds</i>	The 2020 Senior Bonds are issued in the principal amount of \$53 million.
<i>Contingency Fund</i>	The Borrower expects to fund a Contingency Fund from the proceeds of the 2020 Bonds. The financial projections make no assumptions concerning the use of amounts deposited in the Contingency Fund. On July 1, 2022, any amounts remaining in the Contingency Fund will be transferred to the Reserve Fund for the Senior Bonds.
<i>First Board</i>	First week of November 2020. The Borrower is currently in the process of commissioning the Plant. There are numerous uncertainties concerning the commissioning of the Plant. See “PROJECT STATUS – Commissioning Schedule” herein.
<i>¾" MDF Price \$/MSF</i>	Weighted average price of \$643/MSF in 2021 and moves to \$825/MSF in 2023 (first full year of maximum production). The Borrower will start up the Plant on a mix of commercially acceptable products that require less demanding customer specifications. This product mix will be sold at market pricing, and the Borrower does not expect to have to discount the product to gain market acceptance. This initial product mix will have a lower sales price than the thinner MDF products and value-added MDF product lines to which the Borrower expects to migrate over the 18 months following First Board with incremental improvement thereafter.
<i>Inflation Factor</i>	1.6% in 2022 and thereafter.
<i>Product Mix</i>	Initially, the Borrower expects that it will produce a mix of commercially acceptable products which require less demanding customer specifications. By 2022, the Borrower’s financial model assumes that it will be able to consistently produce a diverse produce mix of MDF at the quality that obtains competitive market pricing. See “PROJECT STATUS – Operational Ramp-Up.”
<i>Maximum Production</i>	150 MMsf¾”. The Plant was originally designed to reach a maximum annual production capacity of 140 MMsf ¾”. After giving effect to the equipment upgrades and modifications that Siempelkamp Germany provided early during the construction of the Plant, the Borrower now believes that over the course of 28

	<p>months following the production of the first board, the Plant can achieve an annual production capacity of 150 MMsf ³/₄" through optimizing product mix and achieving operational efficiencies. Because producing MDF using rice straw as the feedstock has never been done commercially, neither the Borrower nor Siempelkamp can assure when, or whether, the Plant can reach 150 MMsf³/₄" of annual production. See "PLANT OPERATION – Plant Operation, Staffing and Maintenance" herein.</p>
<i>Straw Usage</i>	<p>1.64 bone-dry tons/Msf ³/₄" of MDF produced. The assumed straw usage compares the weight of rice straw entering the Plant (as adjusted to eliminate moisture, which averages 12% by weight, from the weight measurement at the time of harvest – so called "bone-dry" weight) with the amount of MDF produced. Since the Plant will be the first Plant to produce MDF from rice straw, actual straw usage may differ materially from what the Borrower assumes.</p>
<i>Straw Cost/Bone Dry Ton</i>	<p>The fully loaded straw cost in the years 2020-2025, which are the years for which grower payments are assumed, averages \$63 per bone dry ton. In 2026, the first year for which grower payments are assumed to be zero, the average cost of straw increases to \$71 per bone dry ton, and that cost is increased each year by the assumed inflation rate.</p> <p>The Borrower's fully loaded straw cost reflects the cost of collecting rice straw from growers, transporting that rice straw to the Plant, and unloading and placing tarps on the rice straw. Currently, some of that cost is offset from growers who pay the Borrower to remove rice straw. The Borrower assumes that these payments will continue for the next five years but phased out after that.</p>
<i>Resin cost/MSF</i>	<p>\$1,975 per ton in 2022. The actual resin cost to the Borrower will fluctuate at market prices. The Borrower has entered into a resin supply contract with Huntsman. which is required to provide the Borrower with an annual supply of up to approximately 17 million pounds of polymeric MDI, or, at Huntsman's option, not more than 120% of the average monthly purchase quantity since the inception of the supply contract. The Huntsman resin supply contract expires on December 31, 2023 but is automatically renewed for successive calendar year periods unless notice of non-renewal is delivered by either the Borrower or Huntsman on or before September 30 of the calendar year prior to the year of the renewal term.</p>
<i>Resin Dosage (as</i>	<p>Starts in 2020 @ 3.75%/bone dry ton of straw and levels out in 2025 @ 2.24%/bone dry ton of straw. Since the Plant is the</p>

<i>% of Fiber)</i>	first plant to produce MDF from rice straw, the Borrower does not currently know the amount of resin dosage that will be necessary to produce MDF. The financial model assumes a steady improvement over four years during which the amount of resin dosage necessary to produce MDF is expected by the Borrower to decrease.
<i>Electrical Cost/MSF</i>	\$99.72/MSF ^{3/4} ” in 2022. The Borrower expects its initial electrical usage will be higher at start-up and will decrease over the next two years as it achieves operational efficiencies. See “PLANT STATUS – Operational Ramp-Up” herein. The Borrower expects that its electrical cost will depend on the Borrower’s ability to operate the Plant efficiently and the market price of electricity.
<i>Natural Gas Cost/MSF</i>	\$21.62/ MSF ^{3/4} ” in 2022. The Borrower expects its initial natural gas usage will be higher at start-up and will decrease over the next two years as it achieves operational efficiencies. See “PLANT STATUS – Operational Ramp-Up” herein. The Borrower expects that its natural gas cost will depend on the Borrower’s ability to operate the Plant efficiently and the market price of natural gas.

CalPlant I
Proforma for Dist (ramp-up)
(\$ in thousands)

Indenture Funds	Sep-20	Balance	Requirement
Senior DSRF	3,569	22,611	
Subordinate DSRF	2,763	2,763	
Subordinate Capi	5,245	n/a	

	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Capacity Utilization	0%	0%	32%	48%	51%	65%	71%	76%	81%	82%	83%	84%	88%	88%	88%	89%	83%	83%	83%
Grade A Board Production	0%	0%	46%	55%	69%	78%	87%	91%	90%	94%	95%	94%	95%	95%	95%	95%	95%	95%	95%
Shop Grade Board Production	0%	0%	29%	24%	24%	16%	8%	6%	6%	5%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Waste/Rejection Board	0%	0%	25%	22%	7%	6%	5%	3%	4%	2%	1%	2%	1%	1%	1%	1%	1%	1%	1%
Annualized Production	-	-	47,563	71,737	76,437	98,810	110,660	116,688	120,885	122,906	124,601	130,534	131,961	131,961	131,961	133,389	140,000	140,000	140,000
Monthly Production (Saleable Board)	-	-	3,964	5,978	6,370	8,234	9,221	9,722	10,074	10,250	10,383	10,878	10,997	10,997	10,997	11,116	11,667	11,667	11,667
Finished Goods Inventory Build	-	-	(676)	(820)	(98)	(221)	(265)	(122)	(318)	(44)	(33)	(124)	(30)	-	-	(30)	(113)	-	-
Board Sold	-	-	3,288	5,158	6,272	8,013	8,956	9,600	9,756	10,206	10,350	10,754	10,967	10,997	10,997	11,086	11,554	11,667	11,667
Weighted Average Selling Price	\$ -	\$ -	\$ 450.9	\$ 492.4	\$ 515.2	\$ 555.1	\$ 587.8	\$ 605.0	\$ 626.5	\$ 640.3	\$ 650.6	\$ 700.0	\$ 703.3	\$ 704.1	\$ 705.2	\$ 708.7	\$ 772.4	\$ 772.4	\$ 772.4
Gross Revenues	-	-	1,483	2,540	3,231	4,448	5,264	5,808	6,113	6,534	6,734	7,528	7,713	7,742	7,755	7,857	8,924	9,011	9,011
Less Discounts	-	-	(12)	(20)	(25)	(35)	(41)	(47)	(49)	(52)	(54)	(60)	(66)	(66)	(66)	(67)	(76)	(77)	(77)
Net Revenues	\$ -	\$ -	\$ 1,471	\$ 2,520	\$ 3,206	\$ 4,413	\$ 5,223	\$ 5,762	\$ 6,063	\$ 6,482	\$ 6,680	\$ 7,468	\$ 7,648	\$ 7,677	\$ 7,689	\$ 7,790	\$ 8,848	\$ 8,934	\$ 8,934
Total Raw Material Costs	-	-	(1,255)	(1,809)	(2,187)	(2,188)	(2,425)	(2,227)	(2,283)	(2,325)	(2,387)	(2,499)	(2,528)	(2,525)	(2,524)	(2,550)	(2,431)	(2,431)	(2,431)
Production Labor Costs	-	-	(821)	(821)	(757)	(757)	(757)	(1,046)	(729)	(729)	(729)	(729)	(587)	(1,175)	(729)	(729)	(789)	(789)	(789)
Operations and Maintenance	-	-	(556)	(604)	(510)	(548)	(568)	(579)	(585)	(589)	(592)	(602)	(605)	(605)	(606)	(608)	(630)	(630)	(630)
Utilities	-	-	(776)	(974)	(954)	(1,122)	(1,158)	(1,108)	(1,135)	(1,567)	(1,573)	(1,627)	(1,537)	(1,251)	(1,160)	(1,218)	(1,430)	(1,430)	(1,430)
Total Operating Expenses	-	-	(3,408)	(4,208)	(4,028)	(4,616)	(4,909)	(4,961)	(4,732)	(5,210)	(5,281)	(5,458)	(5,257)	(5,556)	(5,017)	(5,104)	(5,280)	(5,280)	(5,280)
Gross Profit	\$ -	\$ -	\$ (1,937)	\$ (1,689)	\$ (832)	\$ (202)	\$ 313	\$ 801	\$ 1,331	\$ 1,272	\$ 1,399	\$ 2,010	\$ 2,391	\$ 2,121	\$ 2,671	\$ 2,686	\$ 3,568	\$ 3,654	\$ 3,654
Gross Profit Margin	na	na	(130.7%)	(66.5%)	(25.4%)	(4.6%)	6.0%	13.8%	21.8%	19.5%	20.8%	26.7%	31.0%	27.4%	34.4%	34.2%	40.0%	40.6%	40.6%
Other Labor	-	-	(404)	(404)	(373)	(373)	(373)	(515)	(359)	(359)	(359)	(359)	(289)	(579)	(359)	(359)	(389)	(389)	(389)
SG&A	-	-	(393)	(3,149)	(611)	(1,781)	(221)	(486)	(208)	(164)	(164)	(166)	(166)	(166)	(166)	(3,063)	(661)	(661)	(661)
Trustee/Collateral Agent Fees	-	-	(2,175)	-	-	-	-	-	-	(7)	-	-	-	-	-	-	-	-	-
EBITDA	\$ -	\$ (2,175)	\$ (2,735)	\$ (5,242)	\$ (1,807)	\$ (2,356)	\$ (281)	\$ (200)	\$ 764	\$ 743	\$ 876	\$ 1,495	\$ 1,935	\$ 1,376	\$ 2,146	\$ (737)	\$ 2,518	\$ 2,604	\$ 2,604
EBITDA Margin	na	na	(184.4%)	(206.4%)	(55.9%)	(53.0%)	(5.3%)	(3.4%)	12.5%	11.4%	13.0%	19.7%	25.1%	17.8%	27.7%	(9.4%)	28.2%	28.9%	28.9%
Capital Expenditures	(12,684)	(2,825)	(1,839)	(685)	(625)	(625)	(625)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
SICO Deferral	4,238	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,476)
SICO Interest Expense	-	-	-	(636)	-	-	(212)	-	-	(212)	-	-	(212)	-	-	(212)	-	-	(106)
SICO Equity Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	588
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in Working Capital	-	-	(349)	909	4,723	(848)	1,168	11	1,051	881	970	1,003	791	(903)	(3,461)	(3,362)	3,205	199	199
Interest Income, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow before Debt Service	(8,446)	(5,349)	(3,664)	(1,840)	(3,279)	(1,813)	(1,106)	601	1,395	1,251	1,629	2,026	570	(2,335)	(1,466)	2,007	2,467	(5,440)	2,553
Debt Service Schedule	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017 Senior Bond Principal	-	-	-	-	(2,805)	-	-	-	-	-	(2,905)	-	-	-	-	-	(3,005)	-	-
2017 Senior Bond Interest	-	-	-	-	(8,034)	-	-	-	-	-	(8,736)	-	-	-	-	-	(8,634)	-	-
2020 Senior Bond Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020 Senior Bond Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019 Subordinate Bond Interest	-	-	-	(2,763)	-	-	-	-	-	-	(2,763)	-	-	-	-	(2,763)	-	-	-
Total Debt Service	-	-	-	(2,763)	(11,639)	-	-	-	-	-	(2,763)	(11,641)	-	-	-	(2,763)	(11,639)	-	-
Phase I Restructuring Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withdrawals on Senior Reserves	3,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withdrawals on Subordinate Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Principal Forbearance	-	-	-	-	2,805	-	-	-	-	-	2,905	-	-	-	-	-	3,005	-	-
Senior Interest Forbearance	-	-	-	-	8,834	-	-	-	-	-	8,736	-	-	-	-	-	8,634	-	-
Subordinate Interest Forbearance	-	-	-	2,763	-	-	-	-	-	-	2,763	-	-	-	-	2,763	-	-	-
2020 Senior Bond Proceeds	-	23,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Phase I Restructuring Adjustment	3,500	23,300	-	2,763	11,639	-	-	-	-	2,763	11,641	-	-	-	-	2,763	11,639	-	-
Senior Interest Forbearance ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Senior Interest Forbearance outstanding	8,834	8,834	8,834	8,834	17,668	17,668	17,668	17,668	17,668	17,668	26,404	26,404	26,404	26,404	26,404	26,404	35,038	35,038	35,038
Senior Principal Forbearance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Senior Principal Forbearance outstanding	-	-	-	-	2,805	2,805	2,805	2,805	2,805	2,805	5,710	5,710	5,710	5,710	5,710	5,710	8,715	8,715	8,715
Subordinate Interest Forbearance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Subordinate Interest Forbearance outstanding	2,482	2,482	2,482	5,245	5,245	5,245	5,245	5,245	5,245	8,008	8,008	8,008	8,008	8,008	8,008	10,772	10,772	10,772	
Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tier I Subordinate Bond Redemptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tier II Subordinate Bond Redemptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinate Bond Redemption accrued catch up	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution to Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reg Cash Balance	7,163	2,217	20,168	16,504	14,664	11,385	9,571	8,465	9,066	10,461	11,713	13,342	15,368	15,938	13,603	12,137	14,143	16,610	11,169
Ending Cash Balance**	2,217	20,168	16,504	14,664	11,385	9,571	8,465	9,066	10,461	11,713	13,342	15,368	15,938	13,603	12,137	14,143	16,610	11,169	13,223

Notes

¹Default interest has not been included in the calculations
²Ending cash balance does not include Contingency Fund balance
³These projections do not take into account any deposits to the reserve accounts for operating reserves, major maintenance reserves, or feedstock reserves, which are required under the terms of the senior bond documents to be filed as a condition to the Borrower's making of distributions to equity investors, and therefore to the repayment of principal on the 2019 Subordinate Bonds. The Borrower's estimate of the aggregate amount required to satisfy these reserve requirements as of the Commercial Operations Date (currently estimated to occur in May, 2021) is approximately \$22 million. These projections also do not take into account any deposit to the debt service reserve account for the Senior Bonds, although they do assume that none of amounts in the contingency fund created from the proceeds of the 2020 Senior Bonds (assumed to be \$18.45 million) would be expended before July 1, 2022, and that such funds would therefore be deposited to the debt service reserve account and would satisfy the required debt service reserve amount. These projections also do not take into account the application to interest obligations of the capitalized interest held for the 2019 Subordinate Bonds.

CalPlant I
Proforma for Dist (ramp-up)
(\$ in thousands)

	Indenture Funds	Sep-20 Balance	Requirement
Senior DSRF		3,553	22,571
Subordinate DSRF		2,763	2,763
Subordinate Capi		5,245	n/a

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Capacity Utilization	93%	93%	93%	93%	93%	93%	93%	93%	93%
Grade A Board Production	95%	95%	95%	95%	95%	95%	95%	95%	95%
Shop Grade Board Production	4%	4%	4%	4%	4%	4%	4%	4%	4%
Waste/Rejection Board	1%	1%	1%	1%	1%	1%	1%	1%	1%
Annualized Production	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Monthly Production (Saleable Board)	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667
Finished Goods Inventory Build	-	-	-	-	-	-	-	-	-
Board Sold	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667
Weighted Average Selling Price	\$ 772.4	\$ 772.4	\$ 772.4	\$ 772.4	\$ 772.4	\$ 772.4	\$ 772.4	\$ 772.4	\$ 772.4
Gross Revenues	9,011	9,011	9,011	9,011	9,011	9,011	9,011	9,011	9,011
Less Discounts	(77)	(77)	(77)	(77)	(77)	(77)	(77)	(77)	(77)
Net Revenues	\$ 8,934	\$ 8,934	\$ 8,934	\$ 8,934	\$ 8,934	\$ 8,934	\$ 8,934	\$ 8,934	\$ 8,934
Total Raw Material Costs	(2,431)	(2,431)	(2,431)	(2,431)	(2,431)	(2,431)	(2,431)	(2,431)	(2,431)
Production Labor Costs	(789)	(789)	(789)	(789)	(789)	(789)	(789)	(789)	(789)
Operations and Maintenance	(630)	(630)	(630)	(630)	(630)	(630)	(630)	(630)	(630)
Utilities	(1,430)	(1,430)	(1,430)	(1,430)	(1,430)	(1,430)	(1,430)	(1,430)	(1,430)
Total Operating Expenses	(5,280)	(5,280)	(5,280)	(5,280)	(5,280)	(5,280)	(5,280)	(5,280)	(5,280)
Gross Profit	\$ 3,654	\$ 3,654	\$ 3,654	\$ 3,654	\$ 3,654	\$ 3,654	\$ 3,654	\$ 3,654	\$ 3,654
Gross Profit Margin	40.6%	40.6%	40.6%	40.6%	40.6%	40.6%	40.6%	40.6%	40.6%
Other Labor	(389)	(389)	(389)	(389)	(389)	(389)	(389)	(389)	(389)
SG&A	(661)	(661)	(661)	(661)	(661)	(661)	(661)	(661)	(661)
Trustee/Collateral Agent Fees	-	-	(7)	-	-	-	-	-	-
EBITDA	\$ 2,604	\$ 2,604	\$ 2,598	\$ 2,604	\$ 2,604	\$ 2,604	\$ 2,604	\$ 2,604	\$ 2,604
EBITDA Margin	28.9%	28.9%	28.8%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%
Capital Expenditures	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
SICO Deferral	-	-	-	-	-	-	-	-	-
SICO Interest Expense	-	-	-	-	-	-	-	-	-
SICO Equity Investment	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-
Changes in Working Capital	199	199	199	199	199	199	199	199	199
Interest Income, net	-	-	-	-	-	-	-	-	-
Cash Flow before Debt Service	2,553	2,553	2,547	2,553	2,553	2,553	2,553	2,553	2,553
Debt Service Schedule									
2017 Senior Bond Principal	-	-	-	(3,110)	-	-	-	-	-
2017 Senior Bond Interest	-	-	-	(8,529)	-	-	-	-	-
2020 Senior Bond Principal	-	-	-	-	-	-	-	-	-
2020 Senior Bond Interest	-	-	-	(1,988)	-	-	-	-	-
2019 Subordinate Bond Interest	-	-	(2,763)	-	-	-	-	-	(2,763)
Total Debt Service	-	-	(2,763)	(13,626)	-	-	-	-	(2,763)
Phase 1 Restructuring Adjustments									
Withdrawals on Senior Reserves	-	-	-	-	-	-	-	-	-
Withdrawals on Subordinate Reserves	-	-	-	-	-	-	-	-	-
Senior Principal Forbearance	-	-	-	-	-	-	-	-	-
Senior Interest Forbearance	-	-	-	-	-	-	-	-	-
Subordinate Interest Forbearance	-	-	2,763	-	-	-	-	-	2,763
2020 Senior Bond Proceeds	-	-	-	-	-	-	-	-	-
Net Phase 1 Restructuring Adjustment	-	-	2,763	-	-	-	-	-	2,763
Senior Interest Forbearance¹	-	-	-	(5,245)	-	-	-	-	-
Repayment	35,038	35,038	35,038	29,793	29,793	29,793	29,793	29,793	29,793
Total Senior Interest Forbearance outstanding	-	-	-	-	-	-	-	-	-
Senior Principal Forbearance	-	-	-	-	-	-	-	-	-
Repayment	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715
Total Senior Principal Forbearance outstanding	-	-	-	-	-	-	-	-	-
Subordinate Interest Forbearance	-	-	-	-	-	-	-	-	-
Repayment	10,772	10,772	13,535	13,535	13,535	13,535	13,535	13,535	16,298
Total Subordinate Interest Forbearance outstanding	-	-	-	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-	-	-
Tier I Subordinate Bond Redemptions	-	-	-	-	-	-	-	-	-
Tier II Subordinate Bond Redemptions	-	-	-	-	-	-	-	-	-
Subordinate Bond Redemption accrued catch up	-	-	-	-	-	-	-	-	-
Distribution to Equity	-	-	-	-	-	-	-	-	-
Total Distributions	-	-	-	-	-	-	-	-	-
Beg Cash Balance	13,723	16,276	18,829	21,375	5,057	7,610	10,163	12,716	15,269
Ending Cash Balance**	16,276	18,829	21,375	5,057	7,610	10,163	12,716	15,269	17,822

Notes
¹Default interest has not been included in the calculations
²Ending cash balance does not include Contingency Fund balance
³These projections do not take into account any deposits to the reserve accounts for operating reserves, major maintenance reserves, or feedstock reserves, which are required under the terms of the senior bond documents to be filed as a condition to the Borrower's making of distributions to equity investors, and therefore to the repayment of principal on the 2019 Subordinate Bonds. The Borrower's estimate of the aggregate amount required to satisfy these reserve requirements as of the Commercial Operations Date (currently estimated to occur in May, 2021) is approximately \$22 million. These projections also do not take into account any deposit to the debt service reserve account for the Senior Bonds, although they do assume that none of amounts in the contingency fund created from the proceeds of the 2020 Senior Bonds (assumed to be \$18.45 million) would be expended before July 1, 2022, and that such funds would therefore be deposited to the debt service reserve account and would satisfy the required debt service reserve amount. These projections also do not take into account the application to interest obligations of the capitalized interest held for the 2019 Subordinate Bonds.

CalPlant I
Proforma For Distribution
(\$ in thousands)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Capacity Utilization	48%	93%	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Grade A Board Production	55%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Shop Grade Board Production	24%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Waste/Rejection Board	22%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Annualized Production	71,737	140,000	148,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total Production (Msf)	9,942	119,238	140,000	148,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Finished Goods Inventory Build	(1,496)	(1,284)	(113)	(206)	-	-	-	-	-	-	-	-	-	-	-
Board Sold	8,446	117,953	139,887	147,794	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Weighted Average Selling Price	\$ 405	\$ 643	\$ 772	\$ 825	\$ 859	\$ 867	\$ 881	\$ 895	\$ 909	\$ 924	\$ 938	\$ 953	\$ 969	\$ 984	\$ 1,000
Gross Revenues	4,022	76,728	108,046	122,086	128,840	130,024	132,105	134,218	136,366	138,548	140,765	143,017	145,305	147,630	149,992
Less Discounts	(32)	(628)	(918)	(1,038)	(1,095)	(1,105)	(1,123)	(1,141)	(1,159)	(1,178)	(1,196)	(1,216)	(1,235)	(1,255)	(1,275)
Net Revenues	\$ 3,991	\$ 76,100	\$ 107,128	\$ 121,048	\$ 127,744	\$ 128,919	\$ 130,982	\$ 133,078	\$ 135,207	\$ 137,370	\$ 139,568	\$ 141,801	\$ 144,070	\$ 146,375	\$ 148,717
Total Raw Material Costs	(3,064)	(28,268)	(29,173)	(30,114)	(32,018)	(32,088)	(33,754)	(34,294)	(34,843)	(35,401)	(35,967)	(36,542)	(37,127)	(37,721)	(38,325)
Production Labor Costs	(1,641)	(9,455)	(9,471)	(9,200)	(9,347)	(9,496)	(9,648)	(9,803)	(9,960)	(10,119)	(10,281)	(10,445)	(10,612)	(10,782)	(10,955)
Operations and Maintenance	(1,161)	(6,996)	(7,560)	(6,633)	(6,739)	(6,847)	(6,957)	(7,068)	(7,181)	(7,295)	(7,413)	(7,531)	(7,652)	(7,774)	(7,899)
Utilities	(1,751)	(15,410)	(17,157)	(19,781)	(20,105)	(20,434)	(20,768)	(21,107)	(21,452)	(21,803)	(22,159)	(22,520)	(22,886)	(23,251)	(23,611)
Total Operating Expenses	(7,617)	(60,129)	(63,361)	(65,728)	(68,209)	(68,865)	(71,127)	(72,272)	(73,436)	(74,618)	(75,819)	(77,039)	(78,279)	(79,539)	(80,819)
Gross Profit	\$ (3,626)	\$ 15,972	\$ 43,766	\$ 55,320	\$ 59,536	\$ 60,054	\$ 59,855	\$ 60,805	\$ 61,771	\$ 62,752	\$ 63,749	\$ 64,762	\$ 65,791	\$ 66,836	\$ 67,898
Gross Profit Margin	(90.2%)	20.8%	40.5%	45.3%	46.2%	46.2%	45.3%	45.3%	45.3%	45.3%	45.3%	45.3%	45.3%	45.3%	45.3%
Other Labor	(808)	(4,657)	(4,665)	(4,531)	(4,604)	(4,677)	(4,752)	(4,828)	(4,905)	(4,984)	(5,064)	(5,145)	(5,227)	(5,311)	(5,396)
SG&A	(3,542)	(7,364)	(7,936)	(6,329)	(6,741)	(5,239)	(5,261)	(5,284)	(5,308)	(5,331)	(5,355)	(5,380)	(5,404)	(5,429)	(5,455)
Trustee/Collateral Agent Fees	(2,175)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
EBITDA	\$ (10,152)	\$ 3,945	\$ 31,159	\$ 44,453	\$ 48,184	\$ 50,131	\$ 49,835	\$ 50,686	\$ 51,551	\$ 52,430	\$ 53,324	\$ 54,231	\$ 55,153	\$ 56,090	\$ 57,041
EBITDA Margin	(252.4%)	5.1%	28.8%	36.4%	37.4%	38.6%	37.7%	37.8%	37.8%	37.9%	37.9%	37.9%	38.0%	38.0%	38.0%
Capital Expenditures	(61,381)	(4,125)	(3,000)	(4,500)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(5,000)	(5,000)	(5,000)	(5,000)
SICO Deferral	8,476	-	(8,476)	-	-	-	-	-	-	-	-	-	-	-	-
SICO Interest Expense	(636)	(848)	(1,166)	-	-	-	-	-	-	-	-	-	-	-	-
SICO Equity Investment	-	-	588	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in Working Capital	5,284	507	2,385	3,080	(15,335)	(92)	(1)	(49)	(50)	(50)	(51)	(52)	(53)	(54)	(55)
Interest Income, net	250	-	-	-	30	30	295	430	486	474	500	511	522	533	
Cash Flow before Debt Service	(58,159)	(521)	22,551	43,033	29,849	47,069	46,864	47,933	48,932	49,866	48,747	49,679	50,611	51,557	52,519
Debt Service Schedule															
2017 Senior Bond Principal	-	(5,710)	(6,115)	(6,560)	(7,060)	(7,600)	(8,180)	(8,805)	(9,475)	(10,200)	(10,980)	(11,820)	(12,725)	(13,710)	(14,830)
2017 Senior Bond Interest	(17,668)	(17,570)	(17,163)	(16,719)	(16,218)	(15,679)	(15,098)	(14,473)	(13,800)	(13,076)	(12,297)	(11,458)	(10,555)	(9,566)	(8,447)
2020 Senior Bond Principal	-	-	(2,170)	(2,255)	(2,170)	(2,255)	(2,340)	(2,425)	(2,510)	(2,595)	(2,680)	(2,765)	(2,850)	(2,935)	(3,020)
2020 Senior Bond Interest	-	-	(1,988)	(3,975)	(3,728)	(3,587)	(3,450)	(3,315)	(3,180)	(3,045)	(2,910)	(2,775)	(2,640)	(2,505)	(2,370)
2019 Subordinate Bond Interest	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)	(5,526)
Total Debt Service	(23,194)	(28,806)	(30,992)	(34,951)	(34,787)	(36,287)	(37,127)	(37,125)	(37,121)	(37,124)	(36,956)	(36,321)	(35,651)	(34,994)	(34,246)
Phase 1 Restructuring Adjustments															
Withdrawals on Senior Reserves	3,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withdrawals on Subordinate Reserves	-	5,710	3,005	-	-	-	-	-	-	-	-	-	-	-	-
Senior Principal Forbearance	-	17,570	8,634	-	-	-	-	-	-	-	-	-	-	-	-
Senior Interest Forbearance	8,834	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinate Interest Forbearance	5,245	5,526	5,526	5,526	5,526	5,526	5,526	5,526	5,526	5,526	5,526	5,526	5,526	5,526	5,526
2020 Senior Bond Proceeds	23,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Phase I Restructuring Adjustment	40,879	28,806	17,165	5,526	5,526	5,526	-	-	-	-	-	-	-	-	-
Senior Interest Forbearance ¹															
Repayment	-	-	(5,245)	(7,323)	(7,264)	(7,735)	(7,471)	-	-	-	-	-	-	-	-
Total Senior Interest Forbearance outstanding	8,834	26,404	29,793	22,470	15,206	7,471	-	-	-	-	-	-	-	-	-
Senior Principal Forbearance															
Repayment	-	-	-	-	-	-	(5,131)	(3,584)	-	-	-	-	-	-	-
Total Senior Principal Forbearance outstanding	-	5,710	8,715	8,715	8,715	8,715	-	-	-	-	-	-	-	-	-
Subordinate Interest Forbearance															
Repayment	-	-	-	-	-	-	(6,689)	(11,311)	(12,274)	(2,602)	(2,602)	-	-	-	-
Total Subordinate Interest Forbearance outstanding	5,245	10,772	16,298	21,824	27,351	32,877	32,877	26,188	14,876	2,602	-	-	-	-	-
Distributions															
Tier I Subordinate Bond Redemptions	-	-	-	-	-	-	-	-	-	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Tier II Subordinate Bond Redemptions	-	-	-	-	-	-	-	-	-	(3,590)	(3,780)	(4,570)	(5,000)	(5,000)	(5,000)
Subordinate Bond Redemption accrued catch up	-	-	-	-	-	-	-	-	-	(992)	(2,508)	(4,446)	(8,892)	(14,117)	(15,818)
Distribution to Equity	-	-	-	-	-	-	-	-	-	(1,289)	(4,580)	(11,289)	(14,117)	(15,818)	(15,818)
Total Distributions	-	-	-	-	-	-	-	-	-	(9,882)	(12,577)	(14,150)	(14,117)	(15,818)	(15,818)
Beg Cash Balance	55,139	14,664	14,143	17,822	24,108	17,432	26,005	23,140	23,675	24,174	24,641	24,247	25,028	25,838	26,684
Ending Cash Balance ²	14,664	14,143	17,822	24,108	17,432	26,005	23,140	23,675	24,174	24,641	24,247	25,028	25,838	26,684	27,540

Notes
¹ Default interest has not been included in the calculations
² Ending cash balance does not include Contingency Fund balance

³ These projections do not take into account any deposits to the reserve accounts for operating reserves, major maintenance reserves, or feedstock reserves, which are required under the terms of the senior bond documents to be filed as a condition to the Borrower's making of distributions to equity investors, and therefore to the repayment of principal on the 2019 Subordinate Bonds. The Borrower's estimate of the aggregate amount required to satisfy these reserve requirements as of the Commercial Operations Date (currently estimated to occur in May, 2021) is approximately \$22 million. These projections also do not take into account any deposit to the debt service reserve account for the Senior Bonds, although they do assume that none of amounts in the contingency fund created from the proceeds of the 2020 Senior Bonds (assumed to be \$18.45 million) would be expended before July 1, 2022, and that such funds would therefore be deposited to the debt service reserve account and would satisfy the required debt service reserve amount. These projections also do not take into account the application to interest obligations of the capitalized interest held for the 2019 Subordinate Bonds.

CalPlant I
Proforma For Distribution
(\$ in thousands)

	2035	2036	2037	2038	2039
Capacity Utilization	100%	100%	100%	0%	0%
Grade A Board Production	95%	95%	95%	0%	0%
Shop Grade Board Production	4%	4%	4%	0%	0%
Waste/Rejection Board	1%	1%	1%	0%	0%
Annualized Production	150,000	150,000	150,000	-	-
Total Production (Msf)	150,000	150,000	150,000	150,000	150,000
Finished Goods Inventory Build	-	-	-	-	-
Board Sold	150,000	150,000	150,000	150,000	150,000
Weighted Average Selling Price	\$ 1,016	\$ 1,032	\$ 1,049	\$ 1,065	\$ 1,083
Gross Revenues	152,392	154,830	157,307	159,824	162,382
Less Discounts	(1,295)	(1,316)	(1,337)	(1,359)	(1,380)
Net Revenues	\$ 151,097	\$ 153,514	\$ 155,970	\$ 158,466	\$ 161,001
Total Raw Material Costs	(38,938)	(39,561)	(40,194)	(40,837)	(41,490)
Production Labor Costs	(11,130)	(11,308)	(11,489)	(11,673)	(11,860)
Operations and Maintenance	(8,025)	(8,153)	(8,294)	(8,416)	(8,551)
Utilities	(24,026)	(24,418)	(24,816)	(25,220)	(25,631)
Total Operating Expenses	(82,119)	(83,440)	(84,782)	(86,146)	(87,532)
Gross Profit	\$ 68,977	\$ 70,074	\$ 71,188	\$ 72,320	\$ 73,470
Gross Profit Margin	45.3%	45.3%	45.3%	45.2%	45.2%
Other Labor	(5,482)	(5,570)	(5,659)	(5,749)	(5,841)
SG&A	(5,481)	(5,507)	(5,534)	(5,561)	(5,589)
Trustee/Collateral Agent Fees	(7)	(7)	(7)	(7)	(7)
EBITDA	\$ 58,008	\$ 58,990	\$ 59,989	\$ 61,003	\$ 62,033
EBITDA Margin	38.1%	38.1%	38.1%	38.2%	38.2%
Capital Expenditures	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
SICO Deferral	-	-	-	-	-
SICO Interest Expense	-	-	-	-	-
SICO Equity Investment	-	-	-	-	-
Professional Fees	-	-	-	-	-
Changes in Working Capital	(55)	(56)	(57)	(58)	(59)
Interest Income, net	544	555	567	578	591
Cash Flow before Debt Service	53,497	54,489	55,498	56,523	57,965
Debt Service Schedule					
2017 Senior Bond Principal	(16,035)	(17,350)	(18,765)	(20,295)	(21,950)
2017 Senior Bond Interest	(7,237)	(5,929)	(4,513)	(2,982)	(1,326)
2020 Senior Bond Principal	-	-	-	-	-
2020 Senior Bond Interest	-	-	-	-	-
2019 Subordinate Bond Interest	(1,818)	(1,068)	(318)	-	-
Total Debt Service	(25,091)	(24,347)	(23,596)	(23,277)	(23,276)
Phase I Restructuring Adjustments					
Withdrawals on Senior Reserves	-	-	-	-	-
Withdrawals on Subordinate Reserves	-	-	-	-	-
Senior Principal Forbearance	-	-	-	-	-
Senior Interest Forbearance	-	-	-	-	-
Subordinate Interest Forbearance	-	-	-	-	-
2020 Senior Bond Proceeds	-	-	-	-	-
Net Phase I Restructuring Adjustment	-	-	-	-	-
Senior Interest Forbearance ¹					
Repayment	-	-	-	-	-
Total Senior Interest Forbearance outstanding	-	-	-	-	-
Senior Principal Forbearance					
Repayment	-	-	-	-	-
Total Senior Principal Forbearance outstanding	-	-	-	-	-
Subordinate Interest Forbearance					
Repayment	-	-	-	-	-
Total Subordinate Interest Forbearance outstanding	-	-	-	-	-
Distributions					
Tier I Subordinate Bond Redemptions	(5,000)	(5,000)	(4,245)	-	-
Tier II Subordinate Bond Redemptions	(5,000)	(5,000)	(2,500)	-	-
Subordinate Bond Redemption accrued catch up	(17,542)	(19,271)	(24,277)	(32,688)	(33,968)
Distribution to Equity	-	-	-	-	-
Total Distributions	(27,542)	(29,271)	(31,022)	(32,688)	(33,968)
Beg Cash Balance	27,540	28,404	29,275	30,155	30,732
Ending Cash Balance ²	28,404	29,275	30,155	30,732	31,453

Notes

¹ Default interest has not been included in the calculations

² Ending cash balance does not include Contingency Fund balance

³ These projections do not take into account any deposits to the reserve accounts for operating reserves, major maintenance reserves, or feedstock reserves, which are required under the terms of the senior bond documents to be filed as a condition to the Borrower's making of distributions to equity investors, and therefore to the repayment of principal on the 2019 Subordinate Bonds. The Borrower's estimate of the aggregate amount required to satisfy these reserve requirements as of the Commercial Operations Date (currently estimated to occur in May, 2021) is approximately \$22 million. These projections also do not take into account any deposit to the debt service reserve account for the Senior Bonds, although they do assume that none of amounts in the contingency fund created from the proceeds of the 2020 Senior Bonds (assumed to be \$18.45 million) would be expended before July 1, 2022, and that such funds would therefore be deposited to the debt service reserve account and would satisfy the required debt service reserve amount. These projections also do not take into account the application to interest obligations of the capitalized interest held for the 2019 Subordinate Bonds.

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APPENDIX G

FORMS OF INVESTOR REPRESENTATION LETTERS

FORM OF AUTHORITY INVESTOR LETTER

The Honorable Fiona Ma
Treasurer of the State of California
915 Capitol Mall, Room 261
Sacramento, California 95814

California Pollution Control
Financing Authority
801 Capitol Mall, Second Floor
Sacramento, California 95814

Re: Solid Waste Disposal Revenue Bonds (CalPlant I Project)
Series 2020 (AMT)

Ladies and Gentlemen:

The undersigned purchaser (the “Purchaser”) has agreed to purchase from the Underwriters (as defined below) \$_____ aggregate principal amount of Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2020 (AMT) (the “2020 Senior Bonds”). The 2020 Senior Bonds have been acquired, checked, inspected and approved by the Purchaser. This letter is being provided pursuant to an Indenture, dated as of June 1, 2017, between the California Pollution Control Financing Authority (the “Issuer”) and BOKF, N.A., as successor trustee (the “Trustee”), as amended and supplemented, including as amended by the Third Supplemental Indenture, dated as of October 13, 2020, by and between the Issuer and the Trustee (collectively, the “Indenture”) and a Bond Purchase Agreement dated October 5, 2020 by and among the Issuer, the Treasurer of the State of California (the “Treasurer”), Citigroup Global Markets Inc. and Stifel, Nicolaus & Company, Incorporated (collectively, the “Underwriters”) and approved by CalPlant I, LLC (the “Borrower”) (the “Bond Purchase Agreement”).

The undersigned acknowledges that the 2020 Senior Bonds were issued for the purpose of assisting in financing a substantial portion of the costs of completion, commissioning, ramp-up and operation of a medium density fiberboard plant to be operated in Willows, California (the “Project”), as more particularly described in that certain Loan Agreement, dated as of June 1, 2017, between the Issuer and Borrower, as duly amended or supplemented from time to time in accordance with its terms, including as amended by the Third Amendment to Loan Agreement, dated as of October 13, 2020 (collectively, the “Loan Agreement” and together with the Indenture and the Bond Purchase Agreement, the “Bond Documents”). The undersigned further acknowledges that the 2020 Senior Bonds are secured by the Indenture, which creates a security interest in the Revenues and other funds and moneys pledged under the Indenture for the benefit of the holders and owners of the 2020 Senior Bonds, and as contemplated by the Loan Agreement.

In connection with the purchase of the 2020 Senior Bonds on or about October 13, 2020 (the “Delivery Date”), the Purchaser hereby makes the following representations upon which representations you may rely:

1. The Purchaser is either a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933 (the “1933 Act”) or an “accredited investor” who falls within the categories defined in Rule 501(a)(1), (2), (3) or (7) under the 1933 Act, each as in effect on the Delivery Date.

2. The Purchaser has been provided, and has read and understood the Bond Documents, the Bond Financing Documents and the limited offering memorandum relating to the 2020 Senior Bonds and all exhibits thereto.

3. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bond Documents and the 2020 Senior Bonds. The Purchaser is able to bear the economic risks of such investment indefinitely.

4. The Purchaser understands that the obligations of the Issuer to make payments under the 2020 Senior Bonds are special, limited obligations payable solely from amounts paid to Issuer from Borrower pursuant to the terms of the Loan Agreement, the Indenture and the 2020 Senior Bonds and are subject to the availability of funds to be provided pursuant to the Collateral Agency Agreement; notwithstanding anything to the contrary contained therein, the Issuer shall not be obligated to use any other moneys or assets of the Issuer to pay any portion of the costs of the Project, the Costs of Issuance or make any other payment or advance any moneys or be liable for any other costs or expenses in connection with the Project, the Costs of Issuance, the 2020 Senior Bonds or the Bond Documents, except from Revenues and other assets pledged under the Indenture, and no such payment shall constitute a charge against the general credit of Issuer or the State of California. The Purchaser further understands that Issuer shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of Issuer to pay the 2020 Senior Bonds or any portion of the costs of the Project, the Costs of Issuance or for all or any portion of such other costs or expenses.

5. The Purchaser acknowledges that it has either been supplied with, or has been given access to, information, including financial statements and other financial information which it has requested from Borrower in order to make an informed investment decision, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning Borrower, the Project, the Bond Documents, the 2020 Senior Bonds, the Bond Financing Documents and the security therefor, so that it has been able to make an informed investment decision with respect to the 2020 Senior Bonds. No information requested by the Purchaser was denied to the Purchaser. The Purchaser acknowledges that it has not relied upon the Issuer or its members, employees, officers or agents as to the accuracy or completeness of any information provided to the Purchaser by the Borrower concerning the Borrower, the Project, the Bond Documents, the Bond Financing Documents, the 2020 Senior Bonds and the security therefor.

6. The Purchaser has made its own inquiry and analysis with respect to the Bond Documents, the Bond Financing Documents and the 2020 Senior Bonds and the security therefor, and other material factors affecting the security and payment of such payments set forth in the Bond Documents. The Purchaser is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the 2020 Senior Bonds. The Purchaser

has examined drafts in final form of the basic legal documents relating to the Bond Documents and the Bond Financing Documents, including the Tax Certificate and the proposed legal opinions to be delivered by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer.

7. The Purchaser has made its own inquiry and analysis and conducted its own due diligence, to the extent the Purchaser deemed necessary, with respect to its purchase of the 2020 Senior Bonds.

8. The Purchaser is acquiring the 2020 Senior Bonds solely for its own account for investment purposes and not with a view to resale, and does not presently intend to make a distribution of, or to offer for sale, pledge, transfer, convey or dispose of the 2020 Senior Bonds or any interest therein. However, Purchaser reserves the right, during any Restricted Period (as such term is defined in the Indenture) or otherwise, to sell the 2020 Senior Bonds, in whole or in part, to a Qualified Purchaser in Authorized Denominations in accordance with the terms of the Indenture.

9. The Purchaser acknowledges that the 2020 Senior Bonds have not been and will not be registered or qualified for sale under the 1933 Act or under any state “Blue Sky” laws and that such registration or qualification is not legally required. The Purchaser further acknowledges: (i) that the Purchaser is solely responsible for such compliance and agrees that the Purchaser will comply with any applicable state and federal securities laws then in effect with respect to any subsequent disposition of the 2020 Senior Bonds contemplated by, and in accordance with, paragraph (8) above, including laws relating to disclosure of material information, (ii) that any current exemptions from registration of the 2020 Senior Bonds do not affect or diminish the requirement set forth in this paragraph (9); and (iii) that neither the Issuer nor the Borrower has agreed, or is obligated in any fashion, to supply any information or otherwise participate in any fashion in any such subsequent disposition of the 2020 Senior Bonds (other than Borrower’s obligations under the Loan Agreement to provide certain reports and notices to Bondholders).

10. The Purchaser acknowledges that the Purchaser has been informed that the 2020 Senior Bonds: (i) will not be listed on any stock or other securities exchange; (ii) have not been assigned a rating by any national securities rating agency; and (iii) may not be readily marketable.

11. The Purchaser acknowledges that the Purchaser is responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws the Purchaser may have with respect to the subsequent sale of the 2020 Senior Bonds in accordance with the Indenture, if and when any such future sale of the 2020 Senior Bonds may occur.

12. The Purchaser acknowledges that the Purchaser is aware that neither the Issuer nor its members, staff, counsel, financial advisors or agents nor any other individuals have made any independent investigation with respect to the sufficiency of the revenues of the Borrower to pay amounts owed with respect to the 2020 Senior Bonds.

13. The Purchaser acknowledges that, as between the Purchaser and the Issuer, the Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the 2020 Senior Bonds. The Purchaser acknowledges that the Purchaser has not relied upon the Issuer for any information in connection with the Purchaser’s purchase of the 2020 Senior Bonds.

14. The Purchaser has the authority to purchase the 2020 Senior Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with its purchase of the 2020 Senior Bonds. The undersigned is a duly appointed, qualified, and acting representative of the Purchaser, is authorized to make the certifications, representations and warranties contained herein on behalf of the Purchaser and is authorized to execute and deliver this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the 2020 Senior Bonds.

15. The undersigned hereby waives any and all claims, actions, or causes of action which the undersigned may have from and after the date hereof against the Issuer or Treasurer or their respective members, officers, agents, and employees growing out of any action which the Issuer or Treasurer took or could have taken in connection with the authorization, execution, delivery, and sale of the 2020 Senior Bonds or the purchase thereof by the Purchaser or in connection with any statements or representations which induced the Purchaser to purchase the 2020 Senior Bonds.

16. The Purchaser hereby acknowledges that, at the time of its purchase of the 2020 Senior Bonds, (i) certain Loan Default Events have occurred and are continuing under the Loan Agreement, certain Events of Default have occurred and are continuing under the Indenture, including failure by the Borrower to make required Loan Repayments and associated payment defaults with respect to the Authority's Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT) (collectively, the "Senior Defaults"); and (ii) under the Subordinate Loan Documents, there have occurred and are continuing, certain Loan Default Events and Events of Default (as each such term is defined in the Subordinate Loan Documents), including failure by the Borrower to make required Loan Repayments (as such term is defined in the Subordinate Loan Documents) and associated payment defaults with respect to the Authority's Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2019 Subordinate Bonds (AMT) (collectively, the "Subordinate Defaults"). The Purchaser has reviewed the section captioned "TAX MATTERS" in the limited offering memorandum relating to the 2020 Senior Bonds and understands that the exercise of creditor remedies under the Indenture, including any use of proceeds of the 2020 Senior Bonds to pay interest or principal on the 2017 Senior Bonds, may result in interest on the 2020 Senior Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2020 Senior Bonds. The Purchaser hereby further acknowledges that it has assumed all risk in connection with the purchase of the 2020 Senior Bonds during the occurrence of such Senior Defaults and Subordinate Defaults, and agrees to hold harmless the addressees hereof, and their respective members, officers, agents, and employees, in connection therewith.

17. The Purchaser has executed and delivered this letter in connection with the execution and delivery of the Bond Documents as an inducement to the Issuer to cause the execution and delivery of the Bond Documents. Only the addressees hereof, and their respective members, officers, agents, and employees, may rely upon this letter.

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Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

[PURCHASER]

By _____
Name
Title

FORM OF BORROWER/UNDERWRITERS INVESTOR LETTER

CalPlant I, LLC
6101 Hwy 162
Willows, California 95988

Citigroup Global Markets Inc.
Public Finance Department
388 Greenwich Street, 8th Floor
New York, New York 10013

Stifel, Nicolaus & Company, Incorporated
515 S. Figueroa Street, Suite 1800
Los Angeles, CA 90071

Re: Solid Waste Disposal Revenue Bonds (CalPlant I Project)
Series 2020 (AMT)

Ladies and Gentlemen:

The undersigned purchaser (the “Purchaser”) has agreed to purchase from the Underwriters (as defined below) \$_____ aggregate principal amount of Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2020 (AMT) (the “2020 Senior Bonds”). The 2020 Senior Bonds have been acquired, checked, inspected and approved by the Purchaser. This letter is being provided pursuant to an Indenture (the “Indenture”), dated as of June 1, 2017, between the California Pollution Control Financing Authority (the “Issuer”) and BOKF, N.A., as successor trustee (the “Trustee”), as amended and supplemented, including as amended by the Third Supplemental Indenture, dated as of October 13, 2020, by and between the Issuer and the Trustee (collectively, the “Indenture”) and a Bond Purchase Agreement dated October 5, 2020 by and among the Issuer, the Treasurer of the State of California (the “Treasurer”), Citigroup Global Markets Inc. and Stifel, Nicolaus & Company, Incorporated (collectively, the “Underwriters”) and approved by CalPlant I, LLC (the “Borrower”) (the “Bond Purchase Agreement”).

The undersigned acknowledges that the 2020 Senior Bonds were issued for the purpose of assisting in financing a substantial portion of the costs of completion, commissioning, ramp-up and operation of a medium density fiberboard plant to be operated in Willows, California (the “Project”), as more particularly described in that certain Loan Agreement, dated as of June 1, 2017, between the Issuer and Borrower, as duly amended or supplemented from time to time in accordance with its terms, including as amended by the Third Amendment to Loan Agreement, dated as of October 13, 2020 (collectively, the “Loan Agreement” and together with the Indenture and the Bond Purchase Agreement, the “Bond Documents”). The undersigned further acknowledges that the 2020 Senior Bonds are secured by the Indenture, which creates a security interest in the Revenues and other funds and moneys pledged under the Indenture for the benefit of the holders and owners of the 2020 Senior Bonds, and as contemplated by the Loan Agreement.

In connection with the purchase of the 2020 Senior Bonds on or about October 13, 2020 (the “Delivery Date”), the Purchaser hereby makes the following representations upon which representations you may rely:

1. The Purchaser is either a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933 (the “1933 Act”) or an “accredited investor” who falls within the categories defined in Rule 501(a)(1), (2), (3) or (7) under the 1933 Act, each as in effect on the Delivery Date.

2. The Purchaser has been provided, and has read and understood the Bond Documents, the Bond Financing Documents and the limited offering memorandum relating to the 2020 Senior Bonds and all exhibits thereto.

3. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bond Documents and the 2020 Senior Bonds. The Purchaser is able to bear the economic risks of such investment indefinitely.

4. The Purchaser acknowledges that it has either been supplied with, or has been given access to, information, including financial statements and other financial information which it has requested from Borrower in order to make an informed investment decision, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning Borrower, the Project, the Bond Documents, the 2020 Senior Bonds, the Bond Financing Documents and the security therefor, so that it has been able to make an informed investment decision with respect to the 2020 Senior Bonds. No information requested by the Purchaser was denied to the Purchaser.

5. The Purchaser is acquiring the 2020 Senior Bonds solely for its own account for investment purposes and not with a view to resale, and does not presently intend to make a distribution of, or to offer for sale, pledge, transfer, convey or dispose of the 2020 Senior Bonds or any interest therein. However, Purchaser reserves the right, during any Restricted Period (as such term is defined in the Indenture) or otherwise, to sell the 2020 Senior Bonds, in whole or in part, to a Qualified Purchaser in Authorized Denominations in accordance with the terms of the Indenture.

6. The Purchaser acknowledges that the 2020 Senior Bonds have not been and will not be registered or qualified for sale under the 1933 Act, as amended, or under any state “Blue Sky” laws and that such registration or qualification is not legally required.

7. The Purchaser acknowledges that the Purchaser has been informed that the 2020 Senior Bonds: (i) will not be listed on any stock or other securities exchange; (ii) have not been assigned a rating by any national securities rating agency; and (iii) may not be readily marketable.

8. The Purchaser has the authority to purchase the 2020 Senior Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with its purchase of the 2020 Senior Bonds. The undersigned is a duly appointed, qualified, and acting representative of the Purchaser, is authorized to make the certifications, representations and warranties contained herein on behalf of the Purchaser and is authorized to execute and deliver this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the 2020 Senior Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

[PURCHASER]

By _____
Name
Title

APPENDIX H

PROPOSED FORM OF OPINION OF BOND COUNSEL

October 13, 2020

California Pollution Control
Financing Authority
Sacramento, California

California Pollution Control Financing Authority
Solid Waste Disposal Revenue Bonds
(CalPlant I Project), Series 2020 (AMT)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the California Pollution Control Financing Authority (the “Issuer”) in connection with the issuance of \$42,000,000 aggregate principal amount of California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2020 (AMT) (the “Bonds”), issued pursuant to the Indenture, dated as of June 1, 2017, as amended and supplemented, including as amended and supplemented by the Third Supplemental Indenture, dated as of October 13, 2020 (the “Third Supplemental Indenture” and collectively, the “Indenture”), each by and between the Issuer and BOKF NA, as successor trustee (the “Trustee”). The Indenture provides that the Bonds are issued for the stated purpose of making a loan of the proceeds thereof to CalPlant I, LLC (the “Borrower”), pursuant to the Loan Agreement, dated as of June 1, 2017, as amended and supplemented, including as amended and supplemented by the Third Amendment to Loan Agreement, dated as of October 13, 2020 (the “Third Amendment to Loan Agreement” and collectively, the “Loan Agreement”), each by and between the Issuer and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Loan Agreement, the Tax Certificate and Agreement, dated the date hereof (the “Tax Certificate”), between the Issuer and the Borrower, opinions of counsel to the Issuer, the Trustee and the Borrower, certificates of the Issuer, the Trustee, the Borrower and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in

connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Loan Agreement and the Tax Certificate and their enforceability may be subject to the exercise of creditor rights under the Indenture, to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against authorities of the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Indenture or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Limited Offering Memorandum or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Issuer.
2. The Third Supplemental Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the right, title and interest of the Issuer (except for the Reserved Rights) in the Loan Agreement, including Loan Repayments, and any other amounts held by the Trustee in any fund or account established pursuant to the Indenture, except the Rebate Fund established under the Indenture, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
3. The Third Amendment to Loan Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer.

4. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof or any local agency is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California, and said State is not liable for the payment thereof.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the status of interest on any Bond during any period that such Bond is held by a "substantial user" of any facilities financed or refinanced by the Bonds or by a "related person" within the meaning of Section 147(a) of the Code. We observe, however, that interest on the Bonds is a specific preference item for purposes of the federal alternative minimum tax. We are further of the opinion that interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

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APPENDIX I

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking, dated as of October 13, 2020 (this “Undertaking”), is made by CalPlant I, LLC, a California limited liability company (the “Company”), in connection with the issuance by the California Pollution Control Financing Authority (the “Issuer”) of \$42,000,000 aggregate principal amount of its Solid Waste Disposal Revenue Bonds (CalPlant I Project) Series 2020 (AMT) (Green Bonds) (the “Bonds”). The Bonds are being issued pursuant to a certain Indenture, dated as of June 1, 2017, between the Issuer and BOKF, N.A., as successor trustee, as amended and supplemented, included as amended and supplemented by the Third Supplemental Indenture, dated as of October 13, 2020 (collectively, the “Indenture”). The proceeds of the Bonds will be loaned by the Issuer to the Company pursuant to the Loan Agreement, dated as of June 1, 2017, as amended and supplemented, including as amended by the Third Amendment to Loan Agreement, dated as of October 13, 2020 (collectively, the “Loan Agreement”).

The Company covenants and agrees as follows for the benefit of the Bondholders (as defined below):

Section 1. Purpose of Undertaking. This Undertaking is being executed and delivered by the Company for the benefit of the Bondholders. The Company acknowledges that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Undertaking, including their accuracy and completeness, and has no liability to any Person, including any Bondholder and the Underwriters/Purchasers, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, the Loan Agreement and the Rule, which apply to any capitalized term used in this Undertaking, unless otherwise defined in the first paragraph of this Undertaking or in this Section, the following capitalized terms shall have the meanings indicated below.

“Annual Report” shall mean any Annual Report provided by the Company pursuant to Section 4(a) of this Undertaking.

“Bondholder” or “Holder” of a Bond shall mean any registered owner of any of the Bonds or any Person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Bonds (including Persons holding through any nominee, securities depository or other intermediary, including any beneficial owner), or (ii) is treated as the holder of any of the Bonds for federal income tax purposes.

“EMMA” means the Electronic Municipal Market Access system of the MSRB as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be prescribed by the MSRB for purposes of the Rule and approved by the SEC from time to time. A current list of such systems may be obtained from the SEC at <http://www.sec.gov/info/municipal/nrmsir.htm>.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Company ending on December 31 of each calendar year.

“Listed Events” shall mean any of the events listed in Section 4(c) of this Undertaking.

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum dated October 5, 2020 and used in connection with the sale of the Bonds.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15(B)(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor organization.

“Quarterly Report” shall mean any Quarterly Report provided by the Company pursuant to Section 4(b) of this Undertaking.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Underwriters/Purchasers” shall mean Citigroup Global Markets Inc. and Stifel, Nicolaus & Company, Incorporated.

Section 3. Content of Annual Reports and Quarterly Reports.

(a) Each Annual Report shall contain a copy of the annual audit report of the Company (including a balance sheet, income statement and statement of cash flows) and opinion, as described in Section 5.15(a)(ii) of the Loan Agreement, setting forth in comparative form the respective audited figures as of the end of and for the previous fiscal year, if available, in each case prepared in accordance with generally accepted accounting principles and certified by a nationally recognized accounting firm, together with a certificate of a duly authorized officer of the Company stating that no event which constitutes an Incipient Default or Event of Default has occurred and is continuing (and, if any such Incipient Default or Event of Default shall have occurred and be continuing, a statement setting forth the nature thereof and the steps being taken by the Company to remedy the same).

(b) Each Quarterly Report shall contain unaudited financial statements of the Company as of the end of such quarter (including a balance sheet, income statement and statement of cash flows), prepared in accordance with generally accepted accounting principles and stating in comparative form the respective figures for the corresponding period in the previous year, certified by an authorized officer of the Company as fairly stating, in all material respects (subject to normal

year-end audit adjustments) the financial condition of the Company as of the end of the quarter as described in Section 5.15(a)(i) of the Loan Agreement.

Section 4. Provision of Annual Reports, Quarterly Reports, Notices of Listed Events and certain Other Events.

(a) Within 120 days after the end of each Fiscal Year, commencing with the Fiscal Year ending December 31, 2020, the Company shall file the Annual Report with the MSRB. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information to the extent permitted by the Rule. Notwithstanding the foregoing, the audited financial statements may be submitted separately from the balance of the Annual Report when such audited financial statements are available. If audited financial statements are not available at the time of the required filing of the Annual Report, the Company shall timely file unaudited financial statements and shall file the audited financial statements when available.

(b) Within 30 days after the end of each fiscal quarter, commencing with the fiscal quarter ending September 30, 2020, the Company shall file the Quarterly Report with the MSRB.

(c) In a timely manner not in excess of ten (10) Business Days after the occurrence of any of the following events, the Company shall file with the MSRB notice of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) unscheduled draws on debt service reserves reflecting financial difficulties and substitution of credit or liquidity providers, or their failure to perform;
- (v) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vi) modifications to rights of the Holders of the Bonds, if material;
- (vii) bond calls, if material, and tender offers;
- (viii) defeasances;
- (ix) release, substitution, or sale of property, if any, securing repayment of the Bonds, if material;
- (x) rating changes;

(xi) bankruptcy, insolvency, receivership or similar event of the Company;

(xii) the consummation of a merger, consolidation, or acquisition involving the Company or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiii) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xiv) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect holders of the Bonds, if material; and

(xv) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

(d) The Company shall also file with EMMA the information described under Sections 5.15(a), 5.16(a) and 5.16(b) of the Loan Agreement.

Section 5. Termination of Undertaking. The obligations of the Company under this Undertaking shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. The Company shall file notice of such termination with the MSRB. If the obligations of the Company under the Loan Agreement are assumed in full by another obligated person (as defined in the Rule), such Person shall be responsible for compliance with this Undertaking in the same manner as if it were the Company, and the Company shall have no further responsibility hereunder.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Undertaking, the Company may amend this Undertaking and any provision of this Undertaking may be waived (a) if such amendment or waiver will not have a material adverse effect on the interest of the Bondholders or (b) with the consent of the Required Bondholders, and if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Company to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

To the extent any amendment to this Undertaking results in a change in the type of financial information or operating data provided pursuant to this Undertaking, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change. Notice of such amendment shall be provided by the Company to the EMMA System.

Section 7. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Company from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the Company chooses to include any information in any Annual Report or Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Undertaking, the Company shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Quarterly Report or notice of occurrence of a Listed Event.

Section 8. Transmission of Information and Notices. Unless otherwise required by law, all documents provided to the MSRB in compliance with Section 4 shall be provided to the MSRB in an electronic format and shall be accompanied by identifying information, in each case as prescribed by the MSRB. As of the date of this Undertaking, the MSRB has established EMMA as its continuing disclosure service for purposes of the Rule, and unless and until otherwise prescribed by the MSRB, all documents provided to the MSRB in compliance with Section 4 shall be submitted through EMMA in the format prescribed by the MSRB.

Section 9. Default. Any Bondholder may enforce the obligations of the Company under this Undertaking; provided however that (i) any breach of such obligations shall not constitute or give rise to a default or an Event of Default under the Loan Agreement, the Indenture, the Bonds or any other Bond Financing Document, and (ii) the sole remedy for any such breach shall be to compel specific performance of the obligations of the Company under this Undertaking.

Section 10. Beneficiaries. This Undertaking shall inure solely to the benefit of the Issuer, the Underwriters/Purchasers, the Company and Bondholders, and shall create no rights in any other Person.

Section 11. Governing Law. This Undertaking shall be governed by and construed in accordance with the laws of the State of California.

Section 12. Severability. In case any one or more of the provisions of this Undertaking shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Undertaking, but this Undertaking shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

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IN WITNESS WHEREOF, the Company has caused this Continuing Disclosure Undertaking to be executed in its name and in its behalf, all as of the date and year first above written.

CALPLANT I, LLC

By: _____
Authorized Representative

Appendix J

THE ENVIRONMENTAL REPORT FROM SVC

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Stephen Vajda Consulting

Composite and Engineered Panel Products

Independent Consultant's Report Confirming that the CalPlant I Project Is Consistent with the Green Bond Principles and California's Environmental Objectives

August 10, 2020

The California Pollution Control Financing Authority (CPCFA) has authorized the issue of Tax Exempt Revenue Bonds, in an aggregate principal amount up to \$228,165,000 of 2017 Senior bonds, and approximately \$70,000,000 of 2019 Subordinate bonds, and approximately \$53,000,000 of 2020 Senior bonds, the proceeds of which will be used to make a secured loan to CalPlant I, LLC. The bond proceeds will be used exclusively to finance the construction and startup of a medium density fiberboard (MDF) plant (the Project) to be built at Willows in Glenn County CA.

These bonds are designated as "Green Bonds" as defined by the International Capital Market Association (ICMA). www.icmagroup.org/greenbonds. The ICMA developed a set of principles and guidelines for issuing Green Bonds (the "Green Bond Principles"), available at: <http://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds/green-bond-principles/>.

Stephen Vajda Consulting (SVC), the author of this Independent Consultant's Report, provides here a brief analysis confirming that the Project meets the requirements of ICMA's Green Bond Principles, as well as supporting multiple of California's environmental policy objectives.

Green Bond Principles have four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

A complete description of the four components is contained in the Green Bond Principles document, which can be found at the web link above.

These components are written in contemplation that bond proceeds may be part of a larger bond issuance program of an issuer, unallocated to specific projects at the time of issue, and may be used to finance multiple projects. By contrast, the CalPlant I Project for which the Bonds are issued here represents a single, specific project with known environmental benefits, which simplifies the confirmation of the four core components.

Use of Proceeds

The cornerstone of a Green Bond is that essentially all proceeds from the bond offering be used for Green Projects. The definition of Green Project, as discussed in detail below, is a project with clear environmental benefits, which will be assessed, and, where feasible, quantified by the bond issuer. As the Project has multiple clear environmental benefits, as assessed and qualified below, it is clear that the Project qualifies as a Green Project. Since the Bonds here are exclusively dedicated to the CalPlant I

Project, and represent approximately 70% of the total financing required to complete the Project; we can therefore confirm that this component of the Green Bond Principles is met.

Management of Proceeds

This principle is meant to ensure that Green Bond proceeds which may go into general investment funds are managed and tracked in a transparent manner to demonstrate that the proceeds are being used to finance Green Projects and not to other projects managed by the general investment fund that may not qualify as Green Projects.

CalPlant I, LLC has no other projects that it is constructing or developing, and is a single-purpose entity that is constrained by both debt and equity documents from any other activities besides constructing and operating the project. The loan agreement with CPCFA and the Collateral Agency Agreement lay out a strict protocol whereby expenditures from bond proceeds must be approved by a Construction Monitor and a Technical Advisor. Furthermore, the Bond indenture contains specific requirements that ensure that the Bond proceeds will be spent only on the Project. Therefore the management of funds to ensure that the Green Bond proceeds are exclusively used for the intended project will be straightforward and easily tracked. Thus the Management of Proceeds component is satisfied as well.

Reporting

Issuers of Green Bond should make available up-to-date information on the use of the Green Bond proceeds periodically until full allocation. This reporting contemplates that proceeds may be used to finance more than one Green Bond project.

Here SVC will be acting as Technical Advisor to the Project during the construction and start-up phases. As part of this assignment SVC will report on Project progress and expenditures, general compliance with design specifications, changes to project design or specifications and the impact on technical and financial performance. In addition, both debt and equity investors in the project will receive monthly reports from the Borrower during construction and ramp-up. Finally, the loan agreement related to the Bonds requires CalAg to report each year that the Project has not changed in a manner that would materially adversely affect the environmental benefits of the Project. Therefore, this component is clearly fulfilled.

Process for Project Evaluation and Selection

The Green Bond Principles explicitly recognize several broad categories of projects that are eligible as “Green Projects”. The ICMA Green Bond Principles recommend that Green Bond issuers outline a process to determine how the project fits within these eligible Green Project categories. These categories are not exclusive:

1. Renewable energy
2. Energy efficiency
3. Pollution prevention and control
4. Sustainable management of living natural resources
5. Terrestrial and aquatic biodiversity conservation
6. Clean transportation
7. Sustainable water management
8. Climate change adaptation
9. Eco-efficient products, production technologies and processes

Similarly, the State of California has its own set of environmental goals and policies, which broadly include, but are not limited to the following.

1. Reduction of air pollution
2. Reduction of climate pollution
3. Reduction of water pollution
4. Water conservation
5. Increasing energy efficiency
6. Stewarding natural resources

The Project fulfills many of these categories in the above two lists, as shown below.

Background and Information

Most of the environmental benefits of the Project stem from the raw material used to make the finished MDF products. The raw material is rice straw, a waste product of the rice farming industry. In the Sacramento Valley, rice straw used to be burned after the harvest, until the passing of the Connelly-Areias-Chandler Rice Straw Burning Reduction Act (AB 1378, Ch787, 1991) by the California Air Resources Board (CARB), which prohibited this practice to improve air quality. The ban was implemented in 1991 and by 2001 all burning ended (except in special cases to help destroy certain diseases). Since then, straw has been re-incorporated into the soil to decompose, and the fields are re-flooded to accelerate this process. Additionally the decomposition process results in the formation of methane, a strong greenhouse gas. When straw is removed from the fields for other uses such as making MDF, post-harvest water usage can thus be reduced significantly, and the methane gas generated by the decomposition process reduced significantly as well.

The amount of water conserved and methane gas decreased is based on the acres of rice cultivation required to supply the total fiber requirements of the MDF plant. This is determined as follows

Annual MDF Production	140,000 Msf ³ / ₄ "/year	Project Specification
Unit Straw Consumption	1.952 tons/Msf ³ / ₄ "	From Financial Model
Annual Straw Consumption	273,280 tons/year	By Calculation
Straw Production per Acre	> 2.75 tons/acre	See reference below this table
Acres required for CalPlant I Project	99,375 acres/year	By Calculation

Straw production reference: <https://www.arb.ca.gov/smp/techtool/waste-burn-emission-factors6.pdf>
 2016 Report by Randall Mutters, PhD prepared for CalAg, LLC: "Assessment of the availability of rice straw in Sacramento Valley of California for us in the manufacture of medium density fiberboard". p.8.

Water Conservation

As described above, removing straw from the field eliminates the need to re-flood the fields to start the decomposition process. The amount of water conserved is determined as follows.

Acres required for CalPlant I Project	99,375 acres/year	From Table above
Unit water use for decomposition	0.60 acre-feet/acre	See reference below this table
Water use reduction	59,625 acre-feet	By Calculation
Gallons per acre-foot	325,851 gal/acre-foot	See reference below this table
Water use reduction (gallons)	19,429 million g/year	By Calculation

Water used for straw decomposition: <http://www.calrice.org/Environment/Balance+Sheet/Chapter+2+-+Water+Supply.htm>
 Volume conversion reference: <https://en.wikipedia.org/wiki/Acre-foot>

Assuming the average per capita water use in the Bay area is 60 gallons per day, the amount of water conserved represents the water consumption of 887,000 residents.
http://www.swrcb.ca.gov/press_room/press_releases/2015/pr040715_rgcpd_febconservation.pdf

Reduction of Climate Pollution

When straw is incorporated into the soil and the fields flooded to start decomposition, the oxygen-starved environment promotes anaerobic decomposition, which produces methane gas emissions. A similar process takes place in landfills deep below the surface. The removal of straw from fields eliminates this process and the methane gas emissions. The quantity of methane gas and CO2 equivalents for emissions avoided is shown in the table below.

Acres required for CalPlant I Project	99,375 acres/year	From Table above
Methane emissions per acre	500 to 1250 lbs./acre	See reference below this table
Methane emissions per acre	0.25 to 0.625 tons/acre	Unit conversion – 2,000 lbs./ton
Methane emissions reduction	24,844 to 62,109 tons/year	By Calculation
CO ₂ greenhouse gas equivalent	21	See reference below this table
CO ₂ Equivalent Tons Abated	521,724 to 1,304,289 tons/year	By Calculation

Methane emission reference: California Rice Commission: Phone Conversation with Jerry Uhland about preliminary results of scientific protocol study in progress.

CO₂ equivalent of methane: <http://www.treepower.org/globalwarming/CO2-EPRI-EvanHughes.pdf>

Reduction in Toxins

The current practice of water-assisted decomposition has led to an increase in soil and crop diseases. This is countered by application of fungicides and other chemicals. Removing straw for MDF production reduces the use of these chemicals and the corresponding negative effects they have on ground and surface water quality. At this time we are unable to quantify of the amount of chemical application reduction and the related effects on water quality.

There are also unquantifiable benefits to farm worker health and safety due to the reduction or elimination of handling these chemicals in fields where straw has been removed for MDF production.

Stewarding Natural Resources

Current MDF plants almost exclusively use wood as the raw material input. Wood in all its forms--whole logs or residues from primary and secondary processing operations--is almost always used nowadays for economic benefit. Mill residues such as sawdust and shavings can therefore no longer be considered a waste product as they were in the 1950s through 80s.

CalPlant I's technology for using rice straw therefore represents a method to reduce non-waste raw product consumption. If all the fiber for CalPlant I were to come from logs harvested from forests, it is estimated that 4,200 acres of forests would be harvested annually. While the CalPlant I plant may not guarantee that those acres would not be harvested, the wood from them could be used for other purposes and products where rice straw cannot be used.

Increasing Energy Efficiency

The use of rice straw will result in the reduction of volatile organic compounds (VOC) compared to a typical wood-based MDF plant. The primary VOC emitting processes in a MDF plant are the fiber dryers and the panel press where the fiber material is heated. The amount of VOC emission is governed by the temperature of the process, as well as by the quantity of organic compounds naturally found in the fiber. Wood contains significant amounts of organic resins which is evident by the odor of fresh cut wood. The higher the temperature the wood is exposed to, the greater will be the amount of the organic resins that will be converted to gases and be driven off from the wood.

Rice straw contains far fewer organic resins than wood, and can be dried at lower temperatures because the moisture content is lower than that of most forms of wood used by MDF plants. The exception would be the use of sawdust and shavings generated from processing of kiln-dried lumber.

A further benefit of the reduced VOC emission potential of rice straw is the elimination of air emission reduction equipment required to meet target emission levels, such as wet thermal oxidizers which consume natural gas and electrical power, which in turn produce have their own air quality and greenhouse gas contributions.

Eco-efficient products, production technologies and processes

The technology employed in the CalPlant I facility will consume comparatively less thermal and electrical energy per unit of production than that used in most wood-based MDF plants.

We estimate from various benchmarking reports that CalPlant I's electrical power consumption will be about 80% of the average power consumption of North American MDF plants. The reason for this is twofold. The refining equipment which converts the raw material to fibrous material uses large electric motors and energy input is 250 to 400 kWh/ton. The energy required to refine rice straw is lower, more in the area of 150 kWh/ton. As noted above, the emission profile of the CalPlant I technology requires less air emission control equipment; these devices can have large fans with motors over 1,000 hp.

As regards thermal energy, the low moisture content of rice straw compared to wood reduces the energy consumed for fiber drying. For a plant the size of CalPlant I's, and assuming the moisture content of the straw fiber entering the dryer is 30% lower than that of wood, the reduction in thermal energy consumption is estimated at 30 million BTU/hr (net heat input). This is equivalent to 240 million cubic feet of natural gas per year.

The CalPlant I project also requires much lower transportation fuel consumption for the delivery of raw material than is the case with most wood-based MDF plants. Due to the competition for wood and wood byproducts from several industries--including animal bedding, wood pellets and fuel, as well as particleboard and MDF--the distances that wood is transported to many plants is upwards of 300 miles. The average is likely lower, perhaps in the 150 mile range, but by comparison all of CalAg's rice straw will be sourced from within a 25 mile radius.

Improved Indoor Air Quality

Most MDF in North America is made with formaldehyde-based resins or adhesives. This results in off gassing of formaldehyde into homes, offices and other places where MDF based products such as furniture, cabinets, flooring and millwork are found. In April 2007, CARB adopted an Airborne Toxic

Control Measure (ATCM) that requires manufacturers of composite wood products, including MDF, to reduce formaldehyde emissions from their products. The regulation was implemented in two phases. Phase 1 came into effect in January 2009, and Phase 2 in January 2011. Phase 1 brought California in line with current regulations that were adopted in Europe and Japan over a decade ago; Phase 2 made California the world leader in limiting formaldehyde emissions from MDF and other composite panel products. CalPlant I's MDF will use a formaldehyde-free adhesive with near zero formaldehyde off gassing, and is therefore in full compliance with the CARB regulation and the Project will contribute to improved indoor air quality. Moreover, rice straw is very resistant to mold and mildew formation, which will also contribute to a higher quality of indoor air.

Conclusion

In our opinion, the Project meets the criteria for Green Bond principles developed by the International Capital Markets Association and State of California environmental goals and policies. By reference specifically to the ICMA Principles, this Project meets the standards for Use of Proceeds, Management of Proceeds and Reporting, by virtue of the fact that this is a single project, where proceeds are monitored by a bond trustee. Environmental benefits of the Project, based on both comparison to other methods of disposing of waste rice straw, and the conventional manufacturing process for medium density fiberboard using wood feedstock, can be summarized as follows:

1. Water use reduction of approximately 59,600 acre-feet (19.4 million gallons) per year.
2. Reduction of methane emissions of approximately 24,800 to 62,100 tons per year, which is a CO₂ equivalent reduction of 521,000 to 1.3 million tons per year.
3. Reduction in the use of fungicides and other chemicals in the fields, with benefits to water quality and farm worker health and safety.
4. Offset of use of wood as a feedstock, which can be put to other, better uses, equivalent to approximately 4,200 acres of forest harvest per year.
5. Reduction of emission of volatile organic compounds from the plant due to use of rice straw in place of wood in the process, with corresponding ability to reduce the need for air pollution control equipment in the plant.
6. Reduction of heat and electricity usage in the plant compared to use of wood feedstock.
7. Reduced air pollutant emissions from transportation of feedstock to the plant, compared to wood, as all the plant's needs will be met within a 25-mile radius.
8. Improved indoor air quality at the homes and buildings using the CalPlant I product, compared to conventional wood-based MDF, by the use of a formaldehyde-free resin in the CalPlant I process.

