

CALPLANT I, LLC
Monthly Bondholder Report*

July 15, 2021

Safety

Last month, we had 3 recordable injuries which brought our TCIR to 5.86.

1. 07/06/21 – Crushed finger; employee received several stiches and work restriction
2. 06/30/21– Laceration to finger; employee received several stitches.
3. 06/23/21 – Laceration to forehead; employee received several stiches and suffered a slight concussion

Common root causes in all three incidents:

- Inadequate SOP or no Safe Work Plan completed
- Lack of risk assessments/awareness
- “Urgency and being safe vs fast and being reckless”

Management has done a safety standdown to discuss these issues and focusing on frontline leadership to drive the needed behaviors

We do not currently have any employees quarantining for COVID-related purposes.

People Operations

CalPlant currently has 33 salaried employees and 89 hourly employees. We have several new production employees scheduled to start over the next couple of weeks and have 8 remaining production positions to fill.

Sales, Marketing & Logistics

Sales:

Random printed \$820 (3/4”) in the West

Trends in particleboard, MDF, and melamine were little changed coming out of the holiday weekend. Secondary and end-use inventories were lean across product groups, and buyers had difficulty procuring the supplies needed to beef them up amid widespread allocation limitations from producers. Scattered late shipments exacerbated

* Bondholders are reminded to attend the next regularly scheduled bondholder conference call, which will take place on Tuesday, July 20th, 2021 at 10 a.m. Eastern time. Although the dial-in information for the call remains the same as from recent monthly bondholder calls, bondholders may obtain dial-in information for the call from their contacts at Citigroup Global Markets Inc. or Stifel, Nicolaus & Company, Incorporated. Dial-in information for the call (and for a recording of the call for those who cannot attend live) will also be available to representatives of the bondholders on the investors’ page of the CalPlant website at <https://calplant1.com/investors>. Any bondholder who does not yet have credentials to access that page of the CalPlant website may obtain credentials by sending an e-mail message to CalPlant at jscholberg@calplant1.com.

the problem. Prices of MDF continued to gain amid lengthy lead times in both zones. Upward price momentum in particleboard and melamine eased, but traders kept a close eye on rising raw material costs.

Key Performance Indicators

		April	May	June	YTD	July
Sales Volume (MSF)						
	Actual	664	735	1,694	3,093	
	Forecast	287	853	1,702	2,842	3,216
	Budget	287	853	2,684	3,824	5,924
Total Revenue						
	Actual	\$ 260,000	\$ 393,000	\$ 1,017,000	\$ 1,670,000	
	Forecast	\$ 86,000	\$ 305,000	\$ 1,015,000	\$ 1,406,000	\$2,010,000
	Budget	\$ 86,000	\$ 307,000	\$ 1,218,000	\$ 1,611,000	\$2,886,000
Weighted Avg Sales (\$/MSF)	Actual	\$ 391.57	\$ 534.69	\$ 600.35	\$ 539.93	\$ 625.00

As you can see from the table above, we have been able to move all of the available volume that is produced and released from production. We continue to get more volume into market segments where the Mill-Run product performs well. Our most notable successes are in the hardwood plywood, lamination and painting applications. These are high volume markets. We are selling into a limited number of distributors where we can control the message and the application.

Evident by the increasing sales average shown in this table we continue to gain market acceptance of our mill-run products. We are forecasting an increase in sales average of \$25 over last month which primarily is a reflection of product mix rather than market trends. We should have no challenges in selling the volume of product that the mill releases.

Customers are finding it harder and harder to rely on their offshore products. Ocean freight is high. Container and vessel availability continues to be challenging for Southeast Asia and New Zealand producers. Customers report no relief in sight. They are anxiously waiting for us to be in continuous operation, so that they can stop ordering from their offshore supply chain.

Marketing:

GS&F, our marketing group, was on site in Willows last week documenting our production process, interviewing growers and customers, and meeting with the Glenn County Supervisor, Tom Arnold. The footage that GS&F captured will be used in our marketing materials for the remainder of 2021 and 2022.

AWFS booth has shipped for the Las Vegas Show July 20-23. We have numerous appointments set with customers who are looking for long-term steady supply.

We will be participating in the following events throughout the week:

- Rapid Fire 15-minute session showcasing Eureka MDF presented by Conrad Matthiessen, Director of Sales and Exports.
- WED Talk -- These are short inspirational presentations by experts in the wood industry community, presented by Jeff Wagner, Executive Chairman.
- Media Breakfast in our booth -- We are looking forward to a great turnout as it is our first time exhibiting.
- Influencer Ethan Abramson will be at the booth on several occasions to promote Eureka MDF. Ethan has a New York based furniture company founded on the principles of building American made, environmentally conscious handcrafted furniture.

Construction Overview

Except for immaterial items, the construction phase of this project is completed.

Construction Disputes

As you are aware, CalPlant is engaged in a payment dispute with BCM Construction regarding the scope and quality of BCM's construction work at the Plant.

As previously reported, a portion of BCM's claim against CalPlant includes amounts BCM owes to its subcontractors. We had originally planned to take this to mediation in July but we are making another attempt to settle this dispute outside of this cumbersome and expensive process.

Plant Acceptance

There has been no change since the last report. As a reminder we do not expect the reach Plant Acceptance, based on what we know today, until late August.

MDI – Supply Shortages

Last week we were informed by Huntsman that our allocation of MDI for the months of July and Aug would be limited to three loads each month. This is apparently caused by a shortage of critical raw materials on top of the already strained supply of MDI due to earlier force majeure events and recent manufacturing interruptions at Huntsman's Geismar, La. facility. To put this into perspective we are forecasting to make 3.8MMSF in July and over 5MMSF in August, but with Huntsman's proposed allocation, unless we can persuade Huntsman to change it or implement a supplemental source of supply, we would be able to make only slightly over 2 MMSF in the aggregate for the two-month period.

We have reached out to Huntsman to impress upon them the urgency of our situation. They are very aware of the impact of such a reduction would have on our business and have said to us that they will do everything they can to provide us with additional loads. This is a verbal commitment and certainly not a guarantee, although in the past two events like this they have come through.

We are operating as if we will have ample MDI to meet the forecast shown in this report and if any significant changes occur, we will inform our investors at that time.

In addition, since Huntsman's last Force Majeure event we have reached out to alternative suppliers many of whom are still operating under their previous Force Majeure guidelines. We have received a commitment from another large supplier of MDI for trial load in July with the goal being to bring in a secondary supplier as soon as possible.

The financial impacts of only being able to produce 2MMSF over the next 60 days puts us in a negative cash availability position in early September.

Operational Updates

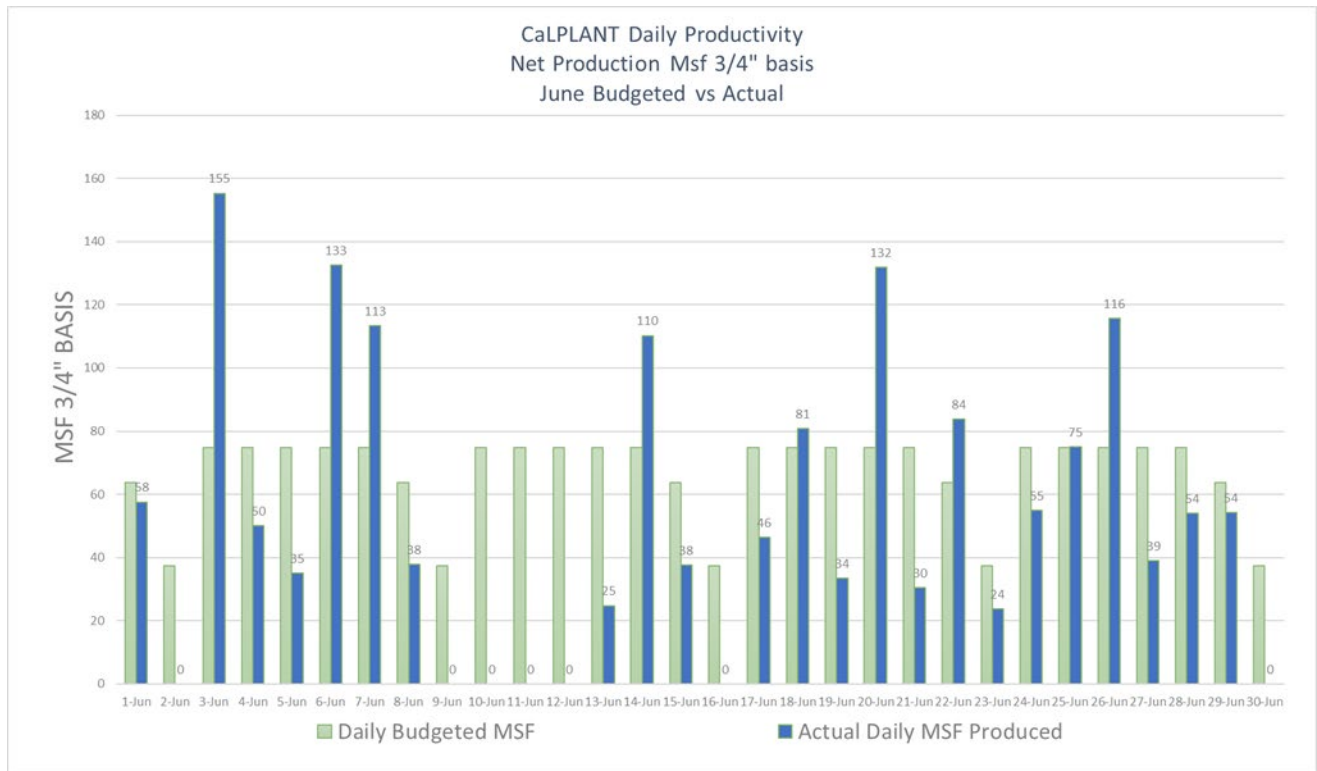
The table below shows some of our Operational Key Performance Indicators:

		April	May	June	YTD	July
Net Production (MSF)						
	Actual	981	1,360	1,335	3,676	
	Forecast	587	2,053	2,073	4,713	3,373
	Budget	587	2,053	3,055	5,695	6,081
Resin Cost (\$/M)						
	Actual	\$ 248	\$ 260	\$ 472	\$ 333	
	Forecast	\$ 266	\$ 177	\$ 376	\$ 276	\$ 425
	Budget	\$ 235	\$ 157	\$ 157	\$ 165	\$ 122
Straw Cost (\$/M)						
	Actual	\$ 84	\$ 202	\$ 197	\$ 169	
	Forecast	\$ 199	\$ 149	\$ 182	\$ 170	\$ 218
	Budget	\$ 199	\$ 149	\$ 149	\$ 154	\$ 116
Energy Cost (\$/M)						
	Actual	\$ 548	\$ 543	\$ 664	\$ 588	
	Forecast	\$ 1,635	\$ 536	\$ 603	\$ 702	\$ 307
	Budget	\$ 1,635	\$ 536	\$ 478	\$ 618	\$ 249

We had a very challenging month both from a safety, production and reliability standpoint. Volumes remained flat over previous months and raw material cost on a per unit basis remain above forecast.

We have made little progress in taking the variability out of the refining process, and, to a lesser degree, the straw preparation process, as reflected in the chart below. There are other production process issues throughout the plant that need to improve, but these two machine centers clearly represent the

bulk of our issues from both a production and cost standpoint.



All of our forecasting up to this point had assumed that both refiners would be running in a steadier state and unscheduled downtime (USDT) would be improving. Neither of which has occurred in June nor do we expect it to get appreciably better in July. We have been trying to run on a 24/6 schedule (one day down for maintenance) and are hampered in doing so in part because we have no Siempelkamp support on the night shift, so any issues that cannot be resolved by CalPlant employees creates a significant amount of USDT. We have over the past month asked Siempelkamp to provide support on a 24/6 basis, but until now they have not been able to provide that level of coverage.

Siempelkamp recently has agreed to send out additional coverage to the plant which will allow for greater technical support and 24/6 coverage. They are sending approximately 15 Siempelkamp commissioners to the site, which will be much welcomed support.

Based on what we know today we have updated our production forecast to reflect both changes in volumes and cost. The volume changes for the remainder of the year are shown in the table below (without regard to the possible lack of availability of MDI resin):

	Net Production	
	Previous Forecast	July Forecast
July	5,073	3,373
August	5,937	4,771
September	7,634	5,533
October	8,624	7,374
November	9,190	7,916
December	9,190	7,770
Total	45,648	36,737

Critical Drivers to cost and Production:

- **Unscheduled Down Time (USDT):** For the past two months our USDT has been in excess of 70% - meaning that during the time we had scheduled to run (this excludes planned downtime like maintenance days) we are only operating 30% of the time. To put that in perspective best in class USDT is less than 5%. This plant after six months of operations should be closer to 25% USDT. We are showing improvement based on two key assumptions:
 - We will have greatly improved Siempelkamp on-site support (24/6)
 - CalPlant team will improve in operational knowledge
 - Consistent refiner operations

- **Density:** Our target density for the mix we anticipate making is something slightly less than 50lbs/Cubic Ft, we currently are building a board that is in the 52 range (on average). We are basically overbuilding the board to compensate for poor quality and unreliable production by increasing the amount of straw and resin used to make the product (increased cost).

- **Waste Stream:** We currently are discarding over 50% of the fiber that enters the plant. About 60% which comes from the air density separators/refiners (non-resinated fiber) and about 40% from the sifters (resinated fiber). This is far above what anyone expected and well above Siempelkamp allowance of 20% to meet plant acceptance and <5% targeted in our long-term projections. This is expensive from the standpoint of cost of raw materials, but we also pay to dispose of this material. In addition, it creates a critical fugitive dust issue at the plant – to the degree that we had to shut down for two days last month just to clean up the facility so we could safely operate. Siempelkamp and CalPlant believe that the majority of this fiber loss will be reduced once we are able to dial in the right fiber quality and we get the refiners to operate as designed. We forecast significant improvement in waste downstream of the refining system after we get the larger refiner plates in October. In addition, we are looking for ways to safely reintroduce this waste fiber back into the system.

Other Production Issues:

- We still struggle with the final commissioning of the finish-end of the plant, and it is too early to know the full scope of any changes that will be needed in that area. Siempelkamp is bringing in some much need support in this area, but this is likely to become the next limiting factor in the production process once we resolve the issues in the refining system.

Quality:

Although we have seen little improvement in surface and fiber quality, we are starting to hit the quantitative measurement of quality in our production runs. With the improvements made to stabilize the refiner, the press runs more continuously, allowing recipes (product-specific operational settings) to be dialed in for consistent quality performance testing. Additionally, we are validating thinner board recipes and run consistency.

We continue to believe, as does Siempelkamp and your technical advisor, that the key will be consistent runs and the right combination of refiner plates, fiber geometry and moisture content. Siempelkamp continues to believe that a newly designed plate pattern along with increasing the size of the refiner plates will ultimately be what is needed to get to the quality of fiber and surface characteristics our customer will demand. The newly designed refiner plate pattern has been received and installed in the refiners. Siempelkamp is sending a drawing for the larger refiner (64") plate to Andritz for manufacturing; once the drawing arrives at Andritz, we will have a date for delivery.

In the meantime, we will be running fiber through the two 58-inch plate designs that we have on site. We will continue to focus on a product mix that will be more forgiving of fiber quality and more focused on internal properties. We will use this time to refine the different product recipes through the press line.

Cash Flow and Changes to Forecasts

Assumptions Used in this Projection:

- Projected MDF prices reflect the market conditions as of June; no changes to forecast for July.
- Straw purchases for 2021 are still eliminated due to the lack of available liquidity.
- Month ending straw inventory in August of 2022 is approximately 1.0 months of supply.
- Decreased Production/Sales volume for July-Dec by 10.0mm sf ¾" (20% decrease) due to slower ramp-up projections.
- Increased straw and resin usage factors to reflect current amount of 'waste' being realized.
- Decreased utility projected costs due to lower energy ramp-up actuals compared to budget.

Key Takeaways:

- The Project Fund was depleted at the end of January 2021; the Contingency Fund has \$1.8M available at June month end.
- All draws since January have and will continue to come out of the Contingency Fund and will require senior bondholder consent. The Contingency Fund is forecasted to be depleted during the month of August after using the Hartford insurance proceeds to fund operations in July.
- CalPlant submitted and received a transfer of \$1.998 million out of the Contingency Fund in June. MDF sales proceeds received in the BOKF lockbox totaled \$1.0 million and were swept into the Revenue and Operating account; Calplant submitted and received one account transfer in June for \$425K.
- Last month we reported that our cash low point was \$1,585,000 in September of 2021, but based on the adjustments to forecast made (which do not give effect to potential curtailment of MDI resin), cash availability goes negative at the beginning of November.

CALPLANT I, LLC												
Weekly Estimated Cash Usage												
Week Beginning:	2021 July	2021 August	2021 September	2021 October	2021 November	2021 December	2022 January	2022 February	2022 March	2022 Full Year	2023 Full Year	2024 Full Year
Beginning Cash Available--MBOC	\$ 2,707,589	\$ 3,566,529	\$ 3,245,705	\$ 1,277,943	\$ 56,730	\$ (787,528)	\$ (2,551,081)	\$ (507,683)	\$ (6,740,284)	\$ (2,551,081)	\$ (4,597,202)	\$ 5,796,777
Beginning Cash Available--R&O	\$ 964,448											
R&O Funds Not Transferred	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOKF -- 2020 Senior Cont (Capital)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOKF -- 2020 Senior Cont (Non-Capital)	\$ -	\$ 1,772,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc Cash Receipts	\$ 2,950,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Rec'd from MDF Sales	\$ 1,993,000	\$ 2,722,000	\$ 3,665,000	\$ 4,987,000	\$ 5,500,000	\$ 5,399,000	\$ 7,471,000	\$ 7,471,000	\$ 7,471,000	\$ 89,646,000	\$ 122,602,000	\$ 129,249,000
Total Cash Trans to MBOC	\$ 5,907,448	\$ 4,494,903	\$ 3,665,000	\$ 4,987,000	\$ 5,600,000	\$ 5,499,000	\$ 7,471,000	\$ 7,471,000	\$ 7,471,000	\$ 89,646,000	\$ 122,602,000	\$ 129,249,000
Actual Payments made for week.....												
Open Aged A/P Payments to be made.....	\$ 838,883											
Remaining Construction costs:												
Major Contracts (SICO)					\$ 500,000	\$ 350,000		\$ 8,476,000	\$ 1,007,500	\$ 9,483,500		
Secondary Contracts (ILB/BCM)						\$ 1,000,000						
Calplant Construction/CAPEX costs	\$ 100,000	\$ 100,000	\$ 100,000	\$ 200,000	\$ 350,000	\$ 350,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 4,000,000	\$ 3,500,000	\$ 3,000,000
Est. Payroll & Burden	\$ 1,021,000	\$ 1,078,000	\$ 1,098,000	\$ 1,506,000	\$ 1,061,000	\$ 1,061,000	\$ 1,043,000	\$ 1,043,000	\$ 1,043,000	\$ 12,511,000	\$ 12,852,000	\$ 13,057,000
Est. Professional/Legal Fees/Incentives							\$ 200,000		\$ 160,000	\$ 495,000		\$ 15,000,000
Est. Insurance Premiums	\$ 10,000	\$ 80,000	\$ 110,000	\$ 280,000	\$ 260,000	\$ 260,000	\$ 208,333	\$ 208,333	\$ 208,333	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Est. Straw Purchase Costs of (180Ktons)			\$ 3,004,000	\$ 4,260,000	\$ 3,156,000					\$ 15,500,000	\$ 16,500,000	\$ 16,500,000
Straw Redux (180Ktons) to stay cash+			\$ (2,600,000)	\$ (4,260,000)	\$ (3,156,000)							
Est. Production Costs (Resin, Wax, MRO...)	\$ 2,854,625	\$ 3,352,727	\$ 3,683,763	\$ 3,912,212	\$ 3,981,258	\$ 3,946,554	\$ 3,517,968	\$ 3,517,968	\$ 3,517,968	\$ 42,215,621	\$ 41,873,021	\$ 43,990,530
Est. Non-construction/Operating/Admin	\$ 224,000	\$ 205,000	\$ 237,000	\$ 310,000	\$ 292,000	\$ 295,000	\$ 208,300	\$ 208,300	\$ 208,300	\$ 4,987,000	\$ 4,983,000	\$ 5,398,000
Total Cash OUT	\$ 5,048,508	\$ 4,815,727	\$ 5,632,763	\$ 6,208,212	\$ 6,444,258	\$ 7,262,554	\$ 5,427,601	\$ 13,703,601	\$ 6,395,101	\$ 91,692,121	\$ 82,208,021	\$ 99,445,530
Total Cash Available @ MBOC	\$ 3,566,529	\$ 3,245,705	\$ 1,277,943	\$ 56,730	\$ (787,528)	\$ (2,551,081)	\$ (507,683)	\$ (6,740,284)	\$ (5,664,386)	\$ (4,597,202)	\$ 35,796,777	\$ 35,600,247
Bond Interest/Forbearance										\$ -	\$ (30,000,000)	\$ (29,839,250)
Balance of 2020 Project Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Available	\$ 3,566,529	\$ 3,245,705	\$ 1,277,943	\$ 56,730	\$ (787,528)	\$ (2,551,081)	\$ (507,683)	\$ (6,740,284)	\$ (5,664,386)	\$ (4,597,202)	\$ 5,796,777	\$ 5,760,997

Noteworthy Changes from prior report

2021 YTD Cash ending balance reconciliation:

• Ending Cash Balance at end of 2021 – June Report	\$2,610,000
• Final draw from Contingency Account	\$1,773,000
• Decrease in Revenue due to lower volume / ramp-up	(\$6,434,000)
• Increase in Straw fiber costs due to volume losses/waste	(\$1,127,000)
• Increase in Resin costs due to higher application rates and fiber loss	(\$3,572,000)
• Decrease in Energy Costs due to less volume / slower ramp-up	\$1,780,000
• Changes in Op/SG&A and Working Capital costs	\$2,419,000
Total Cash Availability Year-end on July Report	(\$2,551,000)

Upside/Downside Considerations

Below is a list of potential opportunities that could improve our cash position:

- Better Production due to higher plant capacity attainment
- Reduced straw waste
- Reduction in resin usage

Risks to the above forecast (partial list):

- Curtailment of MDI resin supply
- Lower production
 - Refiner #2 ramp-up

Liquidity Options

- In order to keep open this option, we continue to pursue an approval by CPCFA for the issuance of up to \$18 million of additional senior parity bonds. Approval is currently schedule for July 20, 2020, and we expect to learn within a short time thereafter whether volume cap for tax-exempt bonds will be allocated to the additional bonds.
- CalPlant continues to evaluate with its advisors all other potential liquidity options.

Back Charges

We continue to track back charges between Siempelkamp, other contractors and CalPlant. These are reconciled on a regular basis, and most of what is on the current back charge list are items that are not change orders but work that CalPlant completed or other contractors completed at Siempelkamp's direction. Currently we have accumulated over \$1,200,000 of back charges to Siempelkamp since the first of the year. To date they have not agreed to nor paid any of these back charges, however they are in the process of reviewing them. Because of the delay in paying these back charges, we are holding onto

amounts that may be owed to them for commissioning, which currently total over \$1,100,000.

We are only waiting on Siempelkamp to provide any questions they have on the back charge list.

In addition, because the Plant Acceptance date was June 7th (based on CalPlant calculations), we have advised Siempelkamp that we will withhold payment of all commissioning charges from June 7th forward until Plant Acceptance is reached. The withheld amount will be reconciled against any liquidated damages owing to CalPlant as a result of the delay in Plant Acceptance. Currently we are averaging between \$80,000-100,000 per week in commissioning costs.

Supplemental Disclosures

CalPlant provides the following additional information to comply with the specific requirements of the bond documents:

Subsection of Loan Agreement Section 5.15(a)(x)	Item	Reference or Comment
A	The work carried out on the Plant during the Pre-COD Reporting Period	See "Construction Overview" above
B	All changes or modifications to the Plans and Specifications requested or required by the Borrower and Resulting in Change Orders under the Siempelkamp Supply Agreements or the Construction Agreements during the Pre-COD Reporting Period and the status thereof.	See section "Change Orders" above
C	All changes or modifications to the Plans and Specifications requested or required by any of the Contractors or Siempelkamp and resulting in Change Orders under the Siempelkamp Supply Agreements or the Construction Agreements during the Pre-COD Reporting Period and the status thereof.	See section "Change Orders" above
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 schedules set out in the Construction Agreements.	See "Operational Updates" above.

Subsection of Loan Agreement Section 5.15(a)(x)	Item	Reference or Comment
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.	See "Operational Updates" above.
F	A description of any material disputes or proceedings (whether actual or threatened) relating to the Plant during the Pre-COD Reporting Period.	See "Construction Disputes" above.
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.	None.
H	The status of construction of related infrastructure facilities.	All infrastructure facilities related to the Plant are complete.
K	A statement of the funds available to complete the Plant Construction and estimated costs to complete.	See "Construction Overview" above.