AMENDMENT No. 2 TO
POWER PURCHASE AGREEMENT
(Humboldt Sawmill Company)

This is an amendment ("Amendment") to that certain Power Purchase Agreement made by and between the Redwood Coast Energy Authority ("Buyer") and Humboldt Redwood Company, LLC ("HRC") on April 27, 2017, assigned by HRC to and assumed by Humboldt Sawmill Company ("HSC" and "Seller") on June 30, 2018, amended effective March 1, 2019 (collectively referred to herein as the "PPA"). This Amendment No. 2 is effective on May 1, 2021 ("Amendment").

RECITALS

WHEREAS, Buyer and Seller seek to amend the Delivery Term and Contract Price of the PPA, as well as make other mutually acceptable amendments to the PPA.

NOW THEREFORE, in consideration of the mutual covenants, conditions and terms recited herein and made a material part hereof, the parties agree as follows:

1. **Contract Price**. The PPA **Contract Price** is hereby amended to $63.00/MWh starting May 1, 2021 for the remainder of the delivery term, subject to the Annual Contract Price Adjustment.

2. **Excess Delivered Energy Price**.

   a. The PPA **Excess Delivered Energy Price** is hereby amended to $58.00/MWh starting May 1, 2021 for the remainder of the delivery term, subject to the Annual Contract Price Adjustment.

   b. **Article 1 Definitions**, *Section 1.89* is hereby replaced with the following:

   1.89 "Excess Delivered Energy Price" has the meaning set forth in Section C of the Cover Sheet.

3. **Green Attribute Price**. The PPA **Green Attribute Price** is hereby amended to $11.00/MWh for the remainder of the delivery term.

4. **Term**. The PPA **Delivery Term** is hereby amended to expire at 11:59 pm on May 31, 2031.

5. **Cover Sheet**. The PPA **Cover Sheet** - **Amended March 1, 2019** is hereby replaced in its entirety by "Power Purchase Agreement, Cover Sheet - Amended May 1, 2021," attached hereto as Exhibit A and incorporated herein to reflect the changes in the Contract Price, Excess Delivered Energy Price, Green Attribute Price, and Delivery Term.

6. **Green Attributes**. **Section 3.2**, *Subsection (a)* is hereby replaced with the following:

   "(a) Seller hereby provides and conveys all Green Attributes associated with all Delivered Energy, Excess Delivered Energy, and Surplus Delivered Energy from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project."

7. **<u>Excess Delivered and Deemed Delivered Energy</u>**. **Section 3.2**, *Subsection (a)* is hereby replaced with the following:

"(a) <u>Excess Energy</u>.

(i) If, at any point in any Contract Year, the amount of Delivered Energy (exclusive of Surplus Delivered Energy) plus the amount of Deemed Delivered Energy exceeds one hundred percent (100%) of the annual Contract Quantity amount, but is less than one hundred sixteen percent (116%) of the annual Contract Quantity amount, then:

(A) each MWh of Delivered Energy that exceeds one hundred percent (100%) of the annual Contract Quantity amount, but that is less than one hundred and sixteen percent (116%) of the annual Contract Quantity amount during such Contract Year shall be deemed "Excess Delivered Energy" and the price paid to Seller shall be the Excess Delivered Energy Price as set forth in Section C of the Cover Sheet.

(B) each MWh of additional Deemed Delivered Energy during such Contract Year shall be deemed "Excess Deemed Delivered Energy" and the price paid to Seller shall be the Excess Delivered Energy Price as set forth in Section C of the Cover Sheet.

(ii) If, at any point in any Contract Year, the amount of Delivered Energy (exclusive of Surplus Delivered Energy) plus the amount of Deemed Delivered Energy exceeds one hundred sixteen percent (116%) of the annual Contract Quantity amount, then for the remainder of such Contract Year, the price paid for every MWh of Delivered Energy exceeding one hundred sixteen percent (116%) of the annual Contract Quantity amount shall be the Surplus Delivered Energy Contract Price as set forth in Section C of the Cover Sheet.

For the avoidance of doubt, Excess Energy shall not include any Surplus Delivered Energy."

8. **<u>Seller's Guaranteed Energy Production Requirements</u>**.

a. **Article 1 Definitions**, *Section 1.116, Section 1.117, Section 1.118 , Section 1.119 , Section 1.126, and Section 1.167* are hereby deleted.

b. **NEW: Article 1 Definitions**, is hereby amended to add the following definitions:

1.4.1 "Annual GEP Cure" has the meaning set forth in Section 3.1(e)(ii)(D).

1.4.2 "Annual GEP Damages" has the meaning set forth in Appendix II.

1.4.3 "Annual GEP Failure" means Seller's failure to produce Delivered Energy plus Deemed Delivered Energy in an amount equal to or greater than the Annual Guaranteed Energy Production amount for the applicable Annual Performance Measurement Period.

1.4.4 "Annual GEP Shortfall" means the amount in MWh by which Seller failed to achieve the Guaranteed Energy Production in the applicable Annual Performance Measurement Period.

1.4.5 "Annual Guaranteed Energy Production" has the meaning set forth in Section 3.1(e)(ii).

1.4.6 "Annual Performance Measurement Period" has the meaning set forth in Section 3.1(e)(ii).

1.179.1 "Q1" means the period including the calendar months of January, February, and March of each Contract Year.

1.179.7 "Q2" means the period including the calendar months of April, May, and June of each Contract Year.

1.179.8 "Q3" means the period including the calendar months of July, August, and September of each Contract Year.

1.179.10 "Q3 GEP Contract Quantity" means the Contract Quantity for the applicable Contract Year multiplied by twenty-five percent (25%).

1.179.11 "Q3 GEP Damages" has the meaning set forth in Appendix II.

1.179.12 "Q3 GEP Failure" means Seller's failure to produce Delivered Energy plus Deemed Delivered Energy in an amount equal to or greater than the Annual Guaranteed Energy Production amount for the applicable Q3 Performance Measurement Period.

1.179.13 "Q3 GEP Shortfall" means the amount in MWh by which Seller failed to achieve the Guaranteed Energy Production in the applicable Q3 Performance Measurement Period.

1.179.14 "Q3 Guaranteed Energy Production" has the meaning set forth in Section 3.1(e)(ii).

1.179.15 "Q3 Performance Measurement Period" has the meaning set forth in Section 3.1(e)(ii).

1.179.20 "Q4" means the period including the calendar months of October, November, and December of each Contract Year.

c. **Section 3.1**, *Subsection (e)(ii)* is hereby replaced with the following.

"(ii) Guaranteed Energy Production.

(A) Throughout the Delivery Term, Seller shall be required to provide to Buyer an amount of Delivered Energy plus Deemed Delivered Energy, if any, no less than the Annual Guaranteed Energy Production in each Contract Year during the Delivery Term ("Annual Performance Measurement Period"). "Annual Guaranteed Energy Production" is equal to the product of (x) and (y), where (x) is eighty-five percent (85%) of the Contract Quantity, and (y) is the difference between (I) and (II), with the resulting difference divided by (I), where (I) is the number of hours in the applicable Annual Performance Measurement Period and (II) is the aggregate number of Seller Excuse Hours in the applicable Annual Performance Measurement Period. Annual Guaranteed Energy Production is described by the following formula:

Annual Guaranteed Energy Production = (85% × Contract Quantity in MWh) × [(Hrs in Annual Performance Measurement Period – Seller Excuse Hrs in Annual Performance Measurement Period) / Hrs in Annual Performance Measurement Period]

(B) Throughout the Delivery Term, Seller shall be required to provide to Buyer an amount of Delivered Energy plus Deemed Delivered Energy, if any, no less than the Q3 Guaranteed Energy Production in the months of July, August, and September during each calendar year of the Delivery Term ("Q3 Performance Measurement Period"). "Q3 Guaranteed Energy Production" is equal to the product of (x) and (y), where (x) is ninety-five percent (95%) of the Q3 Contract Quantity, and (y) is the difference between (I) and (II), with the resulting difference divided by (I), where (I) is the number of hours in the applicable Q3 Performance Measurement Period and (II) is the aggregate number of Seller Excuse Hours in the applicable Q3 Performance Measurement Period. Q3 Guaranteed Energy Production is described by the following formula:

Q3 Guaranteed Energy Production = (95% × Q3 Contract Quantity in MWh) × [(Hrs in Q3 Performance Measurement Period – Seller Excuse Hrs in Q3 Performance Measurement Period) / Hrs in Q3 Performance Measurement Period]

(C) In no event shall any amount of Delivered Energy plus Deemed Delivered Energy in any Settlement Interval that exceeds the Contract Capacity be credited toward or added to Seller's Annual Guaranteed Energy Production requirement or Q3 Guaranteed Energy Production requirement.

(D) <u>Annual GEP Failure, Q3 GEP Failure, Cure, Damages</u>.

(I) If Seller has an Annual GEP Failure, then within forty-five (45) days after the last day of the last month of such Annual Performance Measurement Period, Buyer shall promptly provide Notice to Seller of such failure, provided that Buyer's failure to provide Notice shall not constitute as a waiver of Buyer's rights to collect Annual GEP damages. Seller may cure the Annual GEP Failure by providing to Buyer an amount of Delivered Energy plus Deemed Delivered Energy, if any, that is no less than eighty-five percent (85%) of the Contract Quantity, subject to adjustment for Seller Excuse Hours over the next following Contract Year, as set forth in the formula below ("Annual GEP Cure").

Annual GEP Cure = (85% x Contract Quantity in MWh) x [(Hrs in next following Contract Year – Seller Excuse Hrs in next following Contract Year) / Hrs in next following Contract Year]

If Seller fails to provide sufficient Delivered Energy plus Deemed Delivered Energy, if any, as adjusted by Seller Excuse Hours, to qualify for the Annual GEP Cure for a given Annual Performance Measurement Period, then Seller shall pay Annual GEP Damages, calculated pursuant to Appendix II ("Annual and Q3 GEP Damages Calculation").

(II) If Seller has a Q3 GEP Failure, then within forty-five (45) days after the last day of the last month of such Q3 Performance Measurement Period, Buyer shall promptly provide Notice to Seller of such failure, provided that Buyer's failure to provide Notice shall not constitute as a waiver of Buyer's rights to collect Q3 GEP Damages. Seller shall pay Q3 GEP Damages, calculated pursuant to Appendix II ("Annual and Q3 GEP Damages Calculation").

(III) The Parties agree that the damages sustained by Buyer associated with Seller's failure to achieve either the Annual Guaranteed Energy Production requirement or the Q3 Guaranteed Energy Production requirement would be difficult or impossible to determine, or that obtaining an adequate remedy would be unreasonably time consuming or expensive and therefore agree that Seller shall pay the Annual GEP Damages and/or Q3 GEP Damages to Buyer as liquidated damages. In no event shall Buyer be obligated to pay Annual GEP Damages or Q3 GEP Damages.

(IV) After the Annual GEP Cure period has run, if Seller has not achieved the Annual GEP Cure, Buyer shall have forty-five (45) days to notify Seller of such failure. Within forty-five (45) days of the end of the Annual GEP Cure period, Buyer shall provide Notice to Seller in writing of the amount of the Annual GEP Damages, if any, which Seller shall pay within sixty (60) days of receipt of the Notice (the "Annual Cure Payment Period"). If Seller does not pay the Annual GEP Damages within the Annual Cure Payment Period, then Buyer may, at its option, declare an Event of Default pursuant to Section 5.1(b)(iv)(A) within ninety (90) days following the Annual Cure Payment Period. If Seller has failed to pay the Annual GEP Damages, and Buyer does not (1) notify Seller of the Annual GEP Failure or (2) declare an Event of Default pursuant to Section 5.1(b)(iv) within the ninety (90) day period, then Buyer shall be deemed to have waived its right to declare an Event of Default based on Seller's failure with respect to the Annual Performance Measurement Period which served as the basis for the notice of Annual GEP Failure, Annual GEP Damages, or default, subject to the limitations set forth in Section 5.1(b)(iv)(B).

(V) Within forty-five (45) days after Seller provides Notice to Buyer that a Q3 GEP Failure has occurred, Buyer shall provide Notice to Seller in writing of the amount of the Q3 GEP Damages, if any, which Seller shall pay within sixty (60) days of receipt of the Notice (the "Q3 GEP Damages Payment Period"). If Seller does not pay the Q3 GEP Damages within the Q3 GEP Damages Payment Period, then Buyer may, at its option, declare an Event of Default pursuant to Section 5.1(b)(iv)(A) within ninety (90) days following the Q3 GEP Damages Payment Period. If Seller has failed to pay the Q3 GEP Damages, and Buyer does not (1) notify Seller of the Annual GEP Failure or (2) declare an Event of Default pursuant to Section 5.1(b)(iv) within the ninety (90) day period, then Buyer shall be deemed to have waived its right to declare an Event of Default based on Seller's failure with respect to the Q3 Performance Measurement Period which served as the basis for the notice of Q3 GEP Failure, Q3 GEP Damages, or default, subject to the limitations set forth in Section 5.1(b)(iv)(B).

(D) For avoidance of doubt, the Annual Guaranteed Energy Production requirements specified in this Section 3.1(c)(ii) do not apply to the three (3) Delivery Months that do not fall within a full Contract Year, more specifically March, April, and May of 2031."

9. **Guaranteed Energy Production Damages**. **Appendix II, GEP Damages Calculation** is hereby replaced with the following.

"APPENDIX II
ANNUAL AND Q3 GEP DAMAGES CALCULATION

A. Annual GEP Damages Calculation

In accordance with the provisions in Section 3.1(e)(ii), Annual GEP Damages means the liquidated damages payment due by Seller to Buyer, calculated as follows:

[(A-B) x (C-D)]

Where:

A = the Annual Guaranteed Energy Production for the Annual Performance Measurement Period, in MWh

B = Sum of Delivered Energy plus Deemed Delivered Energy, if any, over the Annual Performance Measurement Period, in MWh

C = Replacement price for the Annual Performance Measurement Period, in $/MWh, which is the sum of (a) the simple average of the Integrated Forward Market hourly price for all the hours in the Annual Performance Measurement Period, as published by the CAISO, for the Existing Zone Generation Trading Hub (as defined in the CAISO Tariff), in which the PNode resides, plus (b) $50/MWh

D = the unweighted Contract Price specified in the Cover Sheet for the Annual Performance Measurement Period, in $/MWh

The Parties agree that in the above calculation of Annual GEP Damages, if the result of "(C-D)" is less than $20/MWh, then "(C-D)" will be replaced with $20/MWh.

B. Q3 GEP Damages Calculation

In accordance with the provisions in Section 3.1(e)(ii), Q3 GEP Damages means the liquidated damages payment due by Seller to Buyer, calculated as follows:

[(A-B) x (C-D)]

Where:

A = the Q3 Guaranteed Energy Production for the Q3 Performance Measurement Period, in MWh

B = Sum of Delivered Energy plus Deemed Delivered Energy, if any, over the Q3 Performance Measurement Period, in MWh

C = Replacement price for the Q3 Performance Measurement Period, in $/MWh, which is the sum of (a) the simple average of the Integrated Forward Market hourly price for all the hours in the Q3 Performance Measurement Period, as published by the CAISO, for the Existing Zone Generation Trading Hub (as defined in the CAISO Tariff), in which the PNode resides, plus (b) $50/MWh

D = the unweighted Contract Price specified in the Cover Sheet for the Q3 Performance Measurement Period, in $/MWh

The Parties agree that in the above calculation of Q3 GEP Damages, if the result of "(C-D)" is less than $20/MWh, then "(C-D)" will be replaced with $20/MWh."

10. <u>Event of Default</u>. Section 5.1, *Subsection (b)(iv)* is hereby replaced with the following:

"(iv) failure by Seller to achieve the Annual Guaranteed Energy Production requirement as set forth in Section 3.1(e)(ii) of this Agreement as follows:

(A) after the one (1) year Annual GEP Cure period Seller has failed to cure the Annual GEP Failure and has failed to pay Annual GEP Damages in the time period set forth in Section 3.1(e)(ii); or

(B) Seller has failed to pay Q3 GEP Damages in the time period set forth in Section 3.1(e)(ii); or

(C) if, after any Annual Performance Measurement Period the cumulative Annual GEP Shortfall for all preceding Annual Performance Measurement Periods occurring during the Delivery Term equals or exceeds two times the Contract Quantity (as may be adjusted pursuant to Section 3.1(e)(ii)); provided, however, that if all or a portion of the Annual GEP Shortfall during an applicable Annual Performance Measurement Period is principally caused by a non-Force Majeure major equipment malfunction, breakdown, or failure resulting in a reduction of Energy production of the Project by at least fifty percent (50%) of the Contract Quantity in one or both years of the Annual Performance Measurement Period, as applicable, and such malfunction, breakdown, or failure was not caused by Seller and could not have been avoided through the exercise of Good Utility Practice, such failure shall be excluded from the calculation of the cumulative Annual GEP Shortfall for purposes of this subsection; or

(D) Seller has failed to pay either Q3 Forecast Deviation Penalties in the time period set forth in Section 4.7(a) or Q1/Q2/Q4 Forecast Deviation Penalties in the time period set forth in Section 4.7(b);"

11. <u>Quarterly Forecast Requirements</u>.

a. **NEW: Article 1 Definitions**, is hereby amended to add the following definitions:

1.180.1 "Quarter" means a period of three calendar months ending March 31, June 30, September 30, or December 31.

1.180.2 "Quarterly Forecast Amount" has the meaning set forth in Section 3.9(a).

b. **NEW: Article 3: Obligations and Deliveries** is hereby amended to add Section 3.9 as follows:

"3.9 <u>Seller's Obligation to Provide Quarterly Forecast of Energy Production</u>.

(a) No later than 15 calendar days prior to the first day of each Quarter, Seller shall provide to Buyer a forecast of the expected Delivered Energy for the upcoming Quarter. Such forecast shall be called the "Quarterly Forecast Amount.""

12. <u>Quarterly Forecast Penalties</u>.

a. **NEW: Article 1 Definitions**, is hereby amended to add the following definitions:

1.179.2 "Q1/Q2/Q4 Forecast Deviation Penalty" has the meaning set forth in Section 4.7(b).

1.179.3 "Q1/Q2/Q4 Shortfall Forecast Deviation" has the meaning set forth in Section 4.7(b).

1. 179.4 "Q1/Q2/Q4 Shortfall Forecast Deviation Amount" has the meaning set forth in Section 4.7(b).

1. 179.5 "Q1/Q2/Q4 Surplus Forecast Deviation" has the meaning set forth in Section 4.7(b).

1. 179.6 "Q1/Q2/Q4 Surplus Forecast Deviation Amount" has the meaning set forth in Section 4.7(b).

1.179.9 "Q3 Forecast Deviation Penalty" has the meaning set forth in Section 4.7(b).

1.179.16 "Q3 Shortfall Forecast Deviation" has the meaning set forth in Section 4.7(a).

1. 179.17 "Q3 Shortfall Forecast Deviation Amount" has the meaning set forth in Section 4.7(a).

1. 179.18 "Q3 Surplus Forecast Deviation" has the meaning set forth in Section 4.7(a).

1. 179.19 "Q3 Surplus Forecast Deviation Amount" has the meaning set forth in Section 4.7(a).

b. **NEW: Article 4: Compensation; Monthly Payments** is hereby amended to add Section 4.7 as follows:

"4.7 <u>Quarterly Forecast Deviation</u>.

(a) <u>Q3 Forecast Deviation</u>.

(i) If the sum of the Delivered Energy provided during a Q3 is more than five percent (5%) greater than the Quarterly Forecast Amount for that Q3, then a "Q3 Surplus Quarterly Forecast Deviation" shall have occurred and the quantity of Delivered Energy provided in excess of one hundred and five percent (105%) of the Q3 Forecast Amount shall be the "Q3 Surplus Forecast Deviation Amount." The Q3 Surplus Forecast Deviation Amount is described by the following formula:

$$\text{Q3 Surplus Forecast Deviation Amount} = (\text{Delivered Energy during Quarter}) - (105\% \times \text{Quarterly Forecast in MWh})$$

If the sum of the Delivered Energy during a Q3 plus the total number of Seller Excuse Hours multiplied by the Available Capacity is more than five percent (5%) less than the Quarterly Forecast for that Q3, then a "Q3 Shortfall Forecast Deviation" shall have occurred, and the difference between (i) the sum of the Delivered Energy during that Q3 plus the total number of Seller Excuse Hours multiplied by the Available Capacity and (ii) ninety percent-five (95%) of the Quarterly Forecast Amount shall be the "Q3 Shortfall Forecast Deviation Amount." The Q3 Shortfall Forecast Deviation Amount is described by the following formula:

$$\text{Q3 Shortfall Forecast Deviation Amount} = (95\% \times \text{Quarterly Forecast in MWh}) - (\text{Delivered Energy during Quarter} + (\text{Seller Excuse Hours during Quarter} \times \text{Available Capacity}))$$

(ii) Q3 Forecast Deviation Penalty. If a Q3 Surplus Quarterly Forecast Deviation or a Q3 Shortfall Forecast Deviation has occurred, then Seller shall pay Buyer an amount equal to either the Q3 Surplus Forecast Deviation Amount multiplied by ten dollars ($10.00) or the Q3 Shortfall Forecast Deviation Amount multiplied by ten dollars ($10.00) (either referred to as the "Q3 Forecast Deviation Penalty"). If a Q3 Surplus Forecast Deviation or a Q3 Shortfall Forecast Deviation has occurred, then within forty-five (45) days after the last day of the last month of such Q3, Buyer shall promptly provide Notice to Seller of such occurrence, provided that Buyer's failure to provide Notice shall not constitute as a waiver of Buyer's rights to collect a Q3 Forecast Deviation Penalty. Such notice shall be in writing and specify the amount of the Q3 Forecast Deviation Penalty, which Seller shall pay within sixty (60) days of receipt of the Notice. If Seller does not pay the Q3 Forecast Deviation Penalty within sixty (60) days of receipt of the Notice ("Q3 Forecast Deviation Penalty Deadline"), then Buyer may, at its option, declare an Event of Default pursuant to Section 5.1(b)(iv)(A) within ninety (90) days following the Q3 Forecast Deviation Penalty Deadline. If Seller has failed to pay the Q3 Forecast Deviation Penalty, and Buyer does not declare an Event of Default pursuant to Section 5.1(b)(iv) within the ninety (90) day period, then Buyer shall be deemed to have waived its right to declare an Event of Default based on the Seller's failure to pay the Q3 Forecast Deviation Penalty, subject to the limitations set forth in Section 5.1(b)(iv)(D).

(b) Q1/Q2/Q4 Forecast Deviation.

(i) If the sum of the Delivered Energy provided during either a Q1, Q2, or Q4 is more than seven percent (7%) greater than the Quarterly Forecast Amount for that Q1, Q2, or Q4, then a "Q1/Q2/Q4 Surplus Quarterly Forecast Deviation" shall have occurred and the quantity of Delivered Energy provided in excess of one hundred and seven percent (107%) of the Quarterly Forecast Amount shall be the "Q1/Q2/Q4 Surplus Quarterly Forecast Deviation Amount." The Q1/Q2/Q4 Surplus Quarterly Forecast Deviation Amount is described by the following formula:

Q1/Q2/Q4 Surplus Quarterly Forecast Deviation Amount = (Delivered Energy during Quarter) - (107% × Quarterly Forecast in MWh)

If the sum of the Delivered Energy during either a Q1, Q2, or Q4 plus the total number of Seller Excuse Hours multiplied by the Available Capacity is more than seven percent (7%) less than the Quarterly Forecast for that Q1, Q2, or Q4, then a "Q1/Q2/Q4 Shortfall Forecast Deviation" shall have occurred, and the difference between (i) the sum of the Delivered Energy during that Q1, Q2, or Q4 plus the total number of Seller Excuse Hours multiplied by the Available Capacity and (ii) ninety-three percent (93%) of the Quarterly Forecast Amount shall be the "Q1/Q2/Q4 Shortfall Forecast Deviation Amount." The Q1/Q2/Q4 Shortfall Forecast Deviation Amount is described by the following formula:

Q1/Q2/Q4 Shortfall Forecast Deviation Amount = (93% × Quarterly Forecast in MWh) - (Delivered Energy during Quarter + (Seller Excuse Hours during Quarter × Available Capacity))

(ii) Q1/Q2/Q4 Forecast Deviation Penalty. If a Q1/Q2/Q4 Surplus Forecast Deviation or a Q1/Q2/Q4 Shortfall Forecast Deviation has occurred, then Seller shall pay Buyer an amount equal to either the Q1/Q2/Q4 Surplus Forecast Deviation Amount multiplied by five dollars ($5.00) or the Q1/Q2/Q4 Shortfall Forecast Deviation Amount multiplied by five dollars ($5.00) (either referred to as the "Q1/Q2/Q4 Forecast Deviation Penalty"). If a Q1/Q2/Q4 Surplus Forecast Deviation or a Q1/Q2/Q4 Shortfall Forecast Deviation has occurred, then within forty-five (45) days after the last day of the last month of such Quarter, Buyer shall promptly provide Notice to

Seller of such occurrence, provided that Buyer's failure to provide Notice shall not constitute as a waiver of Buyer's rights to collect a Q1/Q2/Q4 Forecast Deviation Penalty. Such notice shall be in writing and specify the amount of the Q1/Q2/Q4 Forecast Deviation Penalty, which Seller shall pay within sixty (60) days of receipt of the Notice. If Seller does not pay the Q1/Q2/Q4 Forecast Deviation Penalty within sixty (60) days of receipt of the Notice ("Q1/Q2/Q4 Forecast Deviation Penalty Deadline"), then Buyer may, at its option, declare an Event of Default pursuant to Section 5.1(b)(iv)(A) within ninety (90) days following the Q1/Q2/Q4 Forecast Deviation Penalty Deadline. If Seller has failed to pay the Q1/Q2/Q4 Forecast Deviation Penalty, and Buyer does not declare an Event of Default pursuant to Section 5.1(b)(iv) within the ninety (90) day period, then Buyer shall be deemed to have waived its right to declare an Event of Default based on the Seller's failure to pay the Q1/Q2/Q4 Forecast Deviation Penalty, subject to the limitations set forth in Section 5.1(b)(iv)(D).

(c) The Parties agree that the damages sustained by Buyer associated with the occurrence of a Q3 Surplus Forecast Deviation, Q1/Q2/Q4 Surplus Forecast Deviation, Q3 Shortfall Forecast Deviation, or Q1/Q2/Q4 Shortfall Forecast Deviation would be difficult or impossible to determine, or that obtaining an adequate remedy would be unreasonably time consuming or expensive and therefore agree that Seller shall pay either the Q3 Forecast Deviation Penalty or Q1/Q2/Q4 Forecast Deviation Penalty as liquidated damages. In no event shall Buyer be obligated to pay either Q3 Forecast Deviation Penalties or Q1/Q2/Q4 Forecast Deviation Penalties."

13. **Public Safety Power Shutoff.** **Article 1 Definitions**, *Section 1.103(a)* is hereby amended to add the following:

"(v) a "proactive power shutoff" or a "public safety power shutoff" initiated by PG&E pursuant to the guidelines adopted by California Public Utilities Commission in Decision 19-05-042, as amended by Decision 20-05-051, as may be further amended."

14. **Ratification of Agreement**. The terms and conditions of the PPA, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

15. **Counterparts.** This Amendment may be executed by the Parties in one or more counterparts using verified electronic signature or signature transmitted in PDF, each of which shall be an original, but all of which shall constitute one and the same instrument, and when so executed and delivered shall be treated by the Parties and given the same effect as an original.

IN WITNESS WHEREOF, the parties have executed this Amendment No.2 effective as of the date written above.

HUMBOLDT SAWMILL COMPANY, LLC:

By: ____________________ Date: ________________
Name:
Title:

REDWOOD COAST ENERGY AUTHORITY:

By: _______________________ Date: _________________
Name:
Title:

Approved as to form:

By: ________________________ Date: __________________
Nancy Diamond, General Counsel

EXHIBIT "A"

Power Purchase Agreement, Cover Sheet - Amended May 1, 2021
(*attached*)

POWER PURCHASE AGREEMENT
COVER SHEET – AMENDED May 1, 2021

This Power Purchase Agreement ("Agreement") is entered into between Redwood Coast Energy Authority, a California joint powers authority ("Buyer" or "RCEA"), and Humboldt Redwood Company, LLC, a Delaware limited liability company ("Seller"), as of April 27, 2017, the Execution Date. The information contained in this Cover Sheet shall be completed by Seller and incorporated into the Agreement.

A. Transaction Type

Seller may not modify the Transaction Type designated in this Part A of the Cover Sheet at any time after the Execution Date.

Product:

X As-Available, woody biomass facilities only
☐ Baseload, woody biomass facilities only

Deliverability:

☐ Energy Only Status

☐ Partial Capacity Deliverability Status ("PCDS")

a) If PCDS is selected, provide the Expected PCDS Date, or the date the Project received a PCDS finding if already received: ________________________ (mm/dd/yyyy);

b) The Partial Capacity Deliverability Status Amount the Project will obtain is ___________________MW.

X Full Capacity Deliverability Status ("FCDS")

a) If FCDS is selected, provide the Expected FCDS Date, or the date the Project received a FCDS finding if already received: ________________________ (mm/dd/yyyy).

Seller shall elect one of the following types of transactions pursuant to Section 3.1(b) of the Agreement:

☐ Full Buy/Sell
X Excess Sale

Seller shall elect one of the following Delivery Terms:

X 13 Years and 3 Months

B. Contract Capacity and Expected Initial Energy Delivery Date

Contract Capacity: 18 MW

Expected Initial Energy Delivery Date: 3/1/2018

C. Contract Price

The Contract Price for each MWh of Product as measured by Delivered Energy in each Contract Year or Delivery Month and the price for Deemed Delivered Energy in each Contract Year or Delivery Month shall be as follows:

Delivery Period	**Contract Price ($/MWh)**	**Excess Delivered Energy Price ($/MWh)**	**Surplus Delivered Energy Contract Price ($/MWh)**
	Applicable to Delivered Energy up 100% of the Contract Quantity in each Contract Year	*Applicable to Delivered Energy exceeding 100% of the Contract Quantity in each Contract Year but less than 116% of the Contract Quantity in each Contract Year*	*Applicable to Surplus Delivered Energy and to Delivered Energy exceeding 116% of the Contract Quantity in each Contract Year*
Contract Year 1	83	N/A	Energy Price + Green Attribute Price
Contract Year 2	65 (March-December 2019); 67 (January-February 2020)	N/A	Energy Price + Green Attribute Price
Contract Year 3	67	N/A	Energy Price + Green Attribute Price
Contract Year 4	63	58	Energy Price + Green Attribute Price
Contract Year 5	Contract Year 4 Contract Price times Annual Contract Price Adjustment	Contract Year 4 times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 6	Contract Year 5 Contract Price times Annual Contract Price Adjustment	Contract Year 5 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 7	Contract Year 6 Contract Price times Annual Contract Price Adjustment	Contract Year 6 Tier 2Contract Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 8	Contract Year 7 Contract Price times Annual Contract Price Adjustment	Contract Year 7 Tier 2Contract Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 9	Contract Year 8 Contract Price times Annual Contract Price Adjustment	Contract Year 8 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price

Contract Year 10	Contract Year 9 Contract Price times Annual Contract Price Adjustment	Contract Year 9 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 11	Contract Year 10 Contract Price times Annual Contract Price Adjustment	Contract Year 10 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 12	Contract Year 11 Contract Price times Annual Contract Price Adjustment	Contract Year 11 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 13	Contract Year 12 Contract Price times Annual Contract Price Adjustment	Contract Year 12 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price

The Contract Price shall be increased annually, commencing on March 1, 2022, by the Annual Contract Price Adjustment, such that each year such Contract Price is equal to the prior year's Contract Price multiplied by the Annual Contract Price Adjustment. The "Annual Contract Price Adjustment" will be determined in 2021 as one (1) plus the percentage increase in the monthly CPI between January 2019 and January 2021. The "Annual Contract Price Adjustment" will be determined in each succeeding year as one (1) plus the percentage increase in the monthly CPI between January of the prior year and January of the year in which the adjustment is made. The Contract Price, if adjusted as aforesaid, shall remain unchanged until it is adjusted again pursuant to the terms of this Section.

"Consumer Price Index" or "CPI" means the Consumer Price Index - California for All Urban Consumers, not seasonally adjusted, as published monthly by the California Department of Industrial Relations; or such other or similar index as Seller reasonably selects to measure change in the purchasing power of the U.S. dollar in California, as approved in advance by RCEA.

"Energy Price" means the simple average of the Integrated Forward Market hourly price, as published by the CAISO, for the Existing Zone Generation Trading Hub (as defined in the CAISO Tariff), in which the PNode resides, associated with Surplus Delivered Energy for each Delivery Month.

"Green Attribute Price" means the $11.00 per MWh payment for Green Attributes associated with Surplus Delivered Energy conveyed to Buyer in accordance with the terms of this Agreement.

D. Delivery Term Contract Quantity Schedule

Quantity of energy to be delivered by contract year:

Delivery Period	Contract Quantity (MWh)	Surplus Delivered Energy Quantity (MWh)
Contract Year 1 (beginning March 1, 2018)	116,070	0
Contract Year 2	116,070	0
Contract Year 3	116,070	0
Contract Year 4	125,000	0
Contract Year 5	125,000	0
Contract Year 6	125,000	0
Contract Year 7	125,000	0
Contract Year 8	125,000	0
Contract Year 9	125,000	0
Contract Year 10	125,000	0
Contract Year 11	125,000	0
Contract Year 12	125,000	0
Contract Year 13	125,000	0
Contract Year 14 (March, April, May 2031)	31,250	0

E. **Collateral**

- Pre-Development Term Security

  Dollar Amount: $1,530,000

  - Cash, or
  - Letter of Credit

- Delivery Term Security

  Dollar Amount: $2,500,000

  - Cash, or
  - Letter of Credit

F. **Buyer Bid Curtailment and Buyer Curtailment Orders.**

Operational characteristics of the Project for Buyer Bid Curtailment and Buyer Curtailment Orders are listed below. Buyer, as the Scheduling Coordinator or through its Third-Party Scheduling Coordinator, may request that CAISO modify the Master File for the Project to reflect the findings of a CAISO audit of the Project. In addition, Seller agrees to coordinate with Buyer or Third-Party SC, as applicable, to ensure all information provided to the CAISO regarding the operational and technical constraints in the Master File for the Project are accurate and are based on the true physical characteristics of the resource.

- PMax of the Project: 28.8 MW

- Minimum operating capacity: 0 MW
- Ramp Rate: 0.17 MW/Minute
- Maximum number of Start-ups per calendar day, month, year (if any such operational limitations exist): 1/month
- Advance notification required for Buyer Bid Curtailment and Buyer Curtailment Order: Not greater than the shortest Dispatch Interval in the Real-Time Market (as defined in the CAISO Tariff).

Other Requirements:

- Maximum number of hours annually for Buyer Curtailment Periods: zero hours
- The Project will be capable of receiving and responding to all Dispatch Instruction in accordance with Section 3.1(q).
- Start-Up Time (if applicable): NA*
- Minimum Run Time after Start-Up (if applicable): NA*
- Minimum Down Time after Shut-Down (if applicable): NA*
- *Generator: Continuously Operating biomass Unit

Note: Sellers should enter the maximum flexibility the Project can offer given the operational constraints of the technology.

G. Damage Payment (as described under Damage Payment definition in Section 1.47)

X Thirteen Year, Three Month Delivery Term. Dollar amount: $2,500,000

H. Notices List [Seller to Update]

Name: Humboldt Redwood Company, LLC, a Delaware limited liability company ("Seller")	Name: Redwood Coast Energy Authority, ("Buyer" or "RCEA")
All Notices:	All Notices:
Delivery Address:	Delivery Address:
Street: 3700 Old Redwood Highway Suite 200, Santa Rosa, CA 95403	633 3rd St, Eureka, CA 95501
Mail Address: (if different from above)	Mail Address:
Attn: Jim Pelkey Chief Financial Officer Phone: [redacted] Email: [redacted]	Attn: Richard Engel Director of Power Resources Phone: [redacted] Email: [redacted]
DUNS: to be supplied Federal Tax ID Number: to be supplied	DUNS: to be supplied Federal Tax ID Number: to be supplied

Invoices:
Phone: [redacted]
Facsimile: [redacted]
Email: [redacted]

Scheduling:
Attn: Michael Richardson

Phone: [redacted]
Facsimile: [redacted]
Email: [redacted]

Payments:
Attn: Josh Monson

Phone: [redacted]
Facsimile: [redacted]
Email: [redacted]

Wire Transfer:
BNK: Wells Fargo Bank, NA
ABA: to be supplied
ACCT: to be supplied

Credit and Collections:
Attn: Josh Monson

Phone: [redacted]
Email: [redacted]

Notices of an Event of Default to:

Attn: Jim Pelkey
Chief Financial Officer
Phone: [redacted]
Facsimile: [redacted]
Email: [redacted]

With additional Notices of an Event of Default to:

Bob Mertz
Chief Executive Officer
3700 Old Redwood Highway, Suite 200
Santa Rosa, CA 95403

Invoices:
Phone: [redacted]
Facsimile: [redacted]
Email: [redacted]

Scheduling:
Attn: The Energy Authority designated as Buyer's SC
Real Time Desk Phone: [redacted]
Facsimile: [redacted]

Payments:
Attn: Lori Biondini

Phone: [redacted]
Facsimile: [redacted]
Email: [redacted]

Wire Transfer:
BNK: Umpqua Bank
ABA: contact [redacted]
ACCT: contact [redacted]

Credit and Collections:
Attn: Lori Biondini

Phone: [redacted]
Email: [redacted]

Attn: Lori Biondini

Phone: [redacted]
Facsimile: [redacted]
Email: [redacted]

RCEA General Counsel
Nancy Diamond, Law Offices of Nancy Diamond
822 G. Street, Suite 3
Arcata, CA 95521

Phone: [redacted]

Phone: [redacted]
Facsimile: [redacted]