

CALPLANT I, LLC
Monthly Bondholder Report*

June 11, 2021

Safety

In the month of May, we did not have any recordable injuries. To date, we remain at one recordable injury and as of the end of last month, our TCIR was 2.45. We have not had any additional positive COVID-19 cases or employees subject to quarantine due to COVID symptoms or exposure.

We have more employees choosing to get the COVID-19 vaccine and some who are choosing to do so while preserving their privacy. With that being said, it is difficult to know exactly how many employees are fully vaccinated, but we estimate that around 30% of our workforce is fully vaccinated. We are focusing our efforts around providing education to our employees so they understand the benefits of vaccination. We have been coordinating with the County Health Officer to hold mandatory informational sessions with all of our employees and answer their questions regarding the vaccines. We plan to survey our employees after these sessions are complete to gauge how many additional employees may be interested in receiving the vaccine. If there is interest, we will coordinate with the county to host an onsite vaccination clinic for employees and their families.

People Operations:

CalPlant currently has 32 salaried and 78 hourly employees. We continue to focus attention on recruitment to fill all vacant positions and, fortunately, we are starting to see a small increase in applicants. We anticipate the remaining production positions being filled sometime next month.

We brought a third CEO candidate onsite last week to meet with the executive team and members of the board. We remain engaged with the search firm while we check references for the most recent candidate.

* Bondholders are reminded to attend the next regularly scheduled bondholder conference call, which will take place on Tuesday, June 15th, 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.

Sales, Marketing and Logistics Update

Random printed \$795 (3/4") in the West and treport the following:

Strong sales through much of May carried over amid robust demand to start the month. Last week's mild holiday-induced lull dissipated, and buyers stepped in readily to secure needs. Late shipments were common, and many mills remained on allocation. MDF was particularly scarce, but particleboard and melamine were tight as well. Prices gained across product groups and regions. Rising raw material costs and seasonally strong demand drove the increases. Few buyers pushed back; availability trumped price in negotiations.

Customers report that they think high prices and tightness in the market is expected to last another year. Due to these market conditions CalPlant is experiencing acceptance of our Mill-Run product mix sooner than expected.

Below are some pictures of some of our successful trials:



Hardwood Plywood

Peg Board

Here you see a paper laminate, peg board and maple veneer on our core and a painted sample.



Maple Veneer on CalPlant MDF Core

Painted

It has been helpful to have these samples in hand to present to customers to ease any concerns or pessimism they may have heard in the market.

CalPlant's current quality is meeting Mill Run expectations. We are confident when the mechanical changes that Rob spoke of earlier and with our Technical Director's help, we will achieve **Eureka** MDF Premium properties in a short time thereafter. The mill will work toward developing recipes for higher margin, more aggressive applications. Once we do, our sales strategy will fan out to more demanding market segments, such as rigid thermal foil doors (RTF), architectural doors, store fixtures, office furniture, kitchen cabinets and vanities, etc.

To date we have booked \$1,326,385 for the month of June against our forecast of \$1,346,298. Our average sales average to date is \$527 on shipped sales of \$285,216. This average sales figure is below our target due to the number of trucks we produced and sold as Starter Board. We have shipped 38 trucks to date, 18 were at the lower starter board pricing. The average sales price will bounce back up and we will meet the \$596 forecast by month end.

Below is a quick overview of the percentage of sales in the 5 market segments we are currently selling.

Current Markets	% Of Sales
Distribution	31%
OEM-Laminate & Painting	14%
Hardwood Plywood	11%
Doors (door build ups)	9%
Mouldings	35%

Marketing:

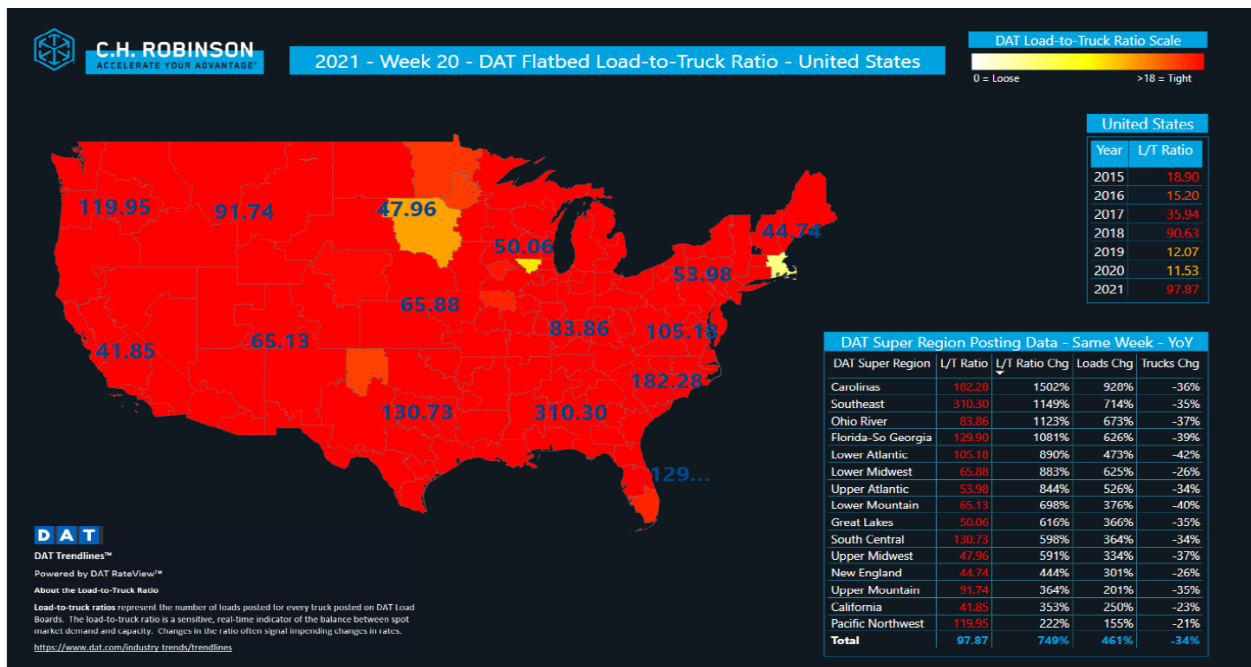
AWFS booth is buttoned up and we are just putting the final touches on the marketing collateral. I tis being

Logistics:

BNSF and UP both have increased their rates by 4-5% respectively.

Trucks continue to be difficult to secure and pricing is erratic.

The graphic below gives you a Flatbed Load to Truck Ratio. For example: looking at California there are 41.85 loads to 1 available truck today.



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

On Monday June 7th we notified Siempelkamp that the date by which Plant Acceptance was required to have been achieved under the equipment supply contract was June 7, 2021. This date corresponds to six months following the agreed date of first board (November 27th 2020), after making allowance for the agreed force majeure delays due to COVID-19.

Based on our recent correspondence, we understand that Siempelkamp will disagree with the computation of this date, as well as what might be considered liquidated damages under the contract. As we have said in the past, we will not know the extent of any liquidated damages claim under the Contract until Plant Acceptance is finally met, and, in any event, we expect Siempelkamp to challenge any such claim.

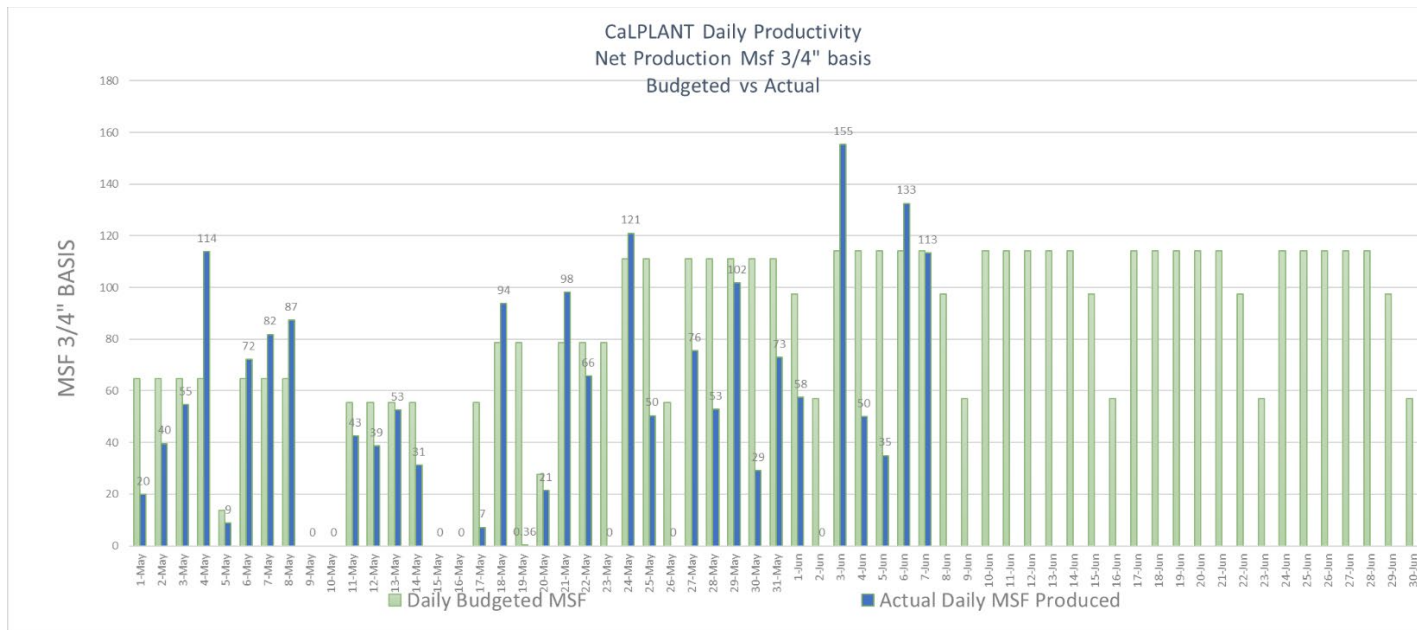
In consultation with Siempelkamp we do not expect to reach Plant acceptance, based on what we know today, until late August.

Operational Updates

Last month we produced ~1,434 MSF that could be sold into the marketplace. This was against the targeted production rate of ~2,000 MSF. The reasons for the shortfall are detailed below.

The operating plan for May was to transition from our 14-hour run schedule to a 24/4 schedule, this was targeted to begin on May 11th. Due to the COVID quarantines, we could not do that and as a result, we planned to go directly into a 24/7 operation starting May 24. As part of moving to the 24/7 schedule Siempelkamp informed us that CalPlant must demonstrate success in executing a press master panel extraction under a power loss using the "emergency power back up system". This "test" was attempted several times but failed due to Siempelkamp design issues and finally satisfied on May 30th. A total of 60 available production hours were lost, as well as extended downtime associated the repeated test attempts that failed.

The June production target is 2,073 MSF of salable product, which we believe is achievable.



Due to the continued commissioning challenges, the delay in starting up refiner #2 and Siempelkamp’s belief that it will be the end of August before we achieve Plant Acceptance, we have taken a more conservative approach on our ramp-up curve over the next 7 months. This will impact value in our forecast by about 7 MMSF between now and year -end and makes about a \$4mm negative impact to the bottom line. Our objective remains our originally budgeted production, but from a forecasting standpoint we thought it prudent to be more conservative.

Straw Preparation

There is continued progress being made after completion of the modifications to the ducting as discussed in last month’s report last month. We are testing larger screens on the hammermill with the expectation of better material flow and potentially better fiber quality. We continue to work with Siempelkamp on process adjustments and improvements to move the material more freely within this system.

We are waiting for Siempelkamp parts to repair the damaged straw chopper as well as the de-twinning system. They inform us that the current delivery is estimated to be August 3rd. This is only a risk to production in the event that one of the other three lines have a failure.

Other than what is mentioned above, the planned modifications to the four straw lines are largely complete.

Refiner Systems

Specific to Refiner #1, this refiner has continued to operate more consistently and, as stated last month, for the most part in an automatic mode.

We are experiencing refiner downtime due to downstream programming issues in the dosing bin and conveyance system. The root cause is an error in programming by Siempelkamp during the last down day.

As communicated last month, commissioning of refiner #2 was set to begin May 17th. This was pushed to the week of June 7th due to Siempelkamp equipment delivery issues and the availability of

Siempelkamp technicians. Initial commissioning of Refiner #2 was started on Tuesday June 8th. After some minor corrections were made, full commissioning started Friday June 11th. It is too early to know the capability of refiner #2, which includes the plug feed screw housing design modifications mentioned in our last report.

Again, we will need both refiners in full operation to hit our targeted production rates in August. Siempelkamp and CalPlant believe that to be achievable.

Sanding Area

Siempelkamp continues to work on commissioning the sander and saw, working mainly on programming to convey material, which is slowly improving. We met with Siempelkamp to review all sander and finish-end operating issues. They are now working on a specific list to remedy the deficiencies. They continue to work on design changes to address the sander dust management system. This will not prevent us from sanding our board at this low production rate, but will have an impact operating at higher production rates if not corrected.

Straw and Resin Usage

We are using more straw and resin in the process than we had originally forecasted. Early indications point to the following:

- Currently the process is separating out about 20-35% of our rice fiber to waste. This is far too much and Siempelkamp and CalPlant continue to make design changes at both the separators and sifters to try and systematically reduce the amount of fiber going to waste.
- Due to numerous design flaws in the conveyance system, there is a tremendous amount of fugitive dust escaping from the system creating some real challenges in clean-up. This week we took an additional 24 hour down day simply to clean up the amount of dust escaping from the processing systems
- We currently, by design, are building a board with higher densities using more resin and straw – our quality organization will continue to bring our board densities more in line with customer expectations.

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 for our existing refiner plates has an anticipated arrival of July 15. Siempelkamp is sending a drawing for the larger refiner (64") plate to Andritz for manufacturing, once the drawing arrives gets to Andritz we will have date for delivery.

In the meantime, we will be running fiber through the existing 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.

Insurance Update (Fire Claim)

We have agreed in principle with The Hartford to settle this claim for \$3.25M and expect the final releases will be signed no later than the end of July, with our target being the end of July for funding. This settlement would compare to our original claim of \$3.8M less the deductible of \$250,000 netting out at 3.55M. The settlement amount of \$3.25M is reflected in the forecast shown in this report.

Cash Flow and Changes to Forecasts

Assumptions Used in this Projection:

- Projected MDF prices were adjusted to reflect the market conditions as of June 1, 2021.
- Straw purchases for 2021 have been eliminated due to the lack of available liquidity.
- Month ending straw inventory in August of 2022 is approximately 1.5 months of supply.
- Decreased Production/Sales volume for June-Dec by 12% due to slower ramp-up projections.
- Increased sales average by 15% to reflect market improvements.
- Increased the Raw Material cost due to increased straw and resin Usage by 27%.

Key Takeaways:

- The Project Fund was depleted at the end of January 2021; the Contingency Fund has \$3.7M available at May 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 have \$2.0M available at 2021 year-end.
- CalPlant submitted and received a transfer of \$3.868 million out of the Contingency Fund in May. Proceeds from MDF sales started to flow through the BOK lockbox and into the Revenue and Operating account, and the first account transfer was done for \$350K.

- Last month we reported that our cash low point was \$755,000 in September of 2021, although still at critically low levels we have improved that cash position, and the low point is now at \$1,585,000 (\$3.7million when factoring in amounts in the Contingency Fund).

CALPLANT I, LLC																	
Weekly Estimated Cash Usage																	
	Forecast	Forecast	Forecast	Forecast	2021	2021	2021	2021	2021	2021	2022	2022	2022	2022	2023	2024	
Week Beginning:	6/1/2021	6/8/2021	6/15/2021	6/22/2021	July	August	September	October	November	December	January	February	March	Full Year	Full Year	Full Year	
Beginning Cash Available--MBOC	\$ 3,998,317	\$ 2,799,225	\$ 1,744,616	\$ 1,219,670	\$ 1,762,675	\$ 3,586,297	\$ 1,816,745	\$ 1,585,234	\$ 1,921,281	\$ 2,713,009	\$ 2,609,887	\$ 6,200,739	\$ 1,401,591	\$ 2,609,887	\$ 4,950,207	\$ 7,799,641	
Beginning Cash Available--R&O	\$ 93,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
R&O Funds Not Transferred	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
BOKF -- 2020 Senior Cont (Capital)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
BOKF -- 2020 Senior Cont (Non-Capital)	\$ -	\$ -	\$ -	\$ 1,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Misc Cash Receipts	\$ -	\$ -	\$ -	\$ -	\$ 3,250,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Cash Rec'd from MDF Sales	\$ 251,500	\$ 251,500	\$ 251,500	\$ 251,500	\$ 3,460,000	\$ 3,460,000	\$ 5,058,000	\$ 5,833,000	\$ 6,386,000	\$ 6,386,000	\$ 8,553,000	\$ 8,639,000	\$ 8,639,000	103,585,000	118,599,000	125,360,000	
Total Cash Trans to MBOC	\$ 344,950	\$ 251,500	\$ 251,500	\$ 1,951,500	\$ 6,710,000	\$ 3,460,000	\$ 5,058,000	\$ 5,833,000	\$ 6,486,000	\$ 6,486,000	\$ 8,553,000	\$ 8,639,000	\$ 8,639,000	103,585,000	118,599,000	125,360,000	
Actual Payments made for week.....																	
Open Aged A/P Payments to be made.....	\$747,138	\$125,205	\$59,542	\$227,591	\$348,861												
Remaining Construction costs:																	
Major Contracts (SICO)					(\$348,861)				\$500,000	\$350,000		\$8,476,000	1,007,500	9,483,500			
Secondary Contracts (ILB/BCM)										\$1,000,000							
Calplant Construction/CAPEX costs	\$62,500	\$62,500	\$62,500	\$62,500	\$250,000	\$100,000	\$100,000	\$300,000	\$300,000	\$300,000	\$250,000	\$250,000	\$250,000	4,000,000	3,500,000	3,000,000	
Est. Payroll & Burden		\$464,000		\$464,000	\$985,000	\$1,043,000	\$1,087,000	\$1,521,000	\$1,072,000	\$1,072,000	\$1,040,000	\$1,040,000	\$1,040,000	13,208,000	12,852,000	13,057,000	
Est. Professional/Legal Fees																15,000,000	
Est. Insurance Premiums	\$80,000				\$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...)	\$603,404	\$603,404	\$603,404	\$603,404	\$3,478,378	\$3,798,551	\$3,346,511	\$3,081,954	\$3,267,271	\$3,312,122	\$3,255,515	\$3,255,515	\$3,255,515	39,066,180	41,069,566	42,307,742	
Est. Non-construction/Operating/Admin	\$51,000	\$51,000	\$51,000	\$51,000	\$163,000	\$208,000	\$242,000	\$314,000	\$295,000	\$295,000	\$208,300	\$208,300	\$208,300	4,987,000	4,983,000	5,398,000	
Total Cash OUT	\$1,544,042	\$1,306,109	\$776,446	\$1,408,495	\$4,886,378	\$5,229,551	\$5,289,511	\$5,496,954	\$5,694,271	\$6,589,122	\$4,962,148	\$13,438,148	\$5,969,648	88,744,680	81,404,566	97,762,742	
Total Cash Available to Calplant	\$ 2,799,225	\$ 1,744,616	\$ 1,219,670	\$ 1,762,675	\$ 3,586,297	\$ 1,816,745	\$ 1,585,234	\$ 1,921,281	\$ 2,713,009	\$ 2,609,887	\$ 6,200,739	\$ 1,401,591	\$ 4,070,943	17,450,207	42,144,641	35,396,899	
Bond Interest/Forbearance														(12,500,000)	(34,345,000)	(31,839,250)	
Balance of 2020 Project Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	
Total Cash Available	\$ 2,799,225	\$ 1,744,616	\$ 1,219,670	\$ 1,762,675	\$ 3,586,297	\$ 1,816,745	\$ 1,585,234	\$ 1,921,281	\$ 2,713,009	\$ 2,609,887	\$ 6,200,739	\$ 1,401,591	\$ 4,070,943	4,950,207	7,799,641	3,557,649	

Noteworthy Changes from prior report

The low-point in cash availability in September on the May Report	\$755,000
• Insurance Recovery Proceeds	\$3,250,000
• Raw Material cost increases due to volume losses/waste	(\$2,389,000)
• Increased Revenue due to betterment of Sales Pricing	\$2,858,000
• Decrease in Revenue due to lower volume / ramp-up	(\$2,324,000)
• Decrease in Funds drawn from Contingency Fund	(\$2,070,000)
• ILB deferred expenses paid in May (vs June)	\$750,000
• Changes in Op/SG&A & Working Capital costs	\$755,000
Total cash availability low-point in September on June Report	\$1,585,000
September cash available including contingency	\$3,655,000

2021 YTD Cash ending balance reconciliation:

• Ending Cash Balance at end of 2021 – May Report	\$3,394,000
• Insurance Recovery Proceeds	\$3,250,000
• Raw Material cost increases due to volume losses/waste	(\$1,640,000)
• Increased Revenue due to betterment of Sales Pricing	\$4,087,000
• Decrease in Revenue due to lower volume / ramp-up	(\$3,946,000)
• Increase in Critical Spare parts purchases	(\$500,000)
• Decrease in Funds drawn from Contingency Fund	(\$2,070,000)
• Changes in Op/SG&A and Working Capital costs	\$35,000
Total cash availability Year-end on June Report	\$2,610,000
Year-end cash available including Contingency Fund	\$4,680,000

Upside/Downside Considerations

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

- Better Production (\$4M)
- Reduced straw waste stream
- Reduction in resin usage

Risks to the above forecast (partial list):

- Lower production
 - Refiner #2 ramp-up

Liquidity Options

Bond Sale through CPCFA:

- Application for Final Resolution has been submitted to CPCFA, and we understand that they are supportive.

Equity:

- As we mentioned in our last call, we have had preliminary indications of interest from two potential equity investors, but those discussions have not advanced since our last call.

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 \$900,000.

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.