

RESOLUTION NO: 20231009

RESOLUTION REGARDING REQUEST OF ECOR GLOBAL, INC. FOR THE ISSUANCE OF ONE OR MORE SERIES OF PRIVATE ACTIVITY BONDS AND INDUCEMENT THEREOF; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR REQUIRED DESIGNATIONS OR ALLOCATION OF VOLUME CAP; AND AUTHORIZING OTHER ACTIONS, REQUESTS, APPROVALS AND CONSENTS RELATED THERETO

WHEREAS, the Sinton 4A Development Corporation (the "Corporation") is authorized by the Development Corporation Act, Chapter 501, *et seq.*, of the Texas Local Government Code, as it has been or may be amended (the "Act"), to issue revenue bonds for the purpose of paying all or part of the cost of a "project," as defined (or to be defined) in the Act, and to sell or lease the project to others or to loan the proceeds of the bonds to others to finance all or part of the cost of the project; and

WHEREAS, ECOR Global, Inc., a California corporation or an affiliate or subsidiary thereof or a related person thereto (the "User"), desires to finance the Project (as hereinafter defined) with the proceeds of revenue bonds of the Corporation (the "Bonds"), which Bonds will repaid by the User upon terms and conditions in accordance with the Act and the applicable provisions of the Internal Revenue Code, as amended (the "Code"), including, but not limited Section 142(a)(6) of the Code relating to solid waste disposal facility bonds; and

WHEREAS, the Corporation reasonably expects to authorize the issuance and sale of its tax-exempt obligations and its taxable obligations, to the extent permitted by law, to provide funds to defray all or part of the cost of acquiring, constructing, rehabilitating, developing, expanding, renovating, improving and equipping certain capital improvements, infrastructure, land and equipment and pay related financing costs with respect to solid waste disposal facilities that constitute industrial or other facilities eligible under the Act and are located in Sinton, San Patricio County, Texas, as more particularly described in Exhibit A hereto, which may constitute one or more projects (collectively, the "Project"), any of such facilities to be constructed or owned by or to be leased or sold to the User; and

WHEREAS, the User has made payments with respect to the acquisition, construction, rehabilitation, development, improvement and equipping of the Project and expects to make additional payments in the future and desires that it be reimbursed for such payments and other costs associated with the Project from the proceeds of one or more series of tax-exempt or taxable obligations to be issued by the Corporation subsequent to the date hereof; and

WHEREAS, the Corporation desires to reimburse the User for some or all of the costs associated with the Project, but solely from and to the extent, if any, of the proceeds of tax-exempt or taxable obligations to be issued subsequent to the date hereof; and

WHEREAS, at the request of the User, the Corporation reasonably expects to incur debt in the form of tax-exempt obligations for purposes of paying the costs of the Project; and

WHEREAS, at the request of the User, the Corporation may issue one or more series of Bonds in the form of taxable obligations for purposes of paying costs of the Project; and

WHEREAS, one or more public hearings with respect to the Project and the Bonds (as defined herein) will be held in accordance with Section 147(f) of the Code by a duly appointed hearing officer(s) of the Corporation or of other applicable elected representatives at the times and locations to be determined by such hearing officers, and notice of such hearings will be published or otherwise disseminated in accordance with the requirements of Section 147(f) of the Code in each location as may be required thereunder.

WHEREAS, the City Council of the City of Sinton, Texas (the "Unit") has authorized and approved creation of the Corporation to act on behalf of the Unit for the public purposes described in the Act; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SINTON 4A DEVELOPMENT CORPORATION THAT:

Section 1. The Corporation reasonably expects to reimburse the User for all costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, rehabilitation, development, expansion, renovation, improvement and equipping of the Project, to the extent permitted by law, from the proceeds of one or more series of tax-exempt or taxable obligations to be issued from time to time subsequent to the date hereof (collectively, the "Bonds"), in an amount which is reasonably estimated to be sufficient: (a) to fund one or more loans to provide financing for the acquisition, construction, rehabilitation, development, expansion, renovation, improvement and equipping of the Project, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, rehabilitation, development, expansion, renovation, improvement and equipping of the Project; (b) to pay for capitalized interest, if any, on the Bonds; (c) to fund certain reserves, if any, for the benefit of the holders of the Bonds or for the benefit of the Project; and (d) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 2. Based on representations of the User, the Corporation reasonably expects that (i) the maximum principal amount of debt issued to reimburse the User for the Costs of the Project in connection with the approval and adoption of this inducement resolution will not exceed \$100,000,000; and (ii) the Project will contribute to the economic growth or stability of the Unit, is required or suitable for the development, retention or expansion of industrial facilities and will create or retain "Primary Jobs" (as currently defined in the Act). For the avoidance of doubt, the amount set forth in this Section 2 refers only to the amount of proceeds of debt to be used for reimbursement, and it does not limit the total amount of Bonds or other debt that may otherwise be issued to finance costs of the Project, to pay costs of issuance or to be used for other eligible purposes. Any premium received, paid or payable on the sale of the Bonds will not be counted against the Reimbursable Amount.

Section 3. As induced hereby, the User may commence or continue with the acquisition, construction, rehabilitation, development, expansion, renovation, improvement and equipping of the Project, which Project will be in furtherance of the public purposes of the Corporation and the Unit as aforesaid, and the User has provided or will provide, or cause to be provided, at its expense, the necessary interim financing to expedite the commencement of the acquisition, construction, rehabilitation, development, expansion, renovation, improvement and equipping of the Project. On or prior to the issuance of the Bonds, the User will enter into one or more purchase, lease or loan agreements on an installment payment basis with the Corporation under which the Corporation will sell or lease the Project to the User or make one or more loans to the User for the purpose of reimbursing the User for the Costs of the Project and the User will make installment payments sufficient to pay the principal of and premium (if any) and interest on the Bonds. The Bonds shall never constitute an indebtedness or pledge of the faith and credit of the State, of the Unit or of any other political corporation, subdivision or agency of the State within the meaning of any State constitutional or statutory provision, and the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other funds of the Unit, and shall be payable from the funds of the Corporation derived from or in connection with the sale or lease of the Project or the loan of the proceeds of the Bonds.

Section 4. On receipt of the opinion of nationally recognized bond counsel acceptable to the Corporation, that interest paid on the Bonds, as applicable, is exempt from federal income taxation, and satisfaction of such other conditions as may be imposed by the Corporation, the Corporation hereby agrees and commits to issue, pursuant and subject to the terms of the Act, the Bonds, or from time to time the portion thereof as may be the subject of an opinion as aforesaid, in an appropriate principal amount not exceeding that which is the subject of an opinion as aforesaid, maturing in such amount and times, bearing interest at the rates, payable on the dates and having such optional and mandatory redemption features and prices as are approved in writing by the User. The Corporation will deliver the Bonds to the purchaser or purchasers designated by the User and will cooperate to the fullest extent in facilitating delivery of the Bonds. The agreement of the Corporation to issue the Bonds on a tax-exempt basis is specifically subject to the ability of the Corporation to issue such Bonds in compliance with the designation provisions of the Code.

Section 5. The Bonds may be issued in one or more series from time to time as the User shall request in writing; provided, however, that the Bonds may be issued only in an aggregate principal amount that will not exceed the amount which is the subject of the opinion described in Section 4 above. A request in writing for issuance of one or more series of Bonds shall not affect the obligation hereunder of the Corporation to issue the remaining Bonds as written requests therefor are received. The proceeds of the Bonds or portions thereof whether or not issued in a series, any of which are to be issued as a tax-exempt obligation, shall not be invested so as to cause such Bonds or any portion thereof to be arbitrage bonds within the meaning of Section 148 of the Code, and applicable regulations promulgated pursuant thereto.

Section 6. Subject to the requirements of applicable law, including but not limited to the Act, and the conditions set forth in Sections 2 and 4 above, the Bonds may also be issued as taxable obligations in one or more series from time to time as the User may request of the Corporation in writing.

Section 7. The payment of the principal of and premium, if any, and interest on the Bonds shall be made solely from moneys realized from the Project or from moneys realized from the loan of the proceeds of the Bonds to reimburse the User or otherwise provide for Costs of the Project.

Section 8. The Costs of the Project may include any cost of acquiring, constructing, rehabilitating, developing, expanding, renovating, improving and equipping the Project, subject to the limitations of the Code and the Act. The User shall (i) be responsible for and pay any Costs of the Project incurred by it prior to issuance of the Bonds and will pay all Costs of the Project which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (ii) at all times, indemnify and hold harmless the Corporation, its Board of Directors, the Unit and its City Council, and, if applicable, the Office of the Governor of the State of Texas, Economic Development and Tourism Division and any other division of such office against all losses, costs, damages, expenses and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale or delivery of the Bonds, or the design, construction, installation, operation, use, occupancy, maintenance or ownership of the Project.

Section 9. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Corporation reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Corporation shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to issue the Bonds.

Section 10. The Corporation acknowledges that financing of all or any part of the Project may be undertaken by any company or partnership that is a "related person" to the User within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the User and that upon completion the Project may be leased to an affiliate of the User.

Section 11. This Resolution constitutes the Corporation's official intent for expenditures on Costs of the Project which will be reimbursed out of the issuance of the Bonds that are tax-exempt obligations within the meaning of Section 1.150-2 of the Treasury Regulations, and applicable rulings of the Internal Revenue Service thereunder, to the end that such Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of the Code, and that the interest on such Bonds will therefore be excludable from the gross income of any holder thereof under the provisions of Section 103(a) of the Code.

Section 12. For purposes of satisfying any public notice or hearing requirements, including those in Section 147 of the Code, that may be a condition to the issuance of the Bonds, the Corporation hereby authorizes its President or other Corporation officer to prepare and publish

such public hearing notices, appoint or designate such public hearing officers as needed and conduct such public hearings, all in accordance with applicable law. In addition thereto, the Corporation hereby authorizes and approves the filing of one or more applications for designation of the Bonds to be issued as tax-exempt obligations and the Project or allocation of volume cap, as described herein pursuant to the applicable federal bond program or regulation, including but not limited to, filing one or more or such applications with the Texas Bond Review Board, and any officer or director of the Corporation and Bond Counsel are each hereby authorized to execute and deliver such applications and to take any and all other actions related to such applications or necessary or desirable to carry out the provisions of this Resolution. For purposes of requesting an allocation of volume cap under Section 146 of the Code, if and as applicable, the Corporation hereby authorizes its President or other Corporation officer and also Bond Counsel to request such allocation, and further hereby authorizes such application for allocation to be filed in multiple program years and from time to time as may be necessary or appropriate to obtain an allocation for each series of bonds issued pursuant to this Resolution.

Section 13. The engagement of McCall, Parkhurst & Horton, LLP as Counsel to the Issuer, and the engagement and use of Creighton, Fox, Johnson & Mills, PLLC as Bond Counsel in connection with the Project and issuance of the Bonds is approved. The President of the Board of Directors of the Issuer is hereby authorized to enter into and execute, in the name of and on behalf of the Issuer, an engagement letter with each firm with respect to the provision of services to the Issuer, in such forms as may be approved by the President. By the acceptance of this Resolution and proceeding with the Project, the User thereby agrees that (i) it will fully indemnify and hold the Corporation harmless from any and all damages, losses, and reasonable expenses, including attorneys' fees, arising at any time from or with respect to the Project (except those resulting from willful misconduct of the Corporation), and (ii) it will pay or reimburse the Corporation for all reasonable and necessary out-of-pocket expenses, including attorneys' fees and expenses and the fees and expenses of other consultants, which the Corporation may have incurred at the request of the User arising from the performance or attempted performance by the Corporation of its obligations hereunder.

Section 14. This Resolution may be assigned, at any time, in whole or in part, to the Governmental Unit.

Section 15. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 16. The Board of Directors of the Corporation hereby finds, determines and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon.

Section 17. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board of Directors.

Section 18. All resolutions, or parts thereof, which are in conflict or inconsistent with any provisions of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 19. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board of Directors hereby declares that this Resolution would have been enacted without such invalid provisions.

Section 20. All other actions taken, requests made, and approvals and consents given by any officer of the Corporation, heretofore or hereafter, that are consistent with the terms, purposes and intent of this Resolution are hereby authorized, ratified and confirmed.

Section 21. This Resolution shall become effective immediately.

PASSED AND APPROVED this 9TH day of October, 2023.

SINTON 4A DEVELOPMENT CORPORATION

By: _____
Name: _____
Title: _____

ATTEST:

Name: _____
Title: _____

EXHIBIT A

DESCRIPTION OF PROJECT

The User intends to finance or refinance the costs of acquiring, constructing, rehabilitating, developing, expanding, renovating, improving and equipping capital improvements, equipment, land and infrastructure and pay related financing costs with respect to solid waste disposal facilities that will process agricultural waste to manufacture and produce recyclable composite plywood. The facilities consist of buildings, structures, machinery, equipment, utilities, and support systems and components and property that is functionally related and subordinate to the foregoing, to be acquired, constructed, improved, and installed at a site located at _____, Sinton, Texas, within the boundaries of the Corporation. The Project may also include acquisition and development of additional land located in or near Sinton, Texas and also located within the boundaries of the Corporation.