CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: May 16, 2017

Request to Approve Amended and Restated Final Resolution Authorizing the Issuance of Revenue Bonds and Tax-Exempt Volume Cap Allocation

Prepared by: *Andrea Gonzalez*

Applicant:	CalAg, LLC, CalPlant I, LLC and/or its Affiliates	**Amount Requested:**	$235,000,000
		Application No.:	664(SB)
		Final Resolution No.:	511
Project Location:	Willows (Glenn County)	**Prior Actions:**	IR approved 04/26/00 Reinstated/Extended 05/01/01 Extended 05/30/02 & 05/25/04 Amended/Extended 10/24/06 FR Approved 03/20/07 Amended/Reinstated 07/24/07 IR Reinstated 09/22/10 FR Approved 11/17/10 Extended 02/22/11, 10/25/11, 05/15/1 2, 11/13/12, 06/18/13 & 12/17/13 Amended /Reinstated 6/17/14 Amended 12/16/14 Amended /Reinstated 6/16/15 Amended/ Reinstated 5/17/16 Amended/ Reinstated 12/06/16

Summary. CalAg, LLC and/or its Affiliates, including CalPlant I, LLC (the "Company") requests a restatement and amendment of Final Resolution No. 511 and Volume Cap Allocation Approval for an amount not to exceed $235,000,000, and acknowledgment that the Borrower has self-certified this as a Green Bond transaction following the International Capital Market Association (ICMA) Green Bond Principles (GBP). The Final Resolution was originally approved on November 17, 2010 for an amount not to exceed $175,300,000 to finance a facility to utilize waste rice straw to manufacture medium density fiberboard (MDF). On June 17, 2014 the Final Resolution was amended and restated, and it has been extended since then (see Prior Actions above), most recently, on December 6, 2016.

Borrower. CalAg, LLC, organized on January 16, 1997, will produce rice straw-based MDF in Glenn County once construction is completed.

The ownership of CalAg, LLC is as follows:

MDM CalAg Limited Partnership	32.1719%
Gallo Family Trust	5.6875%
Mark Mushro	5.6000%
Gerald Uhland	5.3448%
Susan Boyd Trust	4.9586%
Various (less than 4%)	46.2362%
Total:	**100.0000%**

The borrower, CalPlant I, LLC, was formed on February 8, 2008.

CalPlant I, LLC is currently owned by CalAg, LLC. At the time of bond closing, CalPlant I, LLC will be 100% owned by CalPlant I Holdco, LLC.

At financial closing, the owners of CalPlant I Holdco, LLC will be as follows:

Occator Agricultural Properties, LLC[1]	32.95%
Columbia Forest Products, Inc.	18.53%
Other Investors	16.47%
Siempelkamp Maschinen- und Anlagenbau GmbH	4.12%
CalAg, LLC	27.92%
Total:	**100.00%**

[1] A wholly-owned subsidiary of Teachers Insurance and Annuity Association of America

Legal Questionnaire. The Staff has reviewed the Company's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed in the Legal Status portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

TEFRA. The TEFRA hearing was held on October 20, 2016. There were no comments received in support of or in opposition to this project.

Fees. The Company has paid an application fee of $5,000 and will pay an administrative fee of up to $465,000 at closing.

In addition, at the request of the financing team, CPCFA contracted with Forest Economic Advisors, LLC, an independent consultant to conduct an independent review and verification of a 125-page feasibility study prepared by Stephen Vajda Consulting ("SVC") for this project. Forest Economic Advisors, LLC ("FEA") conducted a review in 2013 that concluded affirmatively the reasonableness of SVC's findings. The cost of the contract with FEA is $73,103.80, and will be paid by the Company to CPCFA at closing.

SBAF Assistance. The Company is a small business, but it is not eligible for assistance from the Small Business Assistance Fund due to the par amount of the bond issue.

Prior Financings. None.

Project Description. The Company is a small business which proposes to use its patented method (U.S. Patent 6,596,209) to manufacture medium density fiberboard (MDF) from rice straw—a waste product from the farming and harvesting of rice. According to the Company, its patented method of producing rice straw-based MDF results in an engineered composite panel which meets or exceeds all American National Standards Institute (ANSI) standards for wood-based MDF.

The proposed project to be located on 273 acres outside the town of Willows in Glenn County is expected to recycle approximately 275,000 tons of rice straw annually into MDF. The site is expected to accommodate the storage of approximately 325,000 large rice straw bales (in sizes

3'x4'x8' and/or 4'x4'x8') at any one time. The location is within the Sacramento Valley region where the overwhelming majority of rice is grown in California (approximately 550,000 acres each year). The Company purchased the plant site in April 2008.

The Company represents that the plant will be contractually guaranteed to produce approximately 112 million square feet (MMsf ¾" basis) of MDF per year; it has been designed to be capable of producing 140 MMsf ¾" once in full operation. In addition to rice straw, which the Company expects to obtain from Sacramento Valley rice producers, a formaldehyde-free polymeric Methylene Diphenyl Diisocyanate (pMDI) resin binder will be used to manufacture the MDF.

The project and issuance costs anticipated to be funded from proceeds of the bonds (after taking into account amounts anticipated to be funded from equity) are listed below:

Process Equipment Contract (Equipment)	$70,000,000
Process Equipment Contract (Supervision and Training)	3,785,600
Balance of Plant Contract	75,500,000
Utilities Connection	4,000,000
Miscellaneous Equipment	1,000,000
Sales & Property Taxes	2,085,400
Bond Issuance Expenses	4,300,000
Interest During Construction (12/22/16-1/1/2019)	32,250,000
Spare Parts	579,000
Debt Reserves	21,500,000
Subtotal	$215,000,000
Contingency	10,000,000
Total:	**$225,000,000**
Total if bonds are issued with $10,000,000 Original Issue Discount[1]:	**$235,000,000**

Note: The project costs reported in the Borrower's application and shown here in staff's report are estimated costs. At the time this financing closes, the estimated project costs will be finalized and stated in the Tax Certificate. Variations from the costs shown in the application and in this report may occur prior to the closing due to increased costs of certain components of the project from original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation or for other reasons. However, the Borrower confirms, through submission of a signed application and will confirm through covenants and representations in various bond documents, that all assets purchased with bond proceeds will qualify for tax exempt financing, that they will be used to complete the project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.

Anticipated Project Timeline. The Company anticipates commencing construction in June 2017 with a completion date of December 2018. Equipment purchases are expected to begin in June 2017 with a scheduled completion date of December 2018.

[1] OID is the difference between the par amount of the bonds and the price paid by investors. Federal tax law limits OID to 5 percent of the par amount. Volume cap allocation is based on the net proceeds of the sale available for project costs. If the price paid for the bonds is lower than the par amount, volume cap allocation will be reduced and any excess will revert to CPCFA.

<u>Local Government</u>. Letters of Support were received from the following government representatives:

- Jim Nielsen, CA State Senator, 4th District (Attachment A)
- Gavin Newsom, Lt. Governor (Attachment B)
- Rene Vercruyssen, Vice President, Knife River Construction, An MDU Resources Company (Attachment C)
- Celeste Cantu, General Manager, Santa Ana Watershed Project Authority (Attachment D)
- Panorea Avdis, Chief Deputy Director, Governor's Office of Business and Economic Development (Attachment E)
- Dan Logue, CA State Assemblyman, 3rd District (Attachment F)
- Wally Herger, Member of Congress, United States House of Representatives (Attachment G)

<u>Pollution Control and/or Environmental Benefits</u>. The Company represents the project will generate the pollution control and environmental benefits described below.

Waste Diversion. The objectives of the plant are to recycle rice straw—an annually renewable agriwaste.

Air Quality. The project will eliminate substantial annual emissions of methane gas. Preliminary studies indicate that decomposing straw from re-flooded fields releases an estimated 500 to 1,250 pounds of methane per acre. Since the straw used by the project would not undergo the decomposition process, the project will result in the abatement of approximately 57,000 tons of methane annually, assuming the higher range of the methane estimate.

The project could potentially contribute significantly to indoor air quality, both because MDF made from rice straw (a water-resistant aquatic plant) is highly mold and mildew resistant and because CalAg's process will produce MDF with zero urea formaldehyde (UF) emissions.

The project is also anticipated to reduce Volatile Organic Compound (VOC) emissions. Wood-based MDF plants produce at least 20 times more VOC emissions than the same sized CalAg straw-based MDF plant.

Water Conservation. By not using water to decompose post-harvest rice straw, the project will save approximately 55,000 acre feet (17.8 billion gallons) of water each year. Most of this water use reduction would result from reducing season fall water diversions from the Sacramento, Yuba and Feather Rivers. This could also help protect the fall-run Chinook salmon (a species federally listed as threatened and endangered), steelhead, striped bass, and other valuable California fisheries.

Energy Efficiency. The Company estimates that the rice straw-based MDF plant will require approximately 15% less energy than a similarly sized wood-based MDF plant.

Recycling of Commodities. The plant will recycle approximately 275,000 tons of California grown rice straw annually. Of that collected material, approximately 99% of the straw will be utilized in the manufacture of MDF.

<u>Permitting and Environmental Approvals</u>. The Company has provided staff with copies of all applicable permits for the construction of the project, including discretionary approvals under the California Environmental Quality Act.

<u>Green Bonds</u>. The Company has engaged its technical advisor, Stephen Vajda Consulting ("SVC"), to analyze whether the project meets the Green Bond Principles of the International Capital Market Association ("ICMA"). In connection with the financing, SVC expects to deliver its final report opining that the project meets such criteria for Green Bond Principles and State of California environmental goals and policies, including: (i) reduction of air pollution; (ii) reduction of climate pollution; (iii) reduction of water pollution; (iv) water conservation; (v) increasing energy efficiency; and (vi) stewarding natural resources.

SVC's draft report examines four core components of the ICMA's Green Bond Principles and concludes that the 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 bond proceeds will be monitored by a bond trustee and SVC will report on project metrics, including, among others, construction progress and general compliance with design specifications. With respect to the fourth component, "Process for Project Evaluation and Selection", SVC's draft report summarizes the environmental benefits of the project (based on both comparison to other methods of disposing of waste rice straw and the conventional manufacturing process for MDF using wood feedstock) 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 CO_2 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 4200 acres of forest harvest per year.
5. Reduction of emission of VOC 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. Lower air emissions from transportation of rice straw feedstock to the plant, compared to wood, as all of the plant's needs will be met within a 25 mile radius.
8. Improved indoor air quality at the homes and buildings using the end product, compared to conventional MDF, by the use of formaldehyde free resin in the rice straw-based process.

CPCFA staff acknowledges the quantification of the environmental benefits of the Project, principally the significant benefits supporting well-established State objectives to improve air quality and reduce water consumption. In consultation with its advisors including bond counsel, CPCFA staff confirms that the technical report to be finalized and delivered in connection with the financing is consistent with the commonly accepted Green Bond Principles, and recommends that the Authority, in approving the tax-exempt financing of the Project, also recognize the Borrower's self-certification of the issuance as a Green Bond.

Financing Details. The Company anticipates a limited offering of fixed rate tax-exempt bonds with a restriction on transfer to Qualified Institutional Buyers and Institutional Accredited Investors as set out in Exhibit B of the Resolution during a "Restricted Period" as defined in the Indenture. The borrower requested that CPCFA allow the transfer to Institutional Accredited Investors to enhance the initial bond sale. CPCFA staff has included additional requirements in the Indenture to ensure the dealer is confirming the qualification of subsequent purchasers as Institutional Accredited Investors and is recommending that the Board grant the request with these additional terms and conditions.

Each initial investor will deliver an Investor Representation Letter stating that it is a Qualified Institutional Buyer (as defined in SEC Rule 144A promulgated under the Securities Act of 1933) or an Institutional Accredited Investor (which is an entity described SEC Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933). The bonds will be sold in minimum denominations of $250,000 or any integral multiple of $5,000 in excess thereof during the Restricted Period and $5,000 or any integral multiple thereof upon termination of the Restricted Period. The bonds may be sold with an original issue discount. UMB Bank, N.A. will serve as the bond trustee and collateral agent. The target date for financing is June 15, 2017.

Financing Team.

Underwriters:	Stifel, Nicolaus & Company, Incorporated, and Citigroup Global Markets Inc.
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Issuer's Counsel:	Office of the Attorney General

Staff Recommendation. Staff recommends approval of Final Resolution No. 511 and Volume Cap Allocation Resolution No. 14-147-07 for an amount not to exceed $235,000,000 for CalAg, LLC, CalPlant I, LLC and/or its Affiliates.

Additionally, staff recommends recognition of the issuance as a Green Bond.

Attachment A

CAPITOL OFFICE
STATE CAPITOL
SACRAMENTO, CA 95814
(916) 651-4004

CHICO DISTRICT OFFICE
2653 FOREST AVE., STE. 110
CHICO, CA 95928
(530) 879-7424

CRESCENT CITY DISTRICT OFFICE
1080 MASON MALL, STE. 4
CRESCENT CITY, CA 95531
(707) 464-1255

ROSEVILLE DISTRICT OFFICE
2200A DOUGLAS BLVD., STE. 100
ROSEVILLE, CA 95765
(916) 772-0571

YUBA CITY DISTRICT OFFICE
409 CENTER ST., STE. C
YUBA CITY, CA 95993
(530) 751-8657

California State Senate

COMMITTEES
BUDGET & FISCAL REVIEW
HEALTH
INSURANCE
VETERANS AFFAIRS

SENATOR
JIM NIELSEN
FOURTH SENATE DISTRICT

May 5, 2014

Mr. Jerry Uhland
President & Co-Founder
CalAg, LLC
1719 County Road D
Willows, CA 95988

Dear Mr. Uhland:

I am writing to convey my support of CalAg LLC's efforts to build a manufacturing plant for medium density fiberboard in Willows, California. The project meets the needs of Sacramento Valley rice farmers while providing much-needed jobs in this region that is still striving to recover economically.

The disposal of rice straw is a critical component of the rice farming industry, and this project offers a viable alternative while also creating cost savings that are estimated to be as much as $25 million annually for farmers who use the Willows plant for rice straw removal.

In addition, this project will employ an estimated 250 to 300 full-time workers during construction. Upon completion it will employ approximately 85 full-time employees with an annual payroll of about $11 million. Another 400 to 450 workers will be employed by the baling and transportation companies during the five-month straw collection season. This single plant will translate into more income circulating in the local community and will benefit other businesses associated with the plant and its workers.

For these reasons, I am pleased to add my support to this endeavor and look forward to hearing about the project's progress after construction begins later this year and witnessing the plant in operation in early 2016.

Sincerely,

Jim Nielsen

JIM NIELSEN
Senator, Fourth District

JN:ln

Attachment B

GAVIN NEWSOM
LIEUTENANT GOVERNOR

June 19, 2013

Jerry Uhland, President
CalAg, LLC
PO Box 1338
Willows, CA 95988

Dear Jerry,

It is my pleasure to write in support of CalAg's proposal for a Medium Density Fiberboard (MDF) facility to be built in Willows, California. This project will bring strong economic benefits to the state, specifically creating a number of employment opportunities in high unemployment areas of northern California.

What is uniquely appealing about CalAg's efforts is that the proposed MDF facility's economic benefits do not come at the expense of the environment. The MDF facility will utilize disposed rice straw as its raw material. This solves a dilemma that farmers across California face every year by providing an environmentally, economically sound option for the disposal of the leftover rice straw, which is otherwise burned or improperly discarded. This facility not only brings these ample benefits to the local economies of California, but allows the state to compete with neighboring states' MDF facilities, furthering the potential economic growth that the project promises.

California has historically been a leader in innovative production of goods and sound environmental policies. A project such as CalAg's MDF facility will encourage environmentally friendly innovation in our state, and for this reason, I am in support of their efforts.

Sincerely,

Lt. Governor Gavin Newsom

STATE CAPITOL, ROOM 1114, SACRAMENTO, CALIFORNIA 95814 • PHONE (916) 445-8994

Attachment C

KNIFE RIVER
CONSTRUCTION
AN MDU RESOURCES COMPANY

www.kniferiver.com

Northern California Division - Chico
1764 Skyway
Chico, CA 95928-8333

January 22, 2010

Glenda Humiston
USDA Rural Development state director
430 G street Agency 4169
Davis, CA 95616

Re: Job Growth Opportunity in Glenn County in the Northern Sacramento Valley in Northern California

Dear Director:

There is a significant opportunity to spur job growth in rural Glenn County, CA in the form of constructing a building-material factory. This factory would use locally grown waste rice straw as its raw material. Rice straw is a sustainable locally grown material that is perfect for being up-cycled into a needed and marketable material. Currently rice straw in the region is considered a waste product that must be burned or otherwise remediated every year in the Sacramento Valley north of Sacramento. We now have an exciting opportunity to put people to work, spur the local economy and significantly improve the air quality in our region.

Medium density fiber (MDF) board is an important building material in construction and is currently made with wood chips. But in recent years technological advancements have made it feasible to manufacture MDF with waste rice straw. CalAg is a partnership of forward looking investors who seek to bring this idea to fruition. Neither I, nor my company have any direct financial ties to CalAg. However, the company I manage in the region, Knife River Construction, is a union company dedicated to building quality projects for our public and private customers. Should my company or a similar company be retained to construct the site work portion of the proposed project, 50,000 union labor hours would be added to our area for this first phase of construction alone. Many more hours would be needed to build the structures and mechanical factory components. After construction, 80 full-time jobs and 400 part-time positions would be created to up-cycle a locally grown waste product into a sustainable building material.

I cannot think of a project more deserving of your attention than the CalAg MDF-from-waste-rice-straw project in Glenn County. You or your staff can contact me at 530.891.6555 for more information.

Sincerely,

Rene Vercruyssen
GM/VP
Cc: Jerry Uhland

Attachment D

Santa Ana Watershed Project Authority

CELEBRATING 40 YEARS OF INNOVATION, VISION, AND WATERSHED LEADERSHIP

SAWPA

October 11, 2010

Mr. Michael Paparian
Executive Director
California Pollution Control Financing Authority
915 Capitol Mall, Room 457
Sacramento, CA 95814

RE: CalAg

Dear Michael:

As someone who has worked for many years to balance the economic and environmental concerns of Californians, I am pleased to support the California Pollution Control Financing Authority's approval for the allocation of solid waste private activity revenue bonds that would constitute part of the financing for the rice straw-based MDF plant to be built by CalAg, LLC in Willows, California. I am particularly pleased to support the project as an economically sustainable, cost-effective way of making an estimated 50,000 acre feet (16.3 billion gallons) of additional water available each year during the crucial fall season— a season when water flow is crucial to California's fisheries and its environment. Just as important, the project achieves water conservation while reducing, rather than increasing, production costs to California rice farmers.

The CalAg project will result in many other environmental and economic benefits as well, among the most important of which are the following:

- It will substantially reduce the methane emissions that result from current rice straw disposal methods. These reductions could be as much as 52,000 tons of methane a year—enough to constitute an important part of California's greenhouse gas reduction goals.
- It will provide a source of environmentally sustainable building products made from an annually renewable resource (rice straw), reducing the stress on California's forests.
- During construction, it will provide 250 well-paid, full-time jobs in one of the most economically depressed regions of the state.
- Once operating, the plant will provide 85 professional, full-time jobs in a disadvantaged community whose leaders are eager for the economic and community-building opportunities that the plant will provide.
- It will be a high-visibility project that will demonstrate California's leadership in building industries that are economically and environmentally responsible and sustainable.

Thank you for this opportunity and the best to you.

Sincerely,

Celeste

Celeste Cantú
General Manager

11615 Sterling Avenue, Riverside, CA 92503 • (951) 354-4220
www.sawpa.org • Administration FAX (951) 785-7076 • Planning FAX (951) 352-3422

Attachment E

GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

STATE OF CALIFORNIA • OFFICE OF GOVERNOR EDMUND G. BROWN JR.

October 25, 2012

Jerry Uhland, President
CalAg, LLC
PO Box 1338 (or 1719 County Road D)
Willows, CA 95988

Dear Jerry,

On behalf of the Governor's Office of Business and Economic Development (GO-Biz), I am writing this letter in support of CalAg's efforts to secure private activity revenue bonds for a Medium Density Fiberboard (MDF) facility to be constructed in Willows, California. This project offers a robust jobs and economic impact as well as environmental benefits.

CalAg estimates the project will generate approximately 250 to 300 full time jobs during the 18-month construction of the facility and also support some 450 jobs during the annual 4-month rice straw harvest. As well as, approximately 85 full time, well-paying jobs in the high-unemployment rural region of Northern California. Because the project will have an inexpensive raw material source in rice straw, it will be extremely cost-competitive with other MDF facilities in the western U.S., which must use increasingly scarce wood byproducts as their raw material resource.

Our office serves as the single point of contact within state government for businesses that need assistance with site selection, expansion and relocation, permit streamlining, regulatory issues and more. As such, GO-Biz is actively engaged with several companies that are identifying environmentally-friendly methods for production of goods and we are supportive of CalAg and their efforts to build a facility in California that will provide jobs for the surrounding area.

Sincerely,

Panorea Avdis
Chief Deputy Director
Governor's Office of Business & Economic Development

(916) 322-0694 • Business.ca.gov • 1400 10th Street 2nd Floor, Sacramento, California 95814

Attachment F

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0003
(916) 319-2003
FAX (916) 319-2103
DISTRICT OFFICE
150 AMBER GROVE DRIVE, SUITE 154
CHICO, CA 95973
(530) 895-4217
FAX (530) 895-4219
EMAIL
Assemblymember.Logue@assembly.ca.gov

Assembly
California Legislature

DAN LOGUE
CHIEF REPUBLICAN WHIP
ASSEMBLYMEMBER, THIRD DISTRICT

COMMITTEES
BUDGET
BUDGET SUBCOMMITTEE #3 ON
RESOURCES AND TRANSPORTATION
ELECTIONS AND REDISTRICTING
TRANSPORTATION

May 9, 2014

Mr. Jerry Uhland
President & Co-Founder
CalAg, LLC
1719 County Road D
Willows, CA 95988

Dear Mr. Uhland,

I am writing to convey my support of CalAg_LLC's efforts to build a manufacturing plant for medium density fiberboard in Willows, California. The project meets the needs of Sacramento Valley rice farmers while providing much-needed jobs in our region which is still striving to recover economically.

The disposal of rice straw is a critical component of the rice farming industry, and this project offers a viable alternative while also creating cost savings that are estimated to be as much as $25 million annually for farmers who are working with the Willows plant for a cleaner most cost effective means of rice straw disposal.

In addition, this project will employ an estimated 250 to 300 full-time workers during construction. Upon completion it will employ approximately 85 full-time employees with an annual payroll of about $11 million. Another 400 to 450 workers will be employed by the baling and transportation companies during the five-month straw collection season. This single plant will translate into more income circulating in the local community and will benefit other businesses associated with the plant and its workers.

For these reasons, I am pleased to add my support to this endeavor and look forward to hearing about the project's progress after construction begins later this year and witnessing the plant in operation in early 2016.

Sincerely,

Dan Logue

Dan Logue,
Assemblyman, 3rd District

Representing Tehama, Glenn, Butte, Colusa, Sutter and Yuba Counties

Printed on Recycled Paper

Attachment G

WALLY HERGER
2nd DISTRICT, CALIFORNIA

PLEASE REPLY TO
☐ WASHINGTON OFFICE
242 CANNON HOUSE OFFICE BUILDING
(202) 225-3076

DISTRICT OFFICES
☒ 2635 FOREST AVENUE, SUITE 100
CHICO, CA 95928
(530) 893-8363

☐ 410 HEMSTED DRIVE, SUITE 115
REDDING, CA 96002
(530) 223-5898

herger.house.gov

Congress of the United States
House of Representatives
Washington, DC 20515–0502

COMMITTEE ON
WAYS AND MEANS

SUBCOMMITTEES
RANKING MEMBER
HEALTH
TRADE

October 15, 2010

Sherri K. Wahl, Deputy Director
CA Pollution Control Financing Authority
915 Capitol Mall, Suite 457
Sacramento, CA 95814

Dear Sherri,

I represent the Second Congressional District of California, and I am taking this opportunity to offer my support of CalAg, LLC in their efforts to secure private activity revenue bonds for a Medium Density Fiberboard project in my district. This project will utilize excess rice straw from California.

Rice farming has long been an integral part of Northern California's economy. However, rice farming presents several challenges to growers. In particular, the question of how to dispose of rice straw has been an ongoing challenge for many farmers. That is why I am pleased to be able to loan my support to CalAg, LLC. Not only does their program offer an alternative to farmers for rice straw elimination, it does so in an environmentally sensitive way that will create many jobs and better the economy of Northern California. Thank you for your careful consideration of this project.

Sincerely,

Wally Herger

WALLY HERGER
Member of Congress

WH:rk

Final Resolution No. 511
Application No. 664 (SB)

AMENDED AND RESTATED FINAL RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY RELATING TO FINANCING FOR SOLID WASTE DISPOSAL FACILITIES FOR CALAG, LLC, CALPLANT I, LLC AND/OR THEIR AFFILIATES

May 16, 2017

WHEREAS, the California Pollution Control Financing Authority (the "Authority") has heretofore approved the application of CalAg, LLC, a California limited liability company (the "Applicant"), for financial assistance to finance the land acquisition, construction, improvement, renovation, rehabilitation and/or installation of buildings and related facilities and the acquisition of equipment for a plant to process waste rice straw into medium density fiberboard (collectively, and as further described in Exhibit A hereto, the "Project"), and hereby desires to ratify and affirm its continuing approval of the Project in light of additional details with respect to the terms of such financial assistance, all as more particularly described in this Resolution and the term sheet attached hereto as Exhibit A (the "Term Sheet"); and

WHEREAS, the Authority on November 17, 2010, approved a final resolution (the "2010 Final Resolution") authorizing the issuance from time to time of revenue obligations of the Authority, in an aggregate principal amount not to exceed $175,300,000, to assist in the financing of the Project by making a loan to an affiliate of the Applicant, CalPlant I, LLC (the "Borrower"); and

WHEREAS, due to the complexity of the financing, continued difficulties in the financial markets and the need for substantial additional time to identify and negotiate with equity and debt investors (collectively, the "Market Factors"), the Applicant and Borrower have previously requested that the 2010 Final Resolution be extended to allow more time to complete the financing; and

WHEREAS, the 2010 Final Resolution has been amended and extended previously, including as amended and extended pursuant to resolutions adopted on December 17, 2013, June 17, 2014, and May 17, 2016; and

WHEREAS, the Authority on December 6, 2016, approved an amended and restated final resolution (the "2016 Final Resolution") authorizing the issuance from time to time of revenue obligations of the Authority, in an aggregate principal amount not to exceed $225,000,000 (the "Bonds"), to assist in the financing of the Project by making a loan to the Borrower, and by its current terms will expire on June 30, 2017; and

WHEREAS, due to the Market Factors, the Applicant and Borrower have now requested that the 2016 Final Resolution be extended to allow more time to complete the financing; and

WHEREAS, the Authority adopted its Initial Resolution 00-06 on April 26, 2000, which was amended and extended several times, the most recent being on October 24, 2006, at which time the Authority expressed its intent to issue up to $175,300,000 of bonds for the Borrower (the "Original Resolution"); and

WHEREAS, the Original Resolution (i) expired by its terms on October 24, 2009, (ii) was amended and reinstated pursuant to a resolution adopted by the Authority on September 22, 2010, and (iii) expired again pursuant to its terms on September 22, 2013, subject to the adoption and extension of the 2010 Final Resolution, as described herein; and

WHEREAS, the Market Factors have impacted the expectations of the Applicant and the Borrower with respect to the financing terms for the Project, and the Applicant and Borrower have adapted their capital and resource plans to accommodate such Market Factors; and

WHEREAS, the Borrower expects to finance the Project with a combination of a cash equity investment in the approximate amount of $87,500,000 (the "Equity Investment") and proceeds of the Bonds; and

WHEREAS, in the 2016 Final Resolution, forms of an indenture (the "Indenture"), between the Authority and UMB Bank, N.A., as trustee (the "Trustee"), a loan agreement (the "Loan Agreement") between the Authority and the Borrower, a limited offering memorandum (the "Limited Offering Memorandum") and a bond purchase agreement (the "Purchase Agreement") among Stifel, Nicolaus & Company, Incorporated, the Treasurer of the State of California (the "Treasurer"), the Authority and the Borrower, were approved by the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the business terms agreed upon between the Borrower and the initial investors in the Bonds (the "Investors") as the officer(s) executing and/or delivering the same may require or approve; and

WHEREAS, certain revisions have been made to the forms of the Indenture, the Loan Agreement, the Limited Offering Memorandum and the Purchase Agreement in light of the Market Factors, including those specified in the Term Sheet, and to accommodate requirements of prospective Investors in the Bonds; and

WHEREAS, revised forms of the Indenture, the Loan Agreement, the Limited Offering Memorandum and the Purchase Agreement incorporating such changes have been prepared and presented to the Authority;

WHEREAS, Stifel, Nicolaus & Company, Incorporated, and Citigroup Global Markets Inc., as co-underwriters of the Bonds (collectively, the "Underwriters"), began discussions with potential Investors concerning the Project, operational models relating thereto, and the credit and security structure for the financing, including the Bonds, and in order to facilitate such discussions and comply with applicable securities laws, the Applicant, the Borrower and the Underwriters have caused a draft Preliminary Limited Offering Memorandum describing the Project and the preliminary financing structure and the forms of certain financing documents to be prepared, updated from time to time and distributed to potential Investors;

WHEREAS, final approval of the terms of the Bonds and certain documents relating to the Bonds is now sought; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing; and

WHEREAS, the Applicant has provided documentation to the Authority demonstrating that the Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a project under that division; and

WHEREAS, the Borrower expects to designate all or a portion of the Bonds as "Green Bonds" in materials prepared for Investors, and has provided the Authority with certain information concerning such designation and related environmental attributes of the Project in its application materials; and

WHEREAS, the Authority hereby desires to ratify and affirm its continuing approval of the Project, the financing therefor and the issuance of the Bonds, and to amend and reinstate the Original Resolution, to the extent consistent with federal tax law;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority as follows:

Section 1. The Authority ratifies and confirms that the Project constitutes a "project" and the Applicant and the Borrower are each a "participating party" within the meaning of the California Pollution Control Financing Authority Act (the "Act").

Section 2. The Authority's approval of the Project and authorization to issue the Bonds set forth in the 2016 Final Resolution is hereby ratified, confirmed and continued, and the Authority hereby approves and authorizes the issuance of such Bonds in an aggregate amount not to exceed $235,000,000, subject to the limitations stated in the Term Sheet and Exhibit B hereto. The Bonds may be issued in a tax-exempt mode at one time, or from time to time, in one or more series separately or differently identified, all in accordance with the Indenture as finally executed. The Authority further declares its official intent to issue the Bonds for the Project, including for the purpose of reimbursing to the Applicant or the Borrower costs incurred for the Project prior to the issuance of the Bonds.

Section 3. The Treasurer is hereby authorized to sell the Bonds, subject to the terms and conditions set forth in the Term Sheet and Exhibit B hereto, at one time or from time to time before December 31, 2017, by negotiated sale, at such price and at such interest rate or rates as he may determine.

Section 4. The Indenture, the Loan Agreement, the Limited Offering Memorandum (in the form of either the "Preliminary Limited Offering Memorandum" or the final "Limited Offering Memorandum") and the Purchase Agreement are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect business terms agreed upon between the Borrower and the Investors) in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Indenture, the Loan Agreement and the Purchase Agreement, and by delivery thereof in the case of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

Section 5. The dates, maturity dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of each series of the Bonds shall be as provided in the Indenture, as finally executed.

Section 6. The Bonds shall be sold through a limited offering by the Underwriters. Subject to the limitations set forth in Exhibit B hereto, the Underwriters are hereby authorized to distribute the Preliminary Limited Offering Memorandum to "Qualified Institutional Buyers," as they are defined under the Securities and Exchange Commission Rule 144A, promulgated under the Securities Act of 1933, and "Institutional Accredited Investors," which are entities described by Securities and Exchange Commission Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, who may be interested in the purchase of the Bonds in connection with such limited offering. The Underwriters are hereby directed to deliver a copy of the final Limited Offering Memorandum to all actual purchasers of the Bonds.

Section 7. The Bonds, when executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York ("DTC"), on behalf of the Underwriters in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Bonds to DTC, on behalf of the Underwriters thereof, upon payment of the purchase price thereof.

Section 8. Issuance of the Bonds shall be contingent upon action by the Authority to dedicate to the Bonds a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, in an amount up to the applicable principal amount of Bonds to be issued and delivered to finance certain costs of the Project.

Section 9. Each officer of the Authority, acting alone, is hereby authorized and directed to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the issuance, sale, and delivery of the Bonds, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement, the Purchase Agreement and the Limited Offering Memorandum. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including, without limitation, any certifications and one or more tax certificates.

Section 10. The provisions of the resolution of the Authority entitled "Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings" adopted by the Authority on January 19, 2016 (the "Delegation Resolution"), apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference. This

Section 10 shall be deemed to refer to and incorporate any resolution of a similar nature adopted hereafter by the Authority which replaces or supersedes the Delegation Resolution.

Section 11. This Resolution shall not have the effect of superseding, nullifying or replacing any prior declaration of official intent by the Authority to issue the Bonds for the purpose of financing the Project or any official action taken toward the issuance of the Bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations and "official intent" within the meaning of Section 1.150-2 of the Treasury Regulations, each as applicable under Section 103 of the Internal Revenue Code of 1986, as amended. It is also intended, though, that this Resolution shall constitute "some other similar official action" towards the issuance of bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations and "official intent" within the meaning of Section 1.150-2 of the Treasury Regulations, each as applicable under Section 103 of the Internal Revenue Code of 1986, as amended. It is also intended that this statement of "official action" or "official intent" by the Authority shall continue in full force and effect even if this Resolution ceases to be effective for other purposes.

Section 12. This Resolution shall take effect immediately upon its passage. To the extent consistent with federal tax law, this Resolution shall relate back to April 26, 2000, and shall amend and reinstate the Original Resolution. The adoption by the Authority of this Resolution for the Applicant shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project. Subject to Section 11, this Resolution supersedes the 2016 Final Resolution.

EXHIBIT A

TERM SHEET

Name of Issue:	California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (CalPlant I Project), Series 2017 (AMT) (the "Bonds")
Maximum Amount of Issue:	$235,000,000
Issuer:	California Pollution Control Financing Authority (the "Authority"), Sacramento, CA
Applicant:	CalAg, LLC, a California limited liability company
Borrower:	CalPlant I, LLC, a California limited liability company; CalPlant I, LLC is an Affiliate of the Applicant. Upon financial close, all financed assets will be owned and operated by CalPlant I, LLC, a wholly-owned subsidiary of CalPlant I Holdco, LLC. CalAg LLC, formerly the parent company of CalPlant I LLC, will be one of the owners of CalPlant I Holdco LLC, along with other investors.
Trustee:	UMB Bank, N.A.
Underwriters:	Stifel, Nicolaus & Company, Incorporated, and Citigroup Global Markets Inc.
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
Project:	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 wastes materials into medium density fiberboard, such plant and facilities to be located at 6101 State Highway 162, Willows, Glenn County, California.
Maximum Bond Term:	Not to exceed 25 years
Type of Sale:	During the "Restricted Period," as defined in the Indenture, purchasers of the Bonds (in both primary and secondary markets) limited to "Qualified Institutional Buyers" ("QIBs"), as QIBs are defined in Securities and Exchange Commission ("SEC") Rule 144A, promulgated under the Securities Act of 1933 (the "Securities Act") or "Institutional Accredited Investors" ("IAIs") which are entities described by SEC Rule

	501(a)(1), (2), (3) or (7) under the Securities Act. IAIs together with QIBs are referred to herein as "Qualified Purchasers." The Restricted Period terminates upon approval of the Authority, which shall not be unreasonably withheld if the Borrower provides evidence that the Bonds have been rated at least "A3/A-" by Moody's Investors Service, Inc., Standard & Poor's Ratings Group or Fitch Ratings and any other conditions specified in the Indenture are met.
Description of Minimum Denominations:	$250,000 or any integral multiple of $5,000 in excess thereof during the Restricted Period as defined in the Indenture; should the Restricted Period terminate as described above, $5,000 or any integral multiple thereof.
Financing Structure:	Fixed rate bonds; sale can include up to 5% original issue discount.
Maximum Interest Rate:	12%
Other Credit Enhancement:	Not applicable
Anticipated Bond Rating:	None
Type of Financing:	Solid waste disposal revenue bonds
Prepared by:	Jake Campos Stifel, Nicolaus & Company, Incorporated (213) 443-5017

EXHIBIT B

SALE AND REMARKETING GUIDELINES

1. During the “Restricted Period,” as defined in the Indenture, purchasers of the Bonds (in both primary and secondary markets) limited to “Qualified Institutional Buyers” (“QIBs”), as QIBs are defined in Securities and Exchange Commission (“SEC”) Rule 144A, promulgated under the Securities Act of 1933 (the “Securities Act”) or “Institutional Accredited Investors” (“IAIs”) which are entities described by SEC Rule 501(a)(1), (2), (3) or (7) under the Securities Act. IAIs together with QIBs are referred to herein as “Qualified Purchasers.”

2. Bonds may be initially placed with and marketed to no more than 35 Qualified Purchasers in any one offering.

3. During the “Restricted Period”, Bonds must be issued in minimum denominations of $250,000 or any integral multiple of $5,000 in excess thereof, and following the “Restricted Period,” in minimum denominations of $5,000 or any integral multiple thereof, in each case with the requirement that all Bonds must equal the chosen denomination.

4. All sale restriction information must be prominently printed on the cover and described in the body of any offering materials. The Indenture’s “Registration and Transfer of Bonds” section must clearly describe all sale and purchase restrictions, and the Bond certificates in their legends must note all sale and purchase restrictions.

5. Sinking fund maturities must match the Bond denomination.

6. 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 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.

7. The initial purchasers shall provide (i) the Authority with an Authority Investor Letter and (ii) the Borrower and the Underwriters with a Borrower/Underwriters Investor Letter, each in the respective form attached to Appendix N of the Limited Offering Memorandum.

THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

RESOLUTION NO. 14-147-07

A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2014 STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN EXEMPT FACILITY PROJECT

WHEREAS, the California Pollution Control Financing Authority ("CPCFA") has received an application ("Application") from CalAg, LLC, CalPlant I, LLC and/or its affiliates (as further defined in Exhibit A, "Project Sponsor") for approval of the issuance of revenue bonds; and

WHEREAS, on May 16, 2017, CPCFA approved Final Resolution No. 511 ("Final Resolution") authorizing the issuance of up to $235,000,000 of its Solid Waste Disposal Revenue Bonds (CalPlant I Project) Series 2017 (AMT) ("Bonds"); and

WHEREAS, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the project to CPCFA which were relied upon by CPCFA in approving the Final Resolution; and

WHEREAS, the California Debt Limit Allocation Committee ("CDLAC") has previously transferred to CPCFA a portion of the 2014 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC's policies and Regulations. Accordingly, capitalized terms (with the exception of "Executive Director" which shall mean the Executive Director of CPCFA) not otherwise defined shall have the meanings ascribed to them in the "Regulations of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds" ("CDLAC Regulations"); and

WHEREAS, it is appropriate for CPCFA to confirm the use of a portion of the 2014 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA ("CPCFA Allocation") to the issuance of the Bonds as set forth in the Final Resolution;

NOW, THEREFORE, CPCFA resolves as follows:

Section 1. CPCFA Allocation in the amount of up to $235,000,000 is hereby dedicated to the issuance of the Bonds. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Bonds for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A, and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively "Resolution").

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor and all its respective successors and assignees, will be bound by such terms and conditions.

__**Section 3.**__ Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and shall require reconsideration by the CPCFA before the CPCFA Allocation may be used for the Project.

__**Section 4.**__ The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Bonds for the Project have been issued by CPCFA by the close of business on **August 13, 2017.** In a case of extreme hardship, the Deputy Executive Director or the Executive Director may extend this date by up to five (5) business days. In addition, the Executive Director may also grant an extension of up to ninety (90) days. This extension will result in a forfeiture of the Project's performance deposit to the extent that the performance deposit has not previously been forfeited.

__**Section 5.**__ Within twenty-four (24) hours of issuing the Bonds, CPCFA shall notify CDLAC via the email or the fax number as provided in California Code of Regulations, title 4, section 5140 that the Bonds have been issued. This notice shall identify the Project Sponsor, the project or program, the date, the amount of the Bonds issued, and, if different, the net proceeds of the sale.

__**Section 6.**__ Within fifteen (15) calendar days of the Bond closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting the appropriate completed Report of Action Taken in a form prescribed by and made available by CDLAC.

__**Section 7.**__ Any differences between the net proceeds from the sale of the Bonds issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 4 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

__**Section 8.**__ In consideration of the CPCFA Allocation dedicated in Section 1 of this resolution, the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, CPCFA shall ensure that the Bond documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

__**Section 9.**__ In accordance with California Code of Regulations, title 4, section 5145, subdivision (b), the Project Sponsor or its successor in interest shall submit to CPCFA each year by February 1, an annual Certification of Compliance II until the Project Sponsor has completed the Project and submitted a Certificate of Completion. CPCFA shall confirm receipt of the certificates to CDLAC by March 1 annually via the online compliance certification system until project completion. Copies of the certification forms may be found at http://www.treasurer.ca.gov/cdlac. Failure to submit the required certifications may result in disqualification from future dedications of the State Ceiling on Qualified Private Activity Bonds.

Section 10. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 14-147-07
(<u>AN EXEMPT FACILITY PROJECT</u>)
<u>EXHIBIT A</u>

1. Project Sponsor: CalAg, LLC, CalPlant I, LLC and/or its affiliates. CalPlant I, LLC is currently owned by CalAg, LLC. At the time of financial close, CalPlant I, LLC will be 100% owned by CalPlant I Holdco, LLC. At such time, the owners of CalPlant I Holdco, LLC will be as follows:

Occator Agricultural Properties, LLC[1]	32.95%
Columbia Forest Products, Inc.	18.53%
Other Investors	16.47%
Siempelkamp Maschinen- und Anlagenbau GmbH	4.12%
CalAg, LLC	27.92%
Total:	100.00%

[1] A wholly-owned subsidiary of Teachers Insurance and Annuity Association of America

2. Application #: 664(SB)

3. Project User: CalAg, LLC, CalPlant I, LLC

4. Project Name: CalPlant I Project

5. Location: 6101 State Highway 162, Willows, Glenn County, California 95988

6. Project: 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 wastes materials into medium density fiberboard, such plant and facilities to be located at 6101 State Highway 162, Willows, Glenn County, California.

7. Amount of Allocation: Up to $235,000,000