

Exhibit No. ___ (MC-8)
Docket TG-140560
Witness: Melissa Cheesman

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

WASTE CONTROL, INC.,

Respondent.

DOCKET TG-140560

**EXHIBIT TO
TESTIMONY OF**

Melissa Cheesman

**STAFF OF WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Credit and Reimbursement Agreement

July 18, 2014

CREDIT AND REIMBURSEMENT AGREEMENT

CREDIT AND REIMBURSEMENT AGREEMENT (the "Agreement"), dated as of September 30, 2009, made by WASTE CONTROL, INC., a Washington corporation, WASTE CONTROL EQUIPMENT INC., a Washington corporation, WASTE CONTROL RECYCLING, INC., a Washington corporation, WEST COAST PAPER FIBRES INC., a Washington corporation, and HEIRBORNE INVESTMENTS, LLC, a Washington limited liability company (collectively, the "Borrowers"), jointly and severally; and UNION BANK, N.A. (the "Bank").

Recitals

WHEREAS, Heirborne Investments, LLC ("Heirborne") requested the Washington Economic Development Finance Authority, a public instrumentality of the State of Washington (the "Issuer"), to finance, pursuant to a Loan Agreement dated as of December 14, 2006 (the "Loan Agreement"), between the Issuer and Heirborne and an Indenture dated as of December 14, 2006 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee"), a portion of the cost of acquiring and financing certain facilities described in the Loan Agreement (the "Project") by the issuance pursuant to the Indenture of the Issuer's Variable Rate Demand Solid Waste Disposal Revenue Bonds, Series 2006K (Heirborne Investments, LLC Project), in the aggregate principal amount of Eleven Million Seven Hundred Eighty-Five Thousand and No/100 Dollars (\$11,785,000.00) (the "Bonds"). Capitalized terms used herein without definition shall have the respective meanings ascribed to them in the Indenture and/or the Loan Agreement.

WHEREAS, Heirborne has requested that the Bank issue a direct-pay letter of credit (the "2006K Letter of Credit") to support the Bonds, substantially in the form of Exhibit A attached hereto, in an initial stated amount of Eleven Million Six Hundred Twenty-Nine Thousand Five Hundred Forty-Six and No/100 Dollars (\$11,629,546.00), subject to reduction and reinstatement as set forth therein, of which not more than Eleven Million Four Hundred Sixty Thousand and No/100 Dollars (\$11,460,000.00) (which limit is subject to reduction and reinstatement as set forth in the 2006K Letter of Credit) may be drawn with respect to principal on the Bonds, and not more than the lesser of 45 days' interest on the Bonds (calculated at 12% per annum for the actual number of days elapsed on the basis of a year of 365/366 days) or One Hundred Sixty-Nine Thousand Five Hundred Forty-Six and No/100 Dollars (\$169,546.00) may be drawn with respect to interest on the Bonds.

WHEREAS, the Borrowers have also requested that the Bank (a) make available to the Borrowers a revolving line of credit in the maximum aggregate principal amount of \$550,000, (b) make a term loan in the principal amount of One Million Three Hundred Twenty-Five Thousand and No/100 Dollars (\$1,325,000.00) to refinance certain indebtedness of the Borrowers secured by equipment and trucks, and (c) make available to the Borrowers a term line loan in the aggregate principal amount of \$500,000 (collectively, together with the 2006K Letter of Credit, the "Credit Facilities").

WHEREAS, the Bank is willing to make the Credit Facilities available to the Borrower on the terms and subject to the conditions set forth in this Agreement.

Agreement

NOW, THEREFORE, in consideration of the premises and in order to induce the Bank to make the Credit Facilities available to the Borrowers, the parties agree as follows:

1. Definitions.

1.1 Defined Terms. As used in this Agreement, the following terms shall have the respective meanings set forth below:

"ADR Agreement" shall have the meaning given to that term in Section 7.1(e) hereof.

"Adjusted Total Liabilities" shall mean, with respect to the Borrowers at any time, the outstanding principal balance of Total Liabilities of the Borrowers at such time, less the sum of: (i) the aggregate amount of restricted cash held by the Bank in the Reimbursement Deposit Account and (ii) the aggregate amount of cash held by the Trustee (in the form of undisbursed Bond proceeds) at such time in which the Bank has a perfected security interest.

"Affiliate" shall mean, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially or as a trustee, guardian or other fiduciary, twenty-five percent (25%) or more of any class of equity securities of such Person, (b) each Person that controls, is controlled by, or is under common control with, such Person or any Affiliate of such Person, and (c) each of such Person's officers, directors, joint venturers and partners; provided, however, that in no case shall the Bank be deemed to be an Affiliate of any of the Borrowers or any of their respective Affiliates for purposes of this Agreement. For purposes of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

"Applicable Margin" shall mean, with respect to any Liquidity Loan, Term Loan or Term Line Loan at any time, the per annum margin determined pursuant to the Pricing Grid and added to the Reference Rate or the LIBO Rate, as the case may be, for such Liquidity Loan, Term Loan or Term Line Loan; provided, however, that each Applicable Margin determined pursuant to the Pricing Grid shall be increased by four hundred (400) basis points on the date an Event of Default occurs and shall continue at such increased rate unless and until such Event of Default is waived or cured in accordance with this Agreement. The Applicable Margins shall be determined as provided in the Pricing Grid, except that the Fixed Charge Coverage Ratio shall be deemed to be greater than 1.25:1.00 but less than 1.40:1.00 until the date on which the Bank receives the Borrowers' reviewed and combined financial statements for the fiscal year ending on March 31, 2010.

"Bonds" shall have the meaning given to that term in the Recitals.

"Borrower Representative" shall mean WCI, or such other of the Borrowers as has been selected by the Borrowers as their representative by notice to the Bank in writing.

"Business Day" shall mean any day on which the Bank's office located at 7108 North Fresno Street, Suite 200, Fresno California 93720 is open for the purpose of conducting a commercial banking business.

"Capital Asset" shall mean, with respect to any Person, any tangible fixed or capital asset owned or leased (in the case of a Capital Lease) by such Person, or any expense incurred by such Person, which in accordance with GAAP should be reported as a capital asset on such Person's balance sheet.

"Capital Expenditures" shall mean, with respect to any Person and any period, the total cost of all Capital Assets acquired by such Person during such period.

"Capital Leases" shall mean any and all lease obligations that, in accordance with GAAP, are required to be capitalized on the books of a lessee.

"Change of Control" shall mean the occurrence of any one of the following events:

(a) Joseph D. Willis and Kevin T. Willis shall cease to own, beneficially and of record, at least 51% in the aggregate of the issued and outstanding or fully-diluted equity securities or membership interests of any of the Borrowers; or

(b) day-to-day management of any of the Borrowers cease to be exercised by Joseph D. Willis or Kevin Willis or a replacement approved in writing by the Bank.

"Closing Date" shall mean the earliest date on which all of the conditions precedent to the effectiveness of this Agreement have been satisfied or waived by the Bank.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Collateral Documents" shall mean the Security Agreements, the Deed of Trust, each financing statement and each other agreement securing the Borrowers' obligations to the Bank in connection with this Agreement, any Letter of Credit, any Bonds or any document encumbering any Project.

"Compliance Certificate" shall have the meaning given to that term in Section 11.9 hereof.

"Contingent Obligation" shall mean, with respect to any Person, (a) any Guaranty Obligation of that Person; and (b) any direct or indirect obligation or liability, contingent or otherwise, of that Person (i) in respect of any Surety Instrument issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings or payments, (ii) as a partner or joint venturer in any partnership or joint venture, (iii) to purchase any materials, supplies or other property from, or to obtain the services of, another Person if the relevant contract or other related document or obligation requires that payment for such materials, supplies or other property, or for such services, shall be made regardless of whether delivery of such materials, supplies or other property is ever made or tendered, or such services are ever performed or tendered, or (iv) in respect to any Rate Contract that is not entered into in connection with a bona fide hedging operation that provides offsetting benefits to such Person. The amount of any Contingent Obligation shall (subject, in the case of Guaranty Obligations, to the last sentence of the definition of "Guaranty Obligation") be deemed equal to the maximum reasonably anticipated liability in respect thereof, and shall, with respect to item (b)(iv) of this definition be marked to market on a current basis.

"Contractual Obligation" of any Person shall mean, any indenture, note, lease, loan agreement, security, deed of trust, mortgage, security agreement, guaranty, instrument, contract, agreement or other form of contractual obligation or undertaking to which such Person is a party or by which such Person or any of its property is bound.

"Credit Facilities" shall have the meaning given to that term in the Recitals.

"Deed of Trust" shall mean that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing made by Heirborne for the benefit of the Bank encumbering, among other things, certain real property located in Cowlitz County, Washington.

"Default" shall mean an Event of Default or any event or circumstance not yet constituting an Event of Default which, with the giving of any notice or the lapse of any period of time or both, would become an Event of Default.

"Default Rate" shall mean a per annum rate equal to four percent (4.0%) above the applicable interest rate from time to time.

"EBITDA" shall mean, with respect to any Person for any period, such Person's net income or net loss for such period after eliminating extraordinary gains and losses, plus (i) interest expense for such period; (ii) depreciation and amortization expense for such period, and (iii) income tax expense for such period.

"Eligible Invoice" shall mean documentation in form and substance satisfactory to the Bank, including paid invoices, payment receipts and purchase orders, evidencing the payment by any Borrower of the purchase price of equipment or rolling stock and the acceptance and possession by the Borrower of such equipment or rolling stock.

"ERISA" shall have the meaning given to that term in Section 10.10.

"Event of Default" shall have the meaning given to that term in Section 13 hereof.

"Fixed Charge Coverage Ratio" shall mean, with respect to the Borrowers and the Entity Guarantors for any four (4) consecutive fiscal quarter period, the ratio of:

(a) EBITDA of the Borrowers for such period

to

(b) The sum of (i) all principal payments made on Total Liabilities of the Borrowers during the twelve (12) months immediately preceding the date of determination, plus (ii) all interest expense (including any letter of credit fees) paid or accrued by of the Borrowers during such twelve (12) month period, plus (iii) all income taxes paid or accrued by the Borrowers during such twelve (12) month period, plus (iv) all dividends or distributions paid or accrued by the Borrowers during such twelve (12) month period, plus (v) all payments of principal and interest made by the Borrowers on any subordinated indebtedness during such twelve (12) month period.

"GAAP" means, as of any date of determination, accounting principles (a) set forth as

generally accepted in then currently effective Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants, (b) set forth as generally accepted in then currently effective Statements of the Financial Accounting Standards Board or (c) that are then approved by such other entity as may be approved by a significant segment of the accounting profession in the United States of America. The term "consistently applied," as used in connection therewith, means that the accounting principles applied are consistent in all material respects with those applied at prior dates or for prior periods.

"Guarantor" shall mean any or all of Joseph D. Willis and Kevin T. Willis.

"Guaranty" shall have the meaning given to that term in Section 7.1(c) hereof.

"Guaranty Obligation" shall mean, with respect to any Person, any direct or indirect liability of that Person with respect to any indebtedness, lease, dividend, letter of credit or other obligation (the "primary obligations") of another Person (the "primary obligor"), including any obligation of that Person, whether or not contingent, (a) to purchase, repurchase or otherwise acquire such primary obligations or any property constituting direct or indirect security therefor, or (b) to advance or provide funds (i) for the payment or discharge of any such primary obligation, or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of the primary obligor, or (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) otherwise to assure or hold harmless the holder of any such primary obligation against loss in respect thereof. The amount of any Guaranty Obligation shall be deemed equal to the stated or determinable amount of the primary obligation in respect of which such Guaranty Obligation is made or, if not stated or if indeterminable, the maximum reasonably anticipated liability in respect thereof.

"Heirborne" shall mean Heirborne Investments, LLC, a Washington limited liability company.

"Indebtedness" of any Person shall mean, without duplication:

(a) All obligations of such Person evidenced by notes, bonds, debentures or other similar instruments and all other obligations of such Person for borrowed money (including obligations to repurchase receivables and other assets sold with recourse);

(b) All obligations of such Person for the deferred purchase price of property or services (including obligations under letters of credit and other credit facilities which secure or finance such purchase price and obligations under "synthetic" leases);

(c) All obligations of such Person under conditional sale or other title retention agreements with respect to property acquired by such Person (to the extent of the value of such property if the rights and remedies of the seller or lender under such agreement in the event of default are limited solely to repossession or sale of such property);

(d) All obligations of such Person as a lessee under or with respect to Capital Leases;

(e) All obligations of such Person, contingent or otherwise, under or with respect to Surety Instruments;

(f) All obligations of such Person, contingent or otherwise, under or with respect to Rate Contracts;

(g) All Guaranty Obligations of such Person with respect to the obligations of other Persons of the types described in clauses (a) - (f) above and all other Contingent Obligations of such Person; and

(h) All obligations of other Persons of the types described in clauses (a) - (f) above to the extent secured by (or for which any holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Lien in any property (including accounts and contract rights) of such Person, even though such Person has not assumed or become liable for the payment of such obligations.

"Indenture" shall have the meaning given to that term in the Recitals.

"Interest Payment Date" shall have the meaning given to that term in the applicable Indenture.

"Interest Period" shall mean, with respect to any LIBOR Loan, the time periods selected by the Borrower Representative pursuant to Section 4.2(c) or Section 5.2(c) which commence on the first day of such Term Loan or the effective date of any conversion and ends on the last day of such time period, and thereafter, each subsequent time period selected by the Borrower Representative pursuant to Section 4.4(c) or Section 5.4(c) which commences on the day following the last day of the immediately preceding time period and ends on the last day of that time period.

"Interim Loan" shall have the meaning given to that term in Section 2.1.

"Interim Note" shall have the meaning given to that term in Section 2.1.

"Issuance Date" shall mean the date on which the Bank issues the 2006K Letter of Credit.

"Issuer" shall have the meaning given to that term in the Recitals.

"Letter of Credit" shall mean any letter of credit issued pursuant to this Agreement, including the 2006K Letter of Credit and any standby letter of credit issued pursuant to Section 3.4.

"Letter of Credit Agreement" shall have the meaning given to that term in Section 7.1(f) hereof.

"Leverage Ratio" shall mean, at any time, at any time the ratio of (i) the aggregate amount of Adjusted Total Liabilities at such time to (ii) EBITDA for the most recently ended four (4) fiscal quarter period.

"LIBO Rate" shall mean, with respect to any Interest Period for a LIBOR Loan, a rate per annum equal to the quotient (rounded upward if necessary to the nearest 1/100 of one percent) of

(a) the rate per annum at which dollar deposits are offered to the Bank in the London interbank market on the second Business Day prior to the first day of such Interest Period at or about 11:00 A.M. (London time) (for delivery on the first day of such Interest Period) in an amount substantially equal to such LIBOR Loan and for a term comparable to such Interest Period, divided by (b) one minus the Reserve Requirement for LIBOR Loans in effect from time to time. If for any reason the Bank cannot determine rates pursuant to clause (a) above, the rate to be used in clause (a) shall be, at the Bank's discretion, (i) the rate per annum at which dollar deposits are offered to the Bank in the London interbank Eurodollar currency market or (ii) the rate at which Dollar deposits are offered to the Bank in, or by the Bank to major banks in, any offshore interbank Eurodollar market selected by the Bank, in each case on the second Business Day prior to the commencement of such Interest Period at or about 10:00 A.M. (New York time) (for delivery on the first day of such Interest Period) for a term comparable to such Interest Period and in an amount approximately equal to the amount of the Loan to be made or funded by the Bank as part of such Borrowing. The LIBO Rate shall be adjusted automatically as to all LIBOR Loans then outstanding as of the effective date of any change in the Reserve Requirement.

"LIBOR Loan" shall mean, at any time, a Term Loan which then bears interest at a per annum rate based on the LIBO Rate.

"Lien" shall mean, with respect to any property, any security interest, mortgage, pledge, lien, charge or other encumbrance in, of, or on such property or the income therefrom, including the interest of a vendor or lessor under a conditional sale agreement, Capital Lease or other title retention agreement, or any agreement to provide any of the foregoing, and the filing of any financing statement or similar instrument under the Uniform Commercial Code or comparable law of any jurisdiction.

"Liquidity Drawing" shall mean a drawing under a Letter of Credit pursuant to a draft accompanied by a certificate in the form of Exhibit 2 attached to such Letter of Credit.

"Liquidity Loan" shall have the meaning given to that term in Section 2.2.

"Loan" shall mean a LIBOR Loan or a Reference Rate Loan, as applicable.

"Loan Agreement" shall have the meaning given to that term in the Recitals.

"Notes" shall mean, collectively, the Interim Note and any promissory note made by the Borrowers to evidence the Revolving Loan, the Term Loan and the Term Line Loan.

"Notice of Borrowing" shall mean an irrevocable written notice in the form of Exhibit C attached hereto.

"Notice of Conversion" shall mean an irrevocable written notice in the form of Exhibit D, attached hereto, requesting the conversion of a Term Loan or a Term Line Loan from a Reference Rate Loan to a LIBOR Loan or vice versa.

"Permitted Liens" shall mean:

- (a) Liens in favor of the Bank;

(b) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith, provided that adequate reserves for the payment thereof have been established in accordance with GAAP;

(c) Liens of carriers, warehousemen, mechanics, materialmen, vendors, and landlords and other similar Liens imposed by law incurred in the ordinary course of business for sums not overdue or being contested in good faith, provided that adequate reserves for the payment thereof have been established in accordance with GAAP;

(d) Deposits under workers' compensation, unemployment insurance and social security laws or to secure the performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, or to secure statutory obligations of surety or appeal bonds or to secure indemnity, performance or other similar bonds in the ordinary course of business;

(e) Zoning restrictions, easements, rights-of-way, title irregularities and other similar encumbrances, which alone or in the aggregate are not substantial in amount and do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrowers;

(f) banker's liens and set-off rights in respect of bank deposits;

(g) Liens on any property or assets acquired, or on the property or assets of any Persons acquired, by any Borrower after the date of this Agreement, provided that (i) such Liens exist at the time such property or assets or such Persons are so acquired, and (ii) such Liens were not created in contemplation of such acquisitions;

(h) Rights of vendors or lessors under conditional sale agreements, Capital Leases or other title retention agreements, provided that, in each case, (i) such rights secure or otherwise relate to Indebtedness permitted under Section 12.5, (ii) such rights do not extend to any property other than property acquired with the proceeds of such permitted Indebtedness, and (iii) such rights do not secure any Indebtedness other than such permitted Indebtedness; and

(i) Liens that secure Indebtedness permitted under Section 12.5 and encumber only those assets purchased with the proceeds of such Indebtedness.

"Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, an unincorporated association, a limited liability company, a joint venture, or a trust or other entity.

"Plan" shall have the meaning given to such term in Section 10.10.

"Pricing Grid" shall mean the pricing grid and accompanying provisions set forth in Schedule I attached hereto.

"Project Fund" shall mean the fund established by the Trustee pursuant to Section ____ of the Indenture.

"Rate Contracts" shall mean swap agreements (as that term is defined in Section 101 of the Federal Bankruptcy Reform Act of 1978, as amended) and any other agreements or arrangements designed to provide protection against fluctuations in interest or currency exchange rates.

"Reference Rate" shall mean the variable rate of interest per annum announced by the Bank from time to time as its "reference rate." Such "reference rate" is set by the Bank as a general reference rate of interest, taking into account such factors as the Bank may deem appropriate, it being understood that many of the Bank's commercial or other loans are priced in relation to such rate, that it is not necessarily the lowest or best rate actually charged to any customer and that the Bank may make various commercial or other loans at rates of interest having no relationship to such rate. For purposes of this Agreement, each change in the Reference Rate shall be effective as of the opening of business on the date announced as the effective date of any change in such "reference rate."

"Reference Rate Loan" shall mean, at any time, a Term Loan or a Term Line Loan which then bears interest at a per annum rate based on the Reference Rate.

"Reimbursement Deposit Account" shall have the meaning given to that term in Section 2.4 hereof.

"Related Documents" shall have the meaning given to such term in Section 9.1 hereof.

"Reserve Requirement" shall mean, with respect to any day in an Interest Period for a LIBOR Loan, the aggregate of the reserve requirement rates (expressed as a decimal) in effect on such day for Eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of the Federal Reserve Board) maintained by a member bank of the Federal Reserve System. As used herein, the term "Reserve Requirement" shall include any basic, supplemental or emergency reserve requirements imposed on the Bank by any Governmental Authority.

"Revolving Commitment" shall mean \$550,000.00.

"Revolving Loan" shall have the meaning given to that term in Section 3.1 hereof.

"Revolving Loan Maturity Date" shall mean October 1, 2014.

"Security Agreement" shall mean each of the security agreements mentioned in Section 7.1(b) hereof and any security agreement hereafter received by the Bank to secure the Borrower's obligations hereunder; and "Security Agreements" shall mean more than one Security Agreement.

"Stated Amount" shall have the meaning given to that term in the 2006K Letter of Credit.

"Surety Instruments" shall mean all letters of credit (including standby and commercial), banker's acceptances, bank guaranties, shipside bonds, surety bonds and similar instruments.

"Term Line Commitment" shall mean at any time \$500,000.00.

"Term Line Loan" shall have the meaning given to that term in Section 5.1 hereof.

"Term Line Availability Termination Date" shall mean October 1, 2010.

"Term Line Maturity Date" shall mean October 1, 2015.

"Term Loan" shall have the meaning given to that term in Section 4.1 hereof.

"Term Loan Maturity Date" shall mean October 1, 2014.

"Total Liabilities" shall mean, with respect to any Person at any time, the aggregate amount of all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, all obligations of such Person evidenced by notes or agreements with respect to property acquired by such Person, all obligations of such Person evidenced by drafts drawn under letters of credit issued for the account of such Person, and all obligations of such Person as lessee under Capital Leases.

"Trustee" shall have the meaning given to that term in the Recitals.

"2006K Letter of Credit" shall have the meaning given to that term in the Recitals.

"WCI" means Waste Control, Inc., a Washington corporation.

"WCEI" means Waste Control Equipment Inc., a Washington corporation.

"WCRI" means Waste Control Recycling, Inc., a Washington corporation.

"West Coast" means West Coast Paper Fibers Inc., a Washington corporation.

1.2 Use of Defined Terms. Any defined term used in the plural shall refer to all members of the relevant class, and any defined term used in the singular shall refer to any one or more of the members of the relevant class.

1.3 Accounting Terms. All accounting terms not specifically defined in this Agreement shall be construed in conformity with, and all financial data required to be submitted by this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, except as otherwise specifically prescribed herein. In the event that GAAP changes during the term of this Agreement such that any covenants contained in this Agreement would then be calculated in a different manner or with different components, (a) the Borrowers and the Bank agree to amend this Agreement in such respects as are necessary to conform those covenants as criteria for evaluating the Borrowers' financial condition to substantially the same criteria as were effective prior to such change in GAAP, and (b) the Borrowers shall be deemed to be in compliance with the covenants contained in this Agreement if and to the extent that the Borrowers would have been in compliance therewith under GAAP as in effect immediately prior to such change, but shall have the obligation to deliver each of the materials described in Section 7.9 to the Bank on the dates therein specified with financial data presented in a manner that conforms with GAAP as in effect immediately prior to such change.

1.4 Rounding. Any financial ratios required to be maintained by the Borrowers pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed in this Agreement and rounding the result up or down to the

nearest number (with a round-up if there is no nearest number) to the number of places by which such ratio is expressed in this Agreement.

1.5 Exhibits, Schedules and Recitals. All Exhibits and Schedules to this Agreement, either as originally existing or as the same may from time to time be supplemented, modified or amended, are incorporated herein by this reference. A matter disclosed on any Schedule shall be deemed disclosed on all Schedules. The recitals are a part of this Agreement, and are incorporated herein by this reference.

1.6 Miscellaneous Terms. The term "or" is disjunctive; the term "and" is conjunctive. The term "shall" is mandatory; the term "may" is permissive. Masculine terms also apply to females; feminine terms also apply to males. The terms "include" and "including" are by way of example and not limitation.

2. Credit Facility I: Direct Draw Letter of Credit Agreement to Issue Letter of Credit or Purchase Bonds. The Bank agrees to issue, for the account of the Borrowers, the 2006K Letter of Credit in the initial stated amount of Eleven Million Six Hundred Twenty-Nine Thousand Five Hundred Forty-Six and No/100 Dollars (\$11,629,546.00), to provide credit enhancement and liquidity support for the Bonds, subject to reduction and reinstatement as therein provided.

Prior to issuance of the 2006K Letter of Credit, the Bank agrees to make an interim loan (the "Interim Loan") in the principal amount of Eleven Million Four Hundred Sixty Thousand and No/100 Dollars (\$11,460,000.00), evidenced by an interim note made by the Borrowers and payable to the order of the Bank in such principal amount (the "Interim Note"), whose proceeds will be used to purchase the Bonds. Interest on the Interim Note shall accrue at a per annum rate equal to one and one-half percent (1.50%) plus the weekly interest rate on the Bonds established by the remarketing agent for the Bonds, Westhoff, Cone and Holmsted, and shall be payable on the first Business Day of each month, commencing November 1, 2009. All principal and accrued but unpaid interest on the Interim Note shall be due and payable on December 31, 2009.

2.2 Reimbursement of Direct-Pay Letter of Credit Drawings. The Borrowers hereby agree to pay to the Bank, immediately following the Bank's payment of any amount drawn under the 2006K Letter of Credit, a sum equal to the Bank's payment amount, provided, however, that so long as no Default has occurred that remains uncured, the Borrowers' reimbursement obligation with respect to any Liquidity Drawing shall become due and payable in full on the earliest of (i) the day on which all of the Bonds are successfully remarketed, (ii) one hundred and eighty (180) days after the date of such Liquidity Drawing, or (iii) the expiration date of the 2006K Letter of Credit. Until the Bank has been reimbursed in full for a Liquidity Drawing, the unreimbursed portion thereof (each, a "Liquidity Loan") shall bear interest at a per annum interest rate equal to (a) until such Liquidity Loan is due and payable, the Reference Rate plus the Applicable Margin, or (b) thereafter, until such Liquidity Loan is paid in full, the Default Rate, each such rate to change from time to time as the Reference Rate changes. The Borrowers shall pay accrued interest on the outstanding principal amount of each Liquidity Loan monthly in arrears on the first Business Day of each month and on the date on which such Liquidity Loan is paid in full.

2.3 Direct-Pay Letter of Credit Fees. The Borrowers hereby agree to pay to the Bank:

(a) On or before the Issuance Date, the Bank's non-refundable letter of credit fee on the then-outstanding Stated Amount of the 2006K Letter of Credit for the period commencing on the Issuance Date and ending on December 31, 2009, in an amount based on a per annum fee of 1.65% based on a 360-day year.

(b) Quarterly, on the last Business Day of March, June, September and December (each such date being referred to herein as an "L/C Fee Payment Date"), commencing March 31, 2010, the Borrowers shall pay to the Bank, in arrears, a non-refundable quarterly letter of credit fee on the then-outstanding Stated Amount of the 2006K Letter of Credit based on the Fixed Charge Coverage Ratio for the Borrowers and their consolidated subsidiaries on a combined basis as set forth in the Pricing Grid.

The Letter of Credit fee for the 2006K Letter of Credit for the period from the Closing Date to March 31, 2010, will initially be based on a Fixed Charge Coverage Ratio in excess of 1.25:1.00 but less than 1.40:1.00. Thereafter, the quarterly letter of credit fee for the 2006K Letter of Credit will be the applicable percentage shown on the Pricing Grid based on the Borrowers' financial statements for the immediately preceding fiscal quarter (i.e., the letter of credit fee payable on the last Business Day of June 2010 will be based on the Borrowers' financial statements for the fiscal quarter ending on March 31, 2010). The Letter of Credit fee for each of the Letters of Credit will be computed on the basis of a 360-day year for the actual number of days elapsed.

(c) with respect to the 2006K Letter of Credit, a monthly negotiation fee of Two Hundred Fifty Dollars (\$250.00) plus any wire fee payable in connection with such monthly negotiation fee; upon each amendment of the 2006K Letter of Credit that does not increase the Stated Amount, a fee of One Hundred Dollars (\$100.00), and upon each amendment of the 2006K Letter of Credit that increases the Stated Amount, a fee of Six Hundred Dollars (\$600.00) plus any commitment fee payable in connection with the increased Stated Amount; upon each transfer of the 2006K Letter of Credit, a fee of one quarter of one percent (0.25%) of the amount transferred, minimum Two Hundred Seventy-five Dollars (\$275.00), plus any courier expenses payable in connection with such transfer; upon final cancellation of the 2006K Letter of Credit, a fee of One Hundred Twenty-five Dollars (\$125.00); and, following any Borrower's request to replace the 2006K Letter of Credit and the Issuing Lender in accordance with [Section 5.8] of the Loan Agreement, a fee of one quarter of one percent (0.25%) of the Stated Amount of the 2006K Letter of Credit at the time of replacement.

(d) on demand, any amount that is paid by the Bank in connection with its exercise of its discretionary rights pursuant to Section 13.2 of this Agreement or pursuant to any security agreement entered into pursuant to Section 11.10 hereof;

(e) on demand, interest on any and all amounts unpaid by the Borrowers when due under this Section 2.3 or with respect to the 2006K Letter of Credit from the date such amounts become due until payment in full at a rate per annum

(computed for the actual number of days elapsed on the basis of a year of 360 days) equal to the Default Rate as in effect from time to time, but in no event shall such fluctuating rate exceed the maximum rate of nonusurious interest allowed from time to time by law as is now or, to the extent allowable by law, as may hereafter be in effect; and

(f) on demand, any and all reasonable charges and expenses which the Bank may pay or incur relative to the 2006K Letter of Credit and any and all expenses (including attorneys' fees and expenses) incurred by the Bank in enforcing any rights under this Agreement.

2.4 Reimbursement Deposit Account. Heirborne has established an interest bearing deposit account (the "Reimbursement Deposit Account") with the Bank relating to the Bonds, Account No. 4350005612, which account shall be utilized by the Borrowers and the Bank as follows:

(a) So long as the 2006K Letter of Credit is outstanding, on or before the first Business Day of each month, commencing October 1, 2009, the Borrowers shall deposit into the Reimbursement Deposit Account an amount equal to the monthly deposit amount set forth on the following schedule (the "Reimbursement Deposit Schedule") opposite the calendar year in which the next following January will occur, so that on or before such next following January Interest Payment Date the aggregate amount on deposit in the Reimbursement Deposit Account with respect to the Bonds equals or exceeds the appropriate amount specified in the Reimbursement Deposit Schedule:

January Interest Payment Date on which Partial Redemption is to be Made	Partial Redemption Amount (payable on the January Interest Payment Date of the year indicated)	Monthly Deposit Amount (for the 12-month period ending in December of the year prior to the year indicated)
2010	\$445,000.00	\$37,083.33*
2011	\$650,000.00	\$54,166.66
2012	\$695,000.00	\$57,916.66
2013	\$730,000.00	\$60,833.33
2014	\$770,000.00	\$64,166.66

*Monthly payments commence on October 1, 2009

(b) So long as no Event of Default shall have occurred and be continuing hereunder, monies on deposit in the Reimbursement Deposit Account shall be used to prepay the Borrowers' obligations under the Loan Agreement (or to reimburse the Bank in connection with any such prepayment) on the Interest Payment Date for January of each year commencing with the January 2010 Interest Payment Date, and continuing thereafter as provided in the Reimbursement Deposit Schedule so long as the 2006K Letter of Credit is outstanding, by the amount specified in the Reimbursement Deposit Schedule. The applicable Borrower shall give notice of such prepayment as required

under Section 3.04 of the Loan Agreement. In accordance with Section 3.2 of the Indenture, the applicable Borrower shall direct the Issuer to call the Bonds for partial optional redemption and the Trustee to give notice of such redemption. The Bank shall provide its written consent to each such prepayment as required under the Indenture and, when the 2006K Letter of Credit has been drawn upon in the amount of the prepayment, shall withdraw from the Reimbursement Deposit Account the amount relating to the Bonds necessary to reimburse itself.

(c) Until such time as the 2006K Letter of Credit has expired and all obligations of the Borrowers hereunder have been paid and performed in full, monies on deposit in the Reimbursement Deposit Account, including the interest earnings thereon, shall be used solely for the purpose described in clause (b) above; provided, however, that upon the occurrence of an Event of Default, the Bank shall have the right to withdraw monies from the Reimbursement Deposit Account and apply such monies toward payment of any obligation of the Borrowers then due and payable hereunder. To secure payment and performance of its obligations under this Agreement, each of the Borrowers hereby grants to the Bank a security interest in the Reimbursement Deposit Account, all amounts on deposit therein from time to time, and all the proceeds thereof and earnings thereon.

(d) Monies on deposit in the Reimbursement Deposit Account shall be invested in money-market funds or such other liquid short-term investments as are mutually satisfactory to the Borrowers and the Bank. Interest earnings shall be retained in the Reimbursement Deposit Account and the Borrowers shall be entitled to a credit against its regular monthly deposit obligation described in clause (a) above in an amount equal to the interest earnings credited to the Reimbursement Deposit Account during the preceding month.

(e) The applicable Borrower may make prepayments and optional redemptions in addition to those described above, provided that the Borrowers shall have deposited the amount of such additional prepayment or optional redemption into the Reimbursement Deposit Account not later than the date on which the applicable Borrower gives notice of prepayment under Section 3.04 of the Loan Agreement. Unless otherwise agreed to by the Borrowers and the Bank, the aggregate amount of such additional deposits made in any year shall be added to the amount specified in the annual notice of prepayment given each year and shall be used to reimburse the Bank for the amounts drawn on the 2006K Letter of Credit when the Bonds are redeemed in January of each year.

(f) The Borrowers represent to the Bank that they have consulted with nationally recognized bond counsel regarding the applicability and effect of any arbitrage regulations upon the amounts that may be earned on the Reimbursement Deposit Account. The Borrowers acknowledge and agree that the Bank shall have no responsibility to the Borrowers or liability to the Borrowers with respect to compliance with the Code and the applicable Treasury Regulations as the same may apply with respect to the Reimbursement Deposit Account, the earnings thereon and the pledge thereof to the Bank. The Borrowers covenant and agree to take all appropriate actions

with respect to the Reimbursement Deposit Account and the earnings thereon so as to assure that the interest on the Bonds remains at all times exempt from federal income taxation.

(g) All payments to the Bank by the Borrowers hereunder shall be made in lawful currency of the United States and in immediately available funds to the Bank at its office at 7108 North Fresno Street, Suite 200, Fresno California 93720 or such other office as the Bank may hereafter notify the Borrower Representative in writing. Each of the Borrowers hereby authorizes the Bank, automatically and without further notice, to debit the Reimbursement Deposit Account to reimburse itself for all drawings under the 2006K Letter of Credit and to pay all fees and costs owing to the Bank hereunder, including the annual letter of credit fee, the fees due for each drawing under the 2006K Letter of Credit and other fees and costs owing to the Bank. The Borrowers acknowledge that they are solely responsible for maintaining the Reimbursement Deposit Account and for assuring that there will be sufficient funds on deposit in the Reimbursement Deposit Account at the appropriate times in order to pay all such debits by the Bank.

2.5 Transfer and Reduction of the Stated Amount of Letters of Credit.

(a) The 2006K Letter of Credit may be transferred in accordance with the provisions thereof.

(b) If the stated amount of the 2006K Letter of Credit is reduced as provided therein on account of a payment, prepayment or redemption of the Bonds, then the Bank shall have the right to (a) require the Trustee to surrender the 2006K Letter of Credit to the Bank on or before the tenth (10th) Business Day following the effective date of such reduction of the stated amount and (b) accept on such date, in substitution for such then-outstanding 2006K Letter of Credit, a new letter of credit dated such date and having a stated amount equal to the reduced stated amount of the 2006K Letter of Credit, but otherwise having terms identical to those of the 2006K Letter of Credit being replaced.

3. Credit Facility II: Revolving Loan.

3.1 Revolving Loan Availability. On the terms and subject to the conditions set forth in this Agreement, the Bank agrees to advance to the Borrowers from time to time during the period beginning on the Closing Date and ending on the Revolving Loan Maturity Date such loans as the Borrower Representative may request under this Section 3.1 (each, a "Revolving Loan"); provided, however, that the aggregate principal amount of all Revolving Loans at any time outstanding, together with the aggregate stated amount of all standby Letters of Credit then-outstanding under Section 3.4, shall not exceed the Revolving Commitment. Except as otherwise provided herein, the Borrowers may borrow, repay and reborrow Revolving Loans until the Revolving Loan Maturity Date.

3.2 Interest Rate. Interest on the outstanding principal amount of Revolving Loans shall accrue at a per annum rate equal to the Reference Rate, computed on the basis of a

360-day year for the actual number of days elapsed, such rate to change from time to time as the Reference Rate changes. After the occurrence and during the continuance of an Event of Default, interest on the outstanding principal amount of Revolving Loans shall accrue at a per annum rate equal to the Default Rate.

3.3 Revolving Loan Payments. The Borrowers shall repay the outstanding principal amount of Revolving Loans on the Revolving Loan Maturity Date. The Borrowers shall pay accrued interest on the outstanding principal amount of Revolving Loans monthly in arrears on the first Business Day of each month (commencing November 1, 2009) and on the Revolving Loan Maturity Date.

3.4 Letter of Credit Subfacility. The Bank agrees to issue, for the account of the Borrowers, from time to time during the period beginning on the Closing Date and ending on the Revolving Loan Maturity Date such standby Letters of Credit as the Borrower Representative may request under this Section 3.4; provided, however, that the aggregate stated amount of all standby Letters of Credit at any time outstanding, together with the aggregate principal amount of all Revolving Loans then outstanding, shall not exceed the Revolving Commitment. Each such standby letter of credit shall have a term of two (2) years or less, but in no event expiring later than the Revolving Loan Maturity Date. With respect to each such standby Letter of Credit, the Borrowers shall pay a letter of credit fee equal to one and one-half percent (1.50%) per annum, payable in advance. In addition, the Borrowers hereby agree to pay to the Bank, immediately following the Bank's payment of any amount drawn under a standby Letter of Credit, a sum equal to the Bank's payment amount. The unreimbursed portion of any such drawn amount shall bear interest, payable on demand, at a per annum interest rate equal to the Default Rate (such rate to change from time to time as the Reference Rate changes) until the Bank has been reimbursed in full.

3.5 Purpose. The Borrowers shall use the proceeds of Revolving Loans for the Borrowers' working capital and general corporate needs in support of their ongoing operations.

4. Credit Facility III: Term Loan.

4.1 Term Loan Availability. On the terms and subject to the conditions set forth in this Agreement, the Bank agrees to make a loan to the Borrowers in the aggregate principal amount of One Million Three Hundred Twenty-Five Thousand and No/100 Dollars (\$1,325,000.00) (the "Term Loan").

4.2 Notice of Borrowing. The Borrower Representative shall request disbursement of the Term Loan by delivering to the Bank a Notice of Borrowing, appropriately completed, which specifies, among other things:

- (a) The principal amount of the requested Term Loan;
- (b) What portion of the requested Term Loan is to be a Reference Rate Loan (which portion of the Term Loan shall be not less than \$250,000.00) or LIBOR Loans (which portions of the Term Loan shall each be not less than \$500,000.00);

(c) If portions of the requested Term Loan are to be LIBOR Loans, the initial Interest Period selected by the Borrower Representative for each such portion of the Term Loan in accordance with Section 4.5; and

(d) The requested disbursement date for the Term Loan, which shall be a Business Day.

The Borrower Representative shall give a Notice of Borrowing to the Bank (i) at least three (3) Business Days before the requested disbursement date for any portion of the Term Loan that is to be a LIBOR Loan, and at least one (1) Business Day before the requested disbursement date if the Term Loan is to be a Reference Rate Loan. Each Notice of Borrowing shall be delivered to the Bank by first-class mail or facsimile at the office or facsimile number and during the hours specified in Section 6.2; provided, however that the Borrower Representative shall promptly deliver to the Bank the original of any Notice of Borrowing initially delivered by facsimile.

4.3 Interest Rates. Interest on the unpaid principal amount of the Term Loan shall accrue at a per annum rate, computed on the basis of a 360-day year for the actual number of days elapsed, equal to:

(a) the Reference Rate plus the Applicable Margin during any period that a portion of such Term Loan is a Reference Rate Loan, such rate to change from time to time as the Reference Rate or the Applicable Margin change; and

(b) the LIBO Rate for the applicable Interest Period plus the Applicable Margin during any period that a portion of such Term Loan is a LIBOR Loan having such Interest Period, such rate to change from time to time during such Interest Period as the Applicable Margin changes.

The number of LIBOR Loans constituting the Term Loan shall not exceed five (5) at any time.

4.4 Conversion of Term Loans. The Borrower Representative may convert any portion of the Term Loan from a Base Rate Loan to a LIBOR Loan, or from a LIBOR Loan having one Interest Period into a LIBOR Loan having a different Interest Period, by delivering to the Bank a Notice of Conversion, appropriately completed, which specifies, among other things:

(a) The portion of the Term Loan to be converted;

(b) The Type of Loan into which such portion of the Term Loan is to be converted;

(c) If such portion of the Term Loan is to be converted into a LIBOR Loan, the initial Interest Period selected by the Borrower Representative for such portion of the Term Loan in accordance with Section 4.5; and

(d) The requested conversion date, which shall be a Business Day.

The Borrower Representative shall give a Notice of Conversion to the Bank at least three (3) Business Days before the requested date for the conversion of a portion of the Term Loan into a

LIBOR Loan. Each Notice of Conversion shall be delivered to the Bank by first-class mail or facsimile at the office or facsimile number and during the hours specified in Section 6.2; provided, however, that the Borrower Representative shall promptly deliver to the Bank the original of any Notice of Conversion initially delivered by facsimile. Expiring LIBOR Loans not converted into a LIBOR Loan having a new Interest Period shall automatically convert to a Base Rate Loan upon the expiration of the Interest Period applicable to such expiring LIBOR Loan.

4.5 LIBOR Loan Interest Periods. The initial and each subsequent Interest Period selected by the Borrower Representative for a LIBOR Loan shall be one (1), two (2), three (3) or six (6) months; provided, however, that (i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such next Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately preceding Business Day; (ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and (iii) no such Interest Period shall end after the Maturity Date.

4.6 Scheduled Loan Payments. The Borrowers shall pay accrued interest on the outstanding principal amount of the Term Loan in arrears (i) in the case of Reference Rate Loans, monthly on the first Business Day of each month (commencing November 1, 2009), (ii) in the case of LIBOR Loans, on the last day of each applicable Interest Period (and, if any such Interest Period is longer than three (3) months, on the first Business Day after each three (3) months of such Interest Period); and (iii) in the case of all Term Loans, upon prepayment (to the extent thereof) and on the Term Loan Maturity Date. In addition to the required interest payments, the Borrowers shall repay principal on the outstanding Term Loan monthly, on the first Business Day of each month (commencing November 1, 2009), in the amount of Twenty-Two Thousand Eighty-Three and 33/100 Dollars (\$22,083.33). In addition, the Borrowers shall repay the aggregate outstanding principal amount of the Term Loan on the Term Loan Maturity Date.

4.7 Purpose. The Borrowers shall use (or shall cause the use of) the proceeds of Term Loan to refinance existing truck and equipment loans.

5. Credit Facility IV: Term Line Loans.

5.1 Term Line Loan Availability. On the terms and subject to the conditions set forth in this Agreement, the Bank agrees to advance to the Borrowers from time to time during the period beginning on the Closing Date and ending on the Term Line Availability Termination Date such loans as the Borrower Representative may request under this Section 5.1 (each, a "Term Line Loan"); provided, however, that the aggregate principal amount of all Term Line Loans at any time outstanding shall not exceed the Term Line Commitment. The Borrowers may not repay and reborrow Term Line Loans.

5.2 Notice of Borrowing. The Borrower Representative shall request disbursement of a Term Line Loan by delivering to the Bank a Notice of Borrowing, appropriately completed, which specifies, among other things:

- (a) Which of the Borrowers is requesting a Term Line Loan;
- (b) The principal amount of the requested Term Line Loan, which shall be not less than (i) \$50,000.00, if the requested Term Line Loan is to bear interest at the Reference Rate, or (ii) \$250,000.00, if the requested Term Line Loan is to bear interest at LIBOR;
- (c) Whether the requested Term Line Loan is to be a Reference Rate Loan or a LIBOR Loan;
- (d) If the requested Term Line Loan is to be a LIBOR Loan, the initial Interest Period selected by the Borrower Representative for such Term Line Loan in accordance with Section 5.5;
- (e) The requested disbursement date for the Term Line Loan, which shall be a Business Day; and
- (f) Eligible Invoices evidencing the purchase of Capital Assets.

The Borrower Representative shall give a Notice of Borrowing to the Bank (i) at least three (3) Business Days before the requested disbursement date for a Term Line Loan that is to be a LIBOR Loan, and at least one (1) Business Day before the requested disbursement date for a Term Line Loan that is to be a Reference Rate Loan. Each Notice of Borrowing shall be delivered to the Bank by first-class mail or facsimile at the office or facsimile number and during the hours specified in Section 5.2; provided, however that the Borrower Representative shall promptly deliver to the Bank the original of any Notice of Borrowing initially delivered by facsimile.

5.3 Interest Rates. Prior to the Term Line Availability Termination Date, interest on the outstanding principal amount of Revolving Loans shall accrue at a per annum rate equal to the Reference Rate plus 15 basis points, computed on the basis of a 360-day year for the actual number of days elapsed, such rate to change from time to time as the Reference Rate changes. Thereafter, interest on the unpaid principal amount of each Term Line Loan shall accrue at a per annum rate, computed on the basis of a 360-day year for the actual number of days elapsed, equal to:

- (a) the Reference Rate plus the Applicable Margin during any period that such Term Line Loan is a Reference Rate Loan, such rate to change from time to time as the Reference Rate or the Applicable Margin change; and
- (b) the LIBO Rate for the applicable Interest Period plus the Applicable Margin during any period that such Term Line Loan is a LIBOR Loan, such rate to change from time to time during such Interest Period as the Applicable Margin changes.

The number of outstanding Term Line Loans consisting of LIBOR Loans shall not exceed five (5) at any time.

5.4 Conversion of Term Line Loans. The Borrower Representative may convert any Term Line Loan from a Base Rate Loan to a LIBOR Loan, or from a LIBOR Loan having one Interest Period into a LIBOR Loan having a different Interest Period, by delivering to the Bank a Notice of Conversion, appropriately completed, which specifies, among other things:

- (a) The Term Line Loan to be converted;
- (b) The Type of Loan into which such Term Line Loan is to be converted;
- (c) If such Term Line Loan is to be converted into a LIBOR Loan, the initial Interest Period selected by the Borrower Representative for such Term Line Loan in accordance with Section 5.5; and
- (d) The requested conversion date, which shall be a Business Day.

The Borrower Representative shall give a Notice of Conversion to the Bank at least three (3) Business Days before the requested date for the conversion of a Term Line Loan into a LIBOR Loan. Each Notice of Conversion shall be delivered to the Bank by first-class mail or facsimile at the office or facsimile number and during the hours specified in Section 6.2; provided, however, that the Borrower Representative shall promptly deliver to the Bank the original of any Notice of Conversion initially delivered by facsimile. Expiring LIBOR Loans not converted into a LIBOR Loan having a new Interest Period shall automatically convert to a Base Rate Loan upon the expiration of the Interest Period applicable to such expiring LIBOR Loan.

5.5 LIBOR Loan Interest Periods. The initial and each subsequent Interest Period selected by the Borrower Representative for a LIBOR Loan shall be one (1), two (2), three (3) or six (6) months; provided, however, that (i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such next Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately preceding Business Day; (ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and (iii) no such Interest Period shall end after the Maturity Date.

5.6 Scheduled Loan Payments. The Borrowers shall pay accrued interest on the outstanding principal amount of Term Line Loan in arrears (i) in the case of Reference Rate Loans, monthly on the first Business Day of each month (commencing November 1, 2009), (ii) in the case of LIBOR Loans, on the last day of each applicable Interest Period (and, if any such Interest Period is longer than three (3) months, on the first Business Day after each three (3) months of such Interest Period); and (iii) in the case of all Term Line Loans, upon prepayment (to the extent thereof) and on the Term Line Loan Maturity Date. In addition to the required interest payments, the Borrowers shall repay principal on the aggregate outstanding principal amount of the Term Line Loans monthly, on the first Business Day of each month (commencing November 1, 2010), in the amount necessary to fully repay the aggregate principal amount of the Term Line Loans outstanding on the Term Line Availability Termination Date in sixty (60) equal

monthly payments. In addition, the Borrowers shall repay the aggregate outstanding principal amount of the Term Line Loans on the Term Line Maturity Date.

5.7 Purpose. The Borrowers shall use (or shall cause the use of) the proceeds of Term Line Loans to (i) finance or refinance the acquisition cost of new or existing equipment, rolling stock or containers used in the ordinary course of the Borrowers' business.

6. Provisions Applicable to all Credit Facilities.

6.1 Security. All of the obligations of the Borrowers to the Bank under this Agreement, including all obligations arising from or relating to the Interim Loan, the Revolving Loans, the Term Loan, the Term Line Loans and the 2006K Letter of Credit, are secured by all property encumbered by the Collateral Documents.

6.2 Timing of Notices. Each Notice of Borrowing and Notice of Conversion shall be given by the Borrower Representative to the Bank's office located at the address referred to in Section 16 below during the Bank's normal business hours; provided, however, that any such notice received by the Bank after 11:00 a.m., California time, on any Business Day shall be deemed received by the Bank on the next Business Day. In any case where this Agreement authorizes notices, requests, demands or other communications by the Borrowers to the Bank to be made by facsimile, the Bank may conclusively presume that anyone purporting to be a person designated in any incumbency certificate or other similar document received by the Bank is in fact such person.

6.3 Funding Loss Indemnification. If the Borrowers (a) repay or prepay any portion of a LIBOR Loan on any day other than the last day of the applicable Interest Period (whether an optional prepayment, a mandatory prepayment, a payment upon acceleration or otherwise), (b) fail to borrow any such portion of a LIBOR Loan for which a Notice of Borrowing has been delivered to the Bank (whether as a result of the failure to satisfy any applicable conditions or otherwise), or (c) fail to convert or continue at the LIBO Rate any Loan in accordance with a Notice of Conversion delivered to the Bank (whether as a result of the failure to satisfy any applicable conditions or otherwise), the Borrowers shall, upon demand by the Bank, reimburse the Bank for, and hold the Bank harmless from, all costs and losses incurred by the Bank as a result of such repayment, prepayment or failure. The Borrowers understand that such costs and losses may include losses incurred by the Bank as a result of funding and other contracts that the Bank may enter into to fund any LIBOR Loan. The Bank shall deliver to the Borrower Representative a certificate setting forth the amount of costs and losses for which demand is made. Such a certificate so delivered to the Borrower Representative shall, in the absence of manifest error, be conclusive and binding on the Borrowers as to the amount of such loss for all purposes. The agreements in this Section 6.3 shall survive the termination of this Agreement.

6.4 Change of Circumstances.

(a) Inability to Determine Rate. If the Bank determines at any time that adequate and reasonable means do not exist for ascertaining the LIBO Rate, or the Bank determines at any time that the LIBO Rate does not accurately reflect the Bank's

cost of making or maintaining LIBOR Loans, then the Bank shall give telephonic notice (promptly confirmed in writing) to the Borrower Representative of such determination. If such notice is given, and until such notice has been withdrawn by the Bank in writing, then no LIBO Rate may be selected by the Borrower Representative and any LIBOR Loan, following the end of the applicable Interest Period, shall bear interest based on the Reference Rate pursuant to the terms and conditions of this Agreement.

(b) Illegality; Termination of Commitment. Notwithstanding any contrary provision of this Agreement, if any change of law shall make it unlawful for the Bank (i) to make a LIBOR Loan, or (ii) to maintain a LIBOR Loan, then, in the former event, any obligation of the Bank hereunder to make LIBOR Loans shall be canceled forthwith, and in the latter event, any such unlawful LIBOR Loan then outstanding shall, at the Bank's option, be converted so that interest is based on the Reference Rate pursuant to the terms of this Agreement; provided, however, if any such change of law permits a LIBOR Loan to continue until the expiration of the applicable Interest Period, then such LIBOR Loan shall continue as such until the end of the applicable Interest Period. With respect to any outstanding principal amount that is converted to a lower rate in accordance with this Section 6.4(b), the Borrowers shall pay to the Bank immediately upon demand such amount as may be necessary to compensate the Bank for any loss in connection with such conversion.

(c) Charges Upon Illegality. Upon the occurrence of any event described in Section 6.4(b) hereof, the Borrowers shall pay to the Bank, immediately upon demand, such amount or amounts as may be necessary to compensate the Bank for any fines, fees, charges, penalties or other amounts payable by the Bank as a result thereof and which are attributable to LIBOR Loans made available to the Borrowers hereunder. In determining which amounts payable by the Bank and/or losses incurred by the Bank are attributable to LIBOR Loans made available to Borrowers hereunder, any reasonable allocation made by the Bank among its operations shall be conclusive and binding upon the Borrowers.

6.5 Increased Costs. If any change in any law or regulation or in the interpretation thereof (whether or not having the force of law) by any court or administrative or governmental authority charged with the administration thereof shall either (i) impose, modify or deem applicable any capital adequacy, reserve, special deposit, tax or similar requirement or modify any deduction, credit, tax preference item or other allowance for federal income tax purposes with respect to this Agreement, any loan or Letter of Credit or any assets held by, or outstanding commitments of, or deposits in or for the account of, the Bank or any bank or financial institution participating in the Bank's rights and obligations hereunder or under any loan or Letter of Credit (a "Participant"), or (ii) impose on the Bank or any Participant any other condition regarding this Agreement or any loan or Letter of Credit, or (iii) subject the Bank or any Participant to any tax, charge, fee, deduction or withholding of any kind whatever (except for a change in the rate of tax on the overall net income of the Bank or such Participant or their right to do business) and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to the Bank of issuing or maintaining any loan or Letter of Credit or the cost to such Participant of participating herein or in any loan or Letter of Credit or reduce the amount of any payment receivable by the Bank or such Participant (which increase in cost or reduction in

payment shall be the result of the Bank's or such Participant's reasonable allocation of the aggregate of such cost increases or payment reductions resulting from such events), then, upon demand by the Bank (acting on its own behalf or on behalf of such Participant), the Borrowers shall promptly pay to the Bank from time to time as specified by the Bank all additional amounts which are necessary to compensate the Bank and/or such Participant (as the case may be) for such increased costs or reduction in payments. All payments in respect of increased costs or reduced payments shall be accompanied by interest thereon from the date of demand until payment in full thereof at the Reference Rate. A certificate as to such increased cost or reduced payment incurred by the Bank or such Participant as a result of any event mentioned in clause (i), (ii) or (iii) above, showing the manner of calculation thereof, shall be submitted by the Bank or such Participant to the Borrower Representative and shall, in the absence of manifest error, be conclusive as to the amount thereof.

6.6 Payment of Expenses. The Borrowers hereby agree to pay to the Bank, on demand, any and all expenses, including attorneys' fees and legal expenses, incurred or paid by the Bank in connection with (i) the preparation and negotiation of this Agreement, the Related Documents and the instruments referred to herein or therein, including all reasonable fees and disbursements of all appraisers, environmental consultants and counsel for the Bank, (ii) the closing of the transactions contemplated hereby, (iii) collecting the Borrowers' indebtedness to the Bank under this Agreement, (iv) protecting or foreclosing against or otherwise enforcing any collateral security therefor, or (v) protecting, exercising or enforcing any or all of the Bank's rights and remedies against any Borrower or any Guarantor, including all fees and disbursements of counsel for the Bank in any reorganization, insolvency or bankruptcy proceeding affecting any Borrower or any Guarantor.

7. Conditions Precedent to the Effectiveness of this Agreement. The Bank shall have no obligation to issue the 2006K Letter of Credit or to make any Revolving Loan, Term Loan or Term Line Loan until each of the following conditions precedent has been satisfied:

7.1 The Bank shall have received all of the following items, each in form and substance satisfactory to the Bank:

- (a) an executed counterpart of this Agreement;
- (b) a broad form Security Agreement and an agreement to furnish insurance, each duly executed by each of the Borrowers;
- (c) a Guaranty from each Guarantor, duly executed by such Guarantor (each, a "Guaranty");
- (d) a Deed of Trust duly executed and acknowledged by Heirborne;
- (e) separate Alternative Dispute Resolution Agreements duly executed by each of the Borrowers and each Guarantor (each, an "ADR Agreement");
- (f) a fully-executed copy of an Application and Agreement for Irrevocable Standby Letter of Credit with respect to the 2006K Letter of Credit (the "2006K Letter of Credit Agreement"); provided, however, that in the event of any

inconsistency between the terms of this Agreement and any Letter of Credit Agreement, this Agreement shall control and govern;

(g) a good standing certificate for Heirborne from the office of the Secretary of State of Washington, together with certified copies of Heirborne's articles of organization and operating agreement, and satisfactory evidence of all actions taken by Heirborne authorizing its execution, delivery and performance of each of the Related Documents to which it is a party;

(h) a good standing certificate for WCI from the office of the Secretary of State of Washington, a tax good standing certificate for WCI from the applicable taxing authority of the State of Washington, together with certified copies of WCI's articles of incorporation and bylaws, and satisfactory evidence of all actions taken by WCI authorizing its execution, delivery and performance of this Agreement and each of the Related Documents to which it is a party;

(i) a good standing certificate for WCEI from the office of the Secretary of State of Washington, a tax good standing certificate for WCEI from the applicable taxing authority of the State of Washington, together with certified copies of WCEI's articles of incorporation and bylaws, and satisfactory evidence of all actions taken by WCEI authorizing its execution, delivery and performance of this Agreement and each of the Related Documents to which it is a party;

(j) a good standing certificate for WCRI from the office of the Secretary of State of Washington, a tax good standing certificate for WCRI from the applicable taxing authority of the State of Washington, together with certified copies of WCRI's articles of incorporation and bylaws, and satisfactory evidence of all actions taken by WCRI authorizing its execution, delivery and performance of this Agreement and each of the Related Documents to which it is a party;

(k) a good standing certificate for West Coast from the office of the Secretary of State of Washington, a tax good standing certificate for West Coast from the applicable taxing authority of the State of Washington, together with certified copies of West Coast's articles of incorporation and bylaws, and satisfactory evidence of all actions taken by West Coast authorizing its execution, delivery and performance of this Agreement and each of the Related Documents to which it is a party; and

(l) such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates of executed copies thereof) or opinions as the Bank may reasonably request on or before the Closing Date.

7.2 A UCC-1 financing statement shall have been filed against each of the Borrowers covering all of the property encumbered by the Security Agreement to which it is a party.

7.3 The following statements shall be true and correct on the Closing Date and on each other date on which the Term Loan, any Revolving Loan or any Term Line Loan is disbursed or any Letter of Credit is issued, and in each case the Bank shall have received a

certificate signed by a duly authorized agent of the Borrower Representative, dated such date, stating:

(a) the representations and warranties contained in Section 10 hereof, or made by any of the Borrowers in any statement, certificate or document delivered by the Borrowers in connection with this Agreement, are correct on and as of such date as though made on and as of such date; and

(b) no Default or Event of Default has occurred and is continuing, or would result from, the making of the Interim Loan, the Term Loan or the applicable Revolving Loan or Term Line Loan or the issuance of the applicable Letter of Credit.

7.4 The Deed of Trust shall have been recorded in the official records of Cowlitz County, Washington.

7.5 On or before the Closing Date and each other date on which the Term Loan, or any Term Line Loan is disbursed, the Bank shall have received, within the time limits established by Section 4.2 or Section 5.2, as applicable, an appropriately completed Notice of Borrowing.

7.6 As of the Closing Date and each other date on which the Term Loan or any Revolving Loan or any Term Line Loan is disbursed or any Letter of Credit is issued, no change shall have occurred in any law or any regulation thereunder or interpretation thereof which, in the opinion of counsel for the Bank, would make it illegal for the Bank to make the Term Loan, any Revolving Loan or any Term Line Loan, issue any Letter of Credit or perform any of its other obligations as provided herein.

8. Disbursement of Bond Proceeds.

8.1 Project Fund. Pursuant to the Indenture, the Trustee has established a Project Fund, which shall be utilized by Heirborne for the purpose of disbursing proceeds of the Bonds to pay the Costs of the Project (as defined in the Indenture).

8.2 Conditions to Disbursements from the Project Fund. The obligation of the Bank to approve any requisition of Bond Proceeds shall be subject to the prior fulfillment of all of the following conditions precedent:

(a) no Default or Event of Default shall have occurred and be continuing, and no event of default, or event which, with notice or lapse of time or both, would become such an event of default, shall have occurred and be continuing under this Agreement or any of the Related Documents;

(b) the representations and warranties of the Borrowers made hereunder or in connection herewith shall be true and correct in all material respects on the date of such requisition fully as if made on and as of such date and, as to each of the foregoing conditions, Heirborne shall have so certified in writing to the Bank;

(c) each of the conditions precedent set forth in Section 7 and in Section 8.1 hereof shall have been fulfilled or waived by the Bank in writing;

(d) each requisition shall be accompanied by Eligible Invoices, receipts or other evidence satisfactory to the Bank in its good faith discretion as to the cost of the item with respect to which the requisition is being submitted (which shall evidence a purchase price (including taxes, delivery, assembly and installation charges, if any) of not less than the amount being requisitioned); and

(e) with respect to all items of personal property specified in such requisition, such financing statements, UCC reports, certificates of title, estoppels, waivers, consents and releases and such other evidence as the Bank may require, in order that (except as the Bank may otherwise permit) (i) prior to the first such requisition and for each requisition thereafter the Bank shall have a perfected security interest in all property encumbered by the Security Agreements, subject only to such prior liens, claims or other exceptions as shall have been approved by the Bank in writing; and (ii) concurrently with the payment of such requisition by the Trustee, the Bank shall have a first priority, perfected security interest in all personal property that is either being acquired or refinanced with the Bond proceeds being requisitioned.

8.3 Security Interest in Project Fund. Until such time as the 2006K Letter of Credit has expired and all obligations of the Borrowers hereunder have been paid and performed in full, monies on deposit in the Project Fund, including the interest earnings thereon, shall be used solely to pay the Costs of the Project (as defined in the Indenture); provided, however, that upon the occurrence of an Event of Default, the Bank shall have the right to hold monies from the Project Fund for application to the portion of the cash collateral requirement of Section 14.3 that relates solely to the 2006K Letter of Credit. To secure payment and performance of its obligations under this Agreement, each of the Borrowers hereby grants to the Bank a security interest in the Project Fund, all amounts on deposit therein from time to time, and all the proceeds thereof and earnings thereon.

8.4 Tax Issues Relating to the Project Fund. Each of the Borrowers represents to the Bank that it has consulted with nationally recognized bond counsel regarding the applicability and effect of any arbitrage regulations upon the amounts that may be earned on the Project Fund. Each of the Borrowers acknowledges and agrees that the Bank shall have no responsibility or liability to the Borrowers with respect to compliance with the Code and the applicable Treasury Regulations as the same may apply with respect to the Project Fund, the earnings thereon and the pledge thereof to the Bank. Each of the Borrowers covenants and agrees to take all appropriate actions with respect to the Project Fund and the earnings thereon so as to assure that the interest on the applicable Bonds remains at all times exempt from federal income taxation.

9. Obligations of the Borrowers.

9.1 The obligations of the Borrowers under this Agreement shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including the following circumstances:

(a) any lack of validity or enforceability of any Letter of Credit, the Bonds, the Indenture, the Loan Agreement, any Guaranty, any Collateral Documents, any ADR Agreements, the Notes or any other agreement or instrument relating thereto (collectively, the "Related Documents");

(b) any amendment or waiver of or any consent to departure from this Agreement or any or all of the Related Documents;

(c) the existence of any claim, set-off, defense or other rights which any of the Borrowers may have at any time against the Issuer, the Trustee, any beneficiary or any transferee of any Letter of Credit (or any Person for whom the Issuer, any such Trustee, any such beneficiary or any such transferee may be acting), the Bank or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transaction;

(d) any breach of contract or other dispute between any of the Borrowers and the Issuer, any Trustee, any beneficiary or any transferee of any Letter of Credit (or any Person for whom any such Trustee, any such beneficiary or any such transferee may be acting), the owners of any Bonds, the Bank or any other Person;

(e) any statement or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect, or any statement therein being untrue or inaccurate in any respect whatsoever;

(f) payment by the Bank under any Letter of Credit (i) on a day on which the Bank is open but which is not a Business Day (as defined in the applicable Letter of Credit); or (ii) against presentation of a sight draft or certificate which does not comply with the terms of the applicable Letter of Credit, provided that such payment does not constitute gross negligence or willful misconduct of the Bank; or

(g) any delay, extension of time, renewal, compromise or other indulgence or modification granted or agreed to by the Bank, with or without notice to or approval by the Borrowers, in respect of any of the Borrowers' indebtedness to the Bank under this Agreement.

9.2 The Bank shall not be obligated to issue any further credits, to cure any defaults under the Indenture, the Loan Agreement, any Related Document or otherwise, or in any other manner to extend any financial consideration to the Borrowers beyond performance by the Bank of its obligations under this Agreement and any Letter of Credit.

9.3 The Bank shall not be deemed to have waived or released any of its rights or remedies (whether specified in or arising under this Agreement or otherwise available to it by law or agreement) unless it signs a written waiver or release. Delay or failure to act on the Bank's part shall not constitute a waiver of, or otherwise preclude enforcement of, any of its rights and remedies. All of the Bank's rights and remedies shall be cumulative and may be exercised singularly or concurrently. The Bank need not resort to any particular right or remedy before exercising or enforcing any other, and the Bank's resort to any right or remedy shall not preclude the exercise or enforcement of any other right or remedy.

9.4 The Bank acknowledges and agrees that, notwithstanding any contrary provision in any of the Security Agreements, a change in the ownership or control of any equity interest in any Borrower shall not constitute an Event of Default hereunder or under any Related Document unless a Change of Control as defined in this Agreement has occurred.

10. Representations and Warranties of the Borrowers. Each of the Borrowers represents and warrants to the Bank as follows:

10.1 WCI is a corporation duly organized and validly existing under the laws of the State of Washington, has the power and adequate authority, rights and franchises to own its property and to carry on its business as now conducted, and is duly qualified to do business and is in good standing in the State of Washington and under the laws of any other jurisdiction in which the conduct of its business or the ownership of its property makes such qualification necessary.

10.2 WCEI is a corporation duly organized and validly existing under the laws of the State of Washington, has the power and adequate authority, rights and franchises to own its property and to carry on its business as now conducted, and is duly qualified to do business and is in good standing in the State of Washington and under the laws of any other jurisdiction in which the conduct of its business or the ownership of its property makes such qualification necessary.

10.3 WCRI is a corporation duly organized and validly existing under the laws of the State of Washington, has the power and adequate authority, rights and franchises to own its property and to carry on its business as now conducted, and is duly qualified to do business and is in good standing in the State of Washington and under the laws of any other jurisdiction in which the conduct of its business or the ownership of its property makes such qualification necessary.

10.4 West Coast is a corporation duly organized and validly existing under the laws of the State of Washington, has the power and adequate authority, rights and franchises to own its property and to carry on its business as now conducted, and is duly qualified to do business and is in good standing in the State of Washington and under the laws of any other jurisdiction in which the conduct of its business or the ownership of its property makes such qualification necessary.

10.5 Heirborne is a limited liability company duly organized and validly existing under the laws of the State of Washington, has the power and adequate authority, rights and franchises to own its property and to carry on its business as now conducted, and is duly qualified to do business and is in good standing in the State of Washington and under the laws of any other jurisdiction in which the conduct of its business or the ownership of its properties makes such qualification necessary.

10.6 The execution, delivery and performance by each of the Borrowers of this Agreement and of each of the Related Documents to which it is a party have been duly authorized by all necessary Borrower action, do not contravene (i) the Articles of Incorporation or Bylaws of any Borrower that is a corporation, or the Certificate of Formation or Operating Agreement of any Borrower that is a limited liability company, or (ii) any law, rule, regulation,

order, writ, judgment, injunction, decree, determination or award, or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting any of the Borrowers and (except as provided in this Agreement) do not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any of its properties other than the liens created by the Collateral Documents or any other Related Documents. None of the Borrowers is in violation of, or in default under, any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any such indenture, agreement, lease instrument or other contractual restriction in any material respect. All legally required orders, consents, easements, permits or other authorizations or approvals of any public boards or bodies have been duly and validly issued and remain in full force and effect, and no additional authorization, approval, consent, agreement, permit, order or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body is required for (1) the due execution, delivery and performance by any of the Borrowers of this Agreement or any of the Related Documents to which it is a party, or (2) the maintenance of the Project.

10.7 This Agreement and each of the Related Documents to which any of the Borrowers is a party have been duly authorized, executed and delivered by the applicable Borrower, and constitute the legal, valid and binding obligations of the applicable Borrower or any Guarantor party thereto enforceable against such Borrower or Guarantor in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

10.8 Except as disclosed to the Bank in writing, there is no pending action or proceeding before any court, governmental agency or arbitrator against or directly involving any Borrower, any Guarantor or the Project, except as described in the financial statements referred to in Section 10.9 below, and to the best of the Borrowers' knowledge there is no threatened action or proceeding affecting any Borrower, any Guarantor or the Project before any court, governmental agency or arbitrator that could materially and adversely affect the Project, or any Borrower's or any Guarantor's financial condition or operations.

10.9 The most recent financial statements of the Borrowers and each Guarantor, copies of which have been delivered to the Bank, correctly state the financial condition of such Person as of the date thereof, and since such date, there has been no material adverse change in such Person's financial condition.

10.10 If any Borrower has any employee benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), such Person is in compliance in all material respects with the applicable provisions thereof and the regulations and published interpretations thereunder. No Reportable Event (as defined in Section 4043(b) of ERISA) has occurred with respect to any employee benefit plan, which is subject to the provisions of Title IV of ERISA and which is maintained for employees of any Borrower (a "Plan"), administered by any Borrower or any administrator designated by any Borrower. There is no unfunded vested liability, on an aggregate basis, with respect to the Plans administered by any Borrower or the administrators designated thereunder as of the date hereof.

10.11 No action has been taken or is currently planned by any Borrower, or any agent acting on its behalf, which would cause this Agreement or any related note to violate Regulation U or any other regulation of the Board of Governors of the Federal Reserve System, or to violate the Securities and Exchange Act of 1934, in each case as in effect now or as the same may hereafter be in effect. No Borrower is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock as one of its important activities and, except as may be expressly agreed to and documented between the Borrowers and Bank, none of the proceeds of the credit available hereunder will be used directly or indirectly for such purpose.

10.12 No information furnished by any Borrower or any Guarantor to the Bank in connection with this Agreement includes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances in which they were made, not misleading. The Bank may assume that the statements, facts, information and representations contained in any affidavits, orders, receipts or other written instruments which are filed with, or exhibited to, the Bank by any Borrower or any Guarantor are true and correct, and the Bank may rely thereon without any investigation or inquiry, and any action taken by the Bank in reliance thereon shall conclusively be deemed to be in the discharge of the Bank's obligations hereunder.

10.13 Each Borrower has good title to its respective assets, and the same are not subject to any liens or encumbrances other than liens or encumbrances previously disclosed by the Borrower Representative to the Bank in writing.

10.14 Each Borrower possesses all necessary trademarks, trade names, copyrights, patents, patent rights and licenses to conduct its respective business as now operated, without any known conflict with the valid trademarks, trade names, copyrights, patents and license rights of others.

10.15 The Borrowers have obtained and examined all legal requirements, use permits and other requirements affecting or relating to the Project, and the Project does not and will not violate any of the same.

10.16 None of the Borrowers has any present intent to sell, transfer or otherwise dispose of all or any portion of the Project or any interest therein.

11. Affirmative Covenants of the Borrowers. So long as any Letter of Credit is outstanding, any amount is due and owing to the Bank under this Agreement or any Related Document, or the Bank has any obligation to any of the Borrowers hereunder, each of the Borrowers will, unless the Bank otherwise consents in writing:

11.1 Existence and Place of Business. Maintain its existence as a Washington corporation or a Washington limited liability company, as applicable; remain qualified to do business in Washington; and maintain its principal place of business in Washington.

11.2 Compliance with Laws. Comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authority, non-compliance with which would affect the ability of such Borrower to perform its obligations hereunder or under any Related Document to which it is a party, such compliance to include paying before the

same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property, except to the extent compliance with any of the foregoing is then being contested as provided in Section 21 hereof.

11.3 Protection of Collateral. At all times, at its own cost and expense, maintain the effectiveness and priority of the liens created by the Collateral Documents on the property encumbered thereby, and deliver or cause to be delivered to the Bank from time to time such documents, agreements or certificates as the Bank deems necessary to insure the first priority status of such liens.

11.4 Insurance. Each Borrower will keep all of its insurable property, whether real, personal or mixed, insured by companies approved by the Bank against fire and such other risks, and in such amounts, as is customarily obtained by companies conducting similar business with like properties. Each of the Borrowers will furnish to the Bank statements of insurance coverage for each Borrower, will promptly upon the Bank's request furnish other or additional insurance deemed necessary by the Bank to the extent that such insurance may be available, and hereby assigns to the Bank, as security for the Borrowers' obligations to the Bank, the proceeds of all such insurance. The Bank will be named as loss payee under all policies insuring property encumbered by the Collateral Documents, and as an additional insured on all other policies. Each Borrower will maintain adequate worker's compensation insurance and adequate insurance against liability for damage to persons or property. All policies shall require at least ten (10) days' written notice to the Bank before alteration or cancellation.

11.5 Payment of Taxes and Other Claims. Pay and discharge all lawful claims, including taxes, assessments and governmental charges or levies imposed upon it or its income or profits or upon the Project, prior to the date upon which penalties attach thereto; provided that none of the Borrowers shall be required to pay any such tax, assessment, charge or levy, the payment of which is being contested as permitted under Section 21 hereof.

11.6 Compliance with Governmental Requirements. Comply promptly with any valid requirement of any governmental authority.

11.7 Inspection Rights. Permit the Bank or any of its agents or representatives, at any reasonable time and from time to time at the Bank's reasonable request, to examine and make copies of and abstracts from the books of account and records of, and to visit the properties of, each Borrower and to consult with any of their agents and representatives. The Bank agrees to use reasonable efforts to ensure that any information obtained pursuant to this paragraph which is not contained in a report or other document otherwise available to the public generally, to the extent permitted by law and except as may be required by valid subpoena or in the normal course of business operations (which shall include the Bank's sharing of its liability under each Letter of Credit with other banks that give appropriate assurances of confidential treatment of such information), will be treated confidentially by the Bank and will not be distributed or otherwise made available by the Bank to any Person other than their respective employees, authorized agents or representatives.

11.8 Financial Records. Keep proper books of record and account in which full and correct entries shall be made of financial transactions and the assets and business of such Person in accordance with GAAP.

11.9 Financial Reporting. Furnish to the Bank the following: (i) as soon as possible, and in any event within ten (10) days, after the occurrence of each Event of Default of which any Borrower has knowledge, a statement signed by an authorized representative of the Borrower Representative knowledgeable about its financial condition setting forth the details of such Event of Default and the action that the Borrowers propose to take with respect thereto; (ii) annually, personal financial statements for each Guarantor, and within ten (10) days of filing, copies of federal income tax returns (including all K-1s and other schedules); (iii) within sixty (60) days after the end of each fiscal quarter, commencing with the fiscal quarter ending on September 30, 2009, internally-prepared combined and combining financial statements, consisting of a balance sheet and income statement, for each Borrower for such fiscal quarter, certified to be true, complete and correct by the Borrower Representative's controller, and accompanied by a compliance certificate in a form reasonably satisfactory to the Bank (a "Compliance Certificate") signed by the controller or other authorized officer of the Borrower Representative which (A) states that no Default has occurred and is continuing, or, if any such Default has occurred and is continuing, a statement as to the nature thereof and what action the Borrowers propose to take with respect thereto, and (B) sets forth, for such quarter or as of the last day of such quarter, the calculation of the financial ratios and tests provided in Sections 11.13 and 11.14 hereof (and for each quarter ending on December 31, Sections 12.4, 12.5 and 12.9 hereof); (iv) within one hundred fifty (150) days after the end of each fiscal year, the annual financial statements of the Borrowers for such fiscal year, reviewed by an independent CPA firm satisfactory to the Bank and accompanied by a Compliance Certificate in a form reasonably satisfactory to the Bank signed by the controller or other authorized officer of the Borrower Representative as of such fiscal year-end; (v) within sixty (60) days after the end of each fiscal year, an accounts receivable report for the Borrowers in form and detail satisfactory to the Bank, and (vi) such other information respecting the business, properties, operations or condition, financial or otherwise, of the Borrowers or any Guarantor as the Bank may from time to time reasonably request.

11.10 Further Assurances. From time to time, record, register and file all such notices, statements and other documents, and take such other steps, including the amendment of the Collateral Documents or any other security agreement relating hereto and any instruments perfecting interests thereunder, as may be necessary or advisable to render fully valid and enforceable under all applicable laws the rights, liens and priorities of the Bank with respect to all security from time to time furnished in connection with this Agreement or intended to be so furnished, in each case in such form and at such times as shall be reasonably satisfactory to the Bank, and pay all fees and expenses incident to compliance with this paragraph.

11.11 Payment of Other Indebtedness. Duly and punctually pay or cause to be paid all principal and interest on any Indebtedness of any Borrower to third parties, comply with and perform or cause compliance and performance with all conditions, terms and obligations of the notes evidencing any such Indebtedness and the security agreements, deeds of trust and mortgages securing it, promptly inform the Bank of any default, or anticipated default, under any such note, security agreement, deed of trust or mortgage, and forward to the Bank a copy of any

notice of default or notice of an event that might result in default under any such note, security agreement, deed of trust or mortgage; provided that none of the Borrowers shall be required to pay any such Indebtedness, the payment of which is being contested as permitted in Section 21 hereof.

11.12 Banking Relationship. Maintain all of its primary deposit and investment accounts and its cash management relationship with the Bank.

11.13 Minimum Fixed Charge Coverage Ratio. Maintain (and cause to be maintained) a Fixed Charge Coverage Ratio for the Borrowers on a combined basis for the four-fiscal quarter period ending on the last day of each fiscal quarter, commencing with the fiscal quarter ending on September 30, 2009, of not less than 1.20 to 1.00.

11.14 Maximum Leverage Ratio. Maintain (and cause to be maintained) at all times a ratio of Adjusted Total Liabilities to EBITDA for the Borrowers on a combined basis as of the close of each fiscal quarter, commencing with the fiscal quarter ending on September 30, 2009, of not more than (i) 4.25 to 1.00 for each fiscal quarter ending during the period from and including September 30, 2009, through and including December 31, 2010; (ii) 4.00 to 1.00 for each fiscal quarter ending during the period from and after January 1, 2011, through and including December 31, 2011; (iii) 3.50 to 1.00 for each fiscal quarter ending during the period from and after January 1, 2012, through and including December 31, 2012; and (iv) 3.00 to 1.00 for each fiscal quarter ending after January 1, 2013.

11.15 Post-Closing Matters. On or before October 30, 2009, provide to the Bank (1) tax good standing certificates for each of WCI, WCEI, WCRI, West Coast and Heirborne from the applicable taxing authority of the State of Washington, (2) evidence of recording of the Deed of Trust, and (3) an ALTA lender's form policy of title insurance covering the Deed of Trust and insuring that Heirborne owns fee simple to the encumbered property and that the Bank's lien is senior to all matters other than those specifically consented to in writing.

12. Negative Covenants of the Borrowers. So long as any Letter of Credit is outstanding, any amount is due and owing to the Bank under this Agreement or any Related Document, or the Bank has any obligation to any of the Borrowers hereunder, none of the Borrowers will do any of the following unless the Bank otherwise consents in writing:

12.1 Sale or other Transfer. Sell, encumber, transfer or otherwise dispose of any part of the Project.

12.2 Compliance with ERISA. (i) Voluntarily terminate any Plan (if any such Plan is in existence) so as to result in any material (in the reasonable opinion of the Bank) liability of any Borrower to the Pension Benefit Guaranty Corporation (the "PBGC"), or (ii) enter into any Prohibited Transaction (as defined in Section 4975 of the Code and in ERISA) involving any Plan which results in any material (in the reasonable opinion of the Bank) liability of any Borrower to the PBGC, (iii) cause, permit or suffer any occurrence of any Reportable Event (as defined in Section 4043(b) of ERISA) which results in any material (in the reasonable opinion of the Bank) liability of any Borrower to the PBGC, or (iv) cause, permit or suffer to exist any other event or condition known to any Borrower which results in any material (in the reasonable opinion of the Bank) liability of any Borrower to the PBGC.

12.3 Amendment of Related Documents. Enter into or consent to any amendment of, or supplement to, any Related Document.

12.4 Capital Expenditures. Permit the aggregate amount of Capital Expenditures (excluding Capital Expenditures made with Bond proceeds) made by the Borrowers in any fiscal year, commencing with the fiscal year ending December 31, 2009, to exceed an aggregate amount equal to One Million Dollars (\$1,000,000.00) plus the amount (if any) by which such permitted amount for the immediately preceding fiscal year exceeded the actual amount of Capital Expenditures not made with Bond proceeds during such fiscal year.

12.5 Other Indebtedness. Incur Indebtedness other than (i) Indebtedness owed to the Bank or outstanding under any Bonds or (ii) purchase money indebtedness in an aggregate amount for the Borrowers not to exceed Five Hundred Thousand Dollars (\$500,000.00) in any fiscal year, (iii) operating lease expense not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) in any fiscal year in the aggregate, (iv) trade payables incurred by the Borrowers in the ordinary course of their respective businesses, or (v) any other liabilities of the Borrowers existing as of, and disclosed to the Bank prior to, the Closing Date.

12.6 Guaranty Obligations. Guarantee, or become liable in any way as surety, endorser (other than as endorser of negotiable instruments for deposit or collection in the ordinary course of business), accommodation endorser or otherwise for, or pledge or hypothecate any of their assets as security for, any liabilities or obligations of any other Person, except any of the foregoing in favor of the Bank, in an aggregate amount in excess of Five Hundred Thousand Dollars (\$500,000) at any time.

12.7 Liens and Encumbrances. Create, incur, assume or permit to exist any Liens upon any of its assets except Permitted Liens.

12.8 Mergers, Acquisitions, Etc. Do any of the following: consolidate with or merge into any other Person or permit any other Person to merge into it, acquire any Person as a subsidiary, transfer all or substantially all of its assets to any other Person, or acquire all or substantially all of the assets of any other Person.

12.9 Dividends or Distributions. Cause, permit or suffer any Borrower to make dividends or distributions to its shareholders or members during any fiscal year in an aggregate amount that exceeds sixty percent (60%) of the net income of such Borrower for the fiscal years ending on each of December 31, 2009, December 31, 2010, and December 31, 2011, or (c) one hundred percent (100%) of the net income of such Borrowers for each fiscal year thereafter; provided, however, that no Borrower shall make any distribution that would cause a violation of any financial covenant set forth in this Agreement or otherwise constitute a Default hereunder, or at any time that a Default exists hereunder.

12.10 Transactions with Affiliates. Enter into any transaction of any kind with any affiliate of any Borrower other than (without duplication) (a) salary, bonus, employee stock option and other compensation arrangements with officers or employees in the ordinary course of business, (b) distributions permitted pursuant to Section 12.9, or (c) transactions between or among the Borrowers and their respective shareholders or members in the ordinary course of

business on overall terms at least as favorable to the applicable Borrower as would be the case in an arm's length transaction between unrelated parties of equal bargaining power.

12.11 Change in Nature of Business. Make any material change in the nature of any Borrower's business, taken as a whole.

12.12 Investments. Make any loans or advances to, or investments in, any Person, except any of the foregoing existing as of, and disclosed in writing to the Bank prior to, the Closing Date and additional investments (a) in any Person in an aggregate amount not to exceed Five Hundred Thousand Dollars (\$500,000) in any fiscal year or (b) in on or more Persons in an aggregate amount not to exceed One Million Dollars (\$1,000,000).

12.13 Prepay Subordinated Indebtedness. Prepay the principal amount of any subordinated Indebtedness.

13. Events of Default. The occurrence of any of the following events shall be an "Event of Default" under this Agreement unless waived by the Bank in writing:

13.1 The Borrowers shall fail to pay when due any amount payable hereunder or under any Related Document, and such failure shall remain unremedied for five (5) days; or

13.2 Any representation or warranty made by any Borrower in Section 10 hereof or made by any Borrower or any Guarantor in any statement, certificate or document delivered in connection with this Agreement or any Related Document shall prove to have been incorrect in any material respect when made; or

13.3 Any Borrower or any Guarantor shall fail to perform or observe any other material term, covenant or agreement contained in this Agreement, any Guaranty, any other Related Document, or any other document or agreement executed by any Borrower pursuant to Section 11.10 hereof, and any such failure shall either be impossible for such Borrower or such Guarantor to remedy or shall remain unremedied for thirty (30) days after Bank has given written notice thereof to the Borrower Representative; or

13.4 A Change of Control shall occur; or

13.5 A default or event of default under or as defined in any Collateral Document shall occur (after giving effect to any applicable cure period); or

13.6 An Event of Default (as defined in the Indenture) shall occur under the Indenture (after giving effect to any applicable cure period); or

13.7 An Event of Default (as defined in the Loan Agreement) shall occur under the Loan Agreement (after giving effect to any applicable cure period); or

13.8 Any material provision of this Agreement, any Guaranty or any other Related Document shall at any time and for any reason cease to be valid and binding on any Borrower or any Guarantor (as applicable), or be declared to be null and void, or the validity or enforceability thereof shall be contested by any Borrower, any Guarantor or any governmental

agency or authority, and such event materially and adversely affects the Bank's rights under this Agreement or any Related Document, or any Borrower or any Guarantor shall deny that it has any or any further liability or obligation under this Agreement, any Guaranty or any other Related Document; or

13.9 Any Borrower or any Guarantor fails to (i) make any payment of Ten Thousand Dollars (\$10,000) or more of the principal, interest or premium owing on any Debt (as defined below) when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt, or (ii) perform or observe when required any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any Debt whose unpaid principal amount is Fifty Thousand Dollars (\$50,000) or more, and such failure continues after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure is to accelerate, or to permit the acceleration of, the maturity of such Debt. "Debt" means (A) any indebtedness for borrowed money or for the deferred purchase price of property or services (not including any obligation arising under this Agreement) for which any Borrower or any Guarantor is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which any Borrower or any Guarantor otherwise assures a creditor against loss, and (B) any obligations under Capital Leases for which any Borrower or any Guarantor is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which any Borrower or any Guarantor otherwise assures a creditor against loss; or

13.10 Any Borrower or any Guarantor shall (i) become insolvent; or (ii) generally fail to pay, or admit in writing its inability to pay, its debts as they become due; or (iii) apply for, consent to or acquiesce in the appointment of a trustee, receiver or other custodian for itself or any of its property; or (iv) make a general assignment for the benefit of its creditors; or (v) consent to, or acquiesce for thirty (30) days without a discharge of, the appointment of a trustee, receiver or other custodian for itself or for a substantial part of its property; or (vi) commence any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy, insolvency or other similar law of any jurisdiction; or commence any dissolution or liquidation proceeding, or (vii) consent to any case or proceeding described in clause (vi) commenced against it, or not obtain the dismissal of any such case within thirty (30) days after its commencement; or (viii) take any action to authorize, or in furtherance of, any of the foregoing; or

13.11 Any franchise agreement or contract that, individually or together with any other such agreement or certificate, accounts for more than ten percent (10%) of the aggregate annual gross revenue of the Borrowers, taken as a whole, expires or is terminated after the Closing Date.

14. Rights and Remedies.

14.1 Defaults under this Agreement. Upon the occurrence of an Event of Default hereunder, or at any time thereafter while such Event of Default continues, the Bank, in its sole discretion, may:

(a) declare all amounts payable by the Borrowers under this Agreement to be immediately due and payable, without any presentment, demand, protest or other notice or formality of any kind;

(b) send notice to the Trustee (in the form of Exhibit B attached hereto) of the occurrence of such Event of Default, whereupon such Trustee shall either (i) declare the applicable Bonds immediately due and payable or (ii) if the Bank so elects in such notice, give notice of a mandatory tender for the Bonds pursuant to [Section 4.06(a)(iii)] of the Indenture; and

(c) exercise any rights and remedies available to it under this Agreement, under any Collateral Document, under any other Related Document or by law.

14.2 Default under Other Documents. The Bank may cure an Event of Default under any Related Document, provided, however, that nothing contained herein shall obligate the Bank to cure any such Event of Default.

14.3 Requirement of Full Collateralization. Upon the occurrence and during the continuance of an Event of Default hereunder, an amount equal to the sum of (i) the aggregate Stated Amount of each Letter of Credit, (ii) the aggregate amount of unreimbursed drawings under each Letter of Credit, and (iii) any and all other amounts due to the Bank under or in connection with each Letter of Credit, this Agreement or any of the Related Documents shall become immediately due and payable by the Borrowers to the Bank, without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each of the Borrowers. The Borrowers shall immediately deposit such amount into a special interest-bearing deposit account with the Bank, to be held ratably for the benefit of the Bank and the holders of the Bonds as collateral security for the reimbursement of any drawings under a Letter of Credit and the payment of all other amounts due and payable hereunder. Effective one hundred twenty-six (126) days following the receipt of the full amount due and owing hereunder and the termination of all obligations of the Bank hereunder, the Bank shall execute such releases with respect to the obligations owing from the Borrowers to the Bank as are necessary and appropriate, and this Agreement shall thereupon terminate, provided that no event described in Section 13.10 hereof has occurred before or during such one hundred twenty-six (126) day period. The Bank shall cause any cash collateral received by it to be invested in a manner so as not to cause any Bonds to be treated as "arbitrage bonds" under the Code and the regulations relating thereto.

14.4 Curing of Default by Disbursement. Upon the occurrence of a Default that may be cured by the payment of money, the Bank, without waiving any right of foreclosure that the Bank may have under any Collateral Document by reason of such Default or any other right the Bank may have against the Borrowers because of such Default, shall have the right (but not the obligation) to cure such Default by making such payment from any account of the Borrowers maintained with the Bank.

14.5 Remedies are Cumulative. All remedies of the Bank provided for herein are cumulative and shall be in addition to any and all other rights and remedies provided in the

Collateral Documents, any other Related Document or by law. The exercise of any rights of the Bank hereunder shall not in any way constitute a cure or waiver of a default hereunder or elsewhere, or invalidate any act done pursuant to any notice of default, or prejudice the Bank in the exercise of any of its other rights hereunder or elsewhere, or invalidate any act done pursuant to any notice of default, or prejudice the Bank in the exercise of any of its other rights hereunder or under any Related Document unless, in the exercise of said rights, the Bank realizes, all amounts owed to it hereunder, under the Collateral Documents and under any other Related Document.

15. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by any Borrower therefrom shall be effective unless the same is in writing and signed by the Bank or its authorized representative, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

16. Addresses For Notices. All notices and other communications provided for hereunder shall be in writing and, if to any of the Borrowers, mailed or delivered to the Borrower Representative at _____, Attention: _____, or if to the Bank, mailed or delivered to it at 7108 North Fresno Street, Suite 200, Fresno, California 93720, Attention: Steven Peterson; or at such other address as shall be designated by such party in a written notice to the other party. All such notices and other communications shall, when delivered, be effective upon receipt, and when mailed, be effective five (5) days after the date of deposit in the mail, addressed as aforesaid.

17. No Waiver; Remedies; Set-off.

17.1 No failure on the part of the Bank to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any further exercise thereof or the exercise of any other right or remedy. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

17.2 Upon the occurrence and during the continuance of any Event of Default hereunder, the Bank is hereby authorized at any time and from time to time, without notice to the Borrowers (any such notice being expressly waived by each of the Borrowers) to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held, and any other indebtedness at any time owing, by the Bank to or for the credit or the account of any Borrower against any and all of the obligations of the Borrowers now or hereafter existing hereunder, irrespective of whether or not the Bank has made any demand hereunder or any such obligations are contingent or unmatured.

17.3 The rights and authorization granted to the Bank in Section 17.2 shall be available to any bank or other financial institution acquiring a participation in, or otherwise reimbursing the Bank for, drawings made under any Letter of Credit to the same extent as if such bank or other financial institution had issued a letter of credit hereunder on behalf of any Borrower in the amount of such participation or reimbursement.

18. Indemnification. The Borrowers shall indemnify and hold the Bank harmless from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Bank may incur (or which may be claimed against the Bank by any person or entity whatsoever) by reason of or in connection with (a) any breach by any Borrower of any representation, warranty or covenant contained in this Agreement; (b) the execution and delivery or transfer (to a successor trustee) of, or payment or failure to pay under, any Letter of Credit; provided, however, that the Borrowers shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (i) the willful misconduct or gross negligence of the Bank in determining whether a sight draft or certificate presented under any Letter of Credit complied with the terms of the Letter of Credit, or (ii) the Bank's grossly negligent or willful failure to pay under any Letter of Credit after the presentation to it by the Trustee or a successor beneficiary of a sight draft or certificate strictly complying with the terms and conditions of applicable Letter of Credit; (c) any failure by any Borrower, the Issuer or any underwriter to comply with applicable federal and state laws and regulations pertaining to the offer and sale of the Bonds, including in particular any such laws applicable to any Letter of Credit; (d) the Project, or any conditions, occupancy, use, possession, conduct or management of, or work done in or about, the Project, or the planning, design, acquisition, installation or construction of the Project or any part thereof (including liability arising from loss or damage to any property or injury to or death of any person occurring on or about or resulting from any defect in the Project); (e) the issuance of the Bonds or any certifications or representations made (other than by Bank) in connection therewith and the carrying out of any of the transactions contemplated by the Loan Agreement; or (f) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized by the Issuer in connection with the sale of the Bonds, except with respect to statements or omissions which are the result of information provided by the Bank. The Borrowers further covenant and agree, to the extent permitted by law, to pay or to reimburse the Bank for any and all costs, reasonable attorneys' fees, liabilities and expenses incurred in connection with investigating, defending against or otherwise arising or incurred in connection with any such losses, claims, damages, liabilities, expenses or actions. Promptly upon obtaining actual knowledge that it has incurred any such damages, costs, fees, liabilities or expenses, the Bank shall give notice thereof to the Borrower Representative. Promptly after receipt of notice of the commencement of any action, suit or proceeding against the Bank in respect of which a claim is to be made against the Borrowers under this Section 18, the Bank shall notify the Borrower Representative of the commencement of such action, suit or proceeding, enclosing a copy of all papers served, but the failure to notify the Borrower Representative of any such action, suit or proceeding shall not relieve it from any liability which it may have to the Bank under this Section 18. In case any such action, suit or proceeding is brought against the Bank and the Bank notifies the Borrower Representative of the commencement thereof, the Borrowers shall be entitled to participate in, and to assume the defense of, such action, suit or proceeding with counsel reasonably satisfactory to the Bank, and after notice from the Borrower Representative to the Bank of the Borrowers' election so to assume the defense thereof the Borrowers shall not be liable to the Bank for any legal or other expenses, other than reasonable costs of investigation subsequently incurred by the Bank in connection with the defense thereof. The Bank shall have the right to employ its own counsel in any such action, but the fees and expenses of such counsel

shall be at the expense of the Bank, unless (i) the employment of counsel by the Bank has been authorized by the Borrower Representative, (ii) the Bank reasonably concludes that there may be a conflict of interest between the Borrowers, or any of them, and the Bank in the conduct of the defense of such action (in which case the Borrowers shall not have the right to direct the defense of such action on behalf of the Bank), or (iii) the Borrowers have not in fact employed counsel to assume the defense of such action. The Borrowers shall not be liable for any settlement of any action or claim effected without its consent. For the purposes of this Section 18, the term "Bank" shall include, and the Borrowers' indemnity hereunder shall run to the benefit of, the directors, officers, employees and agents of the Bank. The provisions of this Section 18 shall survive the expiration of any Letter of Credit. The indemnification in this Section 18 is in addition to (but not in duplication of) the Borrowers' reimbursement obligations under this Agreement.

19. Continuing Obligation. This Agreement is a continuing obligation, and shall (i) be binding upon the Borrowers, their respective successors and assigns, and (ii) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns; provided, however, that the Borrowers may not assign all or any part of this Agreement without the prior written consent of the Bank.

20. Liability of the Bank. The Borrowers assume all risks of the acts or omissions of the Trustee and any transferee of any Letter of Credit with respect to its use of the applicable Letter of Credit; provided, however, this assumption with respect to the Bank is not intended to, and shall not, preclude the Borrowers from pursuing such rights and remedies as it may have against the Trustee or any transferee at law or under any other agreement. Neither the Bank nor any of its directors, officers, employees or agents shall be liable or responsible for: (a) the use which may be made of any Letter of Credit or for any acts or omissions of the Trustee or any transferee of any Letter of Credit in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Bank against presentation of documents which do not comply with the terms of any Letter of Credit, including the failure of any documents to bear any reference or adequate reference to the applicable Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit; provided, however, that notwithstanding anything to the contrary in the preceding clauses (a), (b), (c) and (d), a Borrower shall have a claim against the Bank, and the Bank shall be liable to such Borrower, to the extent, but only to the extent, of damages suffered by such Borrower which such Borrower proves were caused by (i) the Bank's willful misconduct or gross negligence, or (ii) the Bank's willful failure to pay under any Letter of Credit after the Trustee (or a successor beneficiary under the Indenture to whom the applicable Letter of Credit has been transferred in accordance with its terms) has presented to the Bank a sight draft and certificate strictly complying with the terms and conditions of the applicable Letter of Credit. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary; provided, however, that if the Bank receives from both the Trustee and the applicable account party written notification to the Bank at Union Bank Letter of Credit Department, 1980 Saturn Street, Monterey Park, California 91754-7417, Attn: Paul Abrahamian, with a copy to Union Bank, N.A., 7108 North Fresno Street, Suite 200, Fresno, California 93720, Attention: Steven Peterson, that documents sufficiently identified (in the reasonable opinion of the Bank) to be presented are not to be

honored, the Bank agrees that, upon being indemnified to its satisfaction by the Trustee and the Borrowers, it will not honor such documents thereafter.

21. Permitted Contests. No Borrower shall be required to (a) pay any tax, assessment or other charge or comply with any statute, law, rule, regulation or ordinance referred to in Section 11.2 or Section 11.5 hereof, or (b) make any payment of any Debt referred to in Section 13.9 hereof, or (c) pay any indebtedness referred to in Section 11.11 hereof so long as such Borrower shall (i) contest, in good faith, the existence, amount or validity thereof, the amount of damages caused thereby or the extent of its liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent (A) the collection of, or other realization upon, the tax, assessment, charge, lien, encumbrance, indebtedness or obligation so contested, and (B) the sale, forfeiture or loss or any collateral therefor or any property of such Borrower or any part thereof, and (ii) give such security to the Bank as may be demanded by the Bank or, in the alternative, provide the Bank with evidence satisfactory to the Bank in its good faith judgment of sufficient bonding to ensure payment and to ensure compliance with the foregoing provisions of this Section 21. The Borrower Representative shall give prompt written notice to the Bank of the commencement of any contest referred to in this Section 21.

22. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of California (but without regard to its conflicts of law rules).

23. Assignment by the Bank. The Bank may assign, negotiate, pledge or otherwise hypothecate, or grant participations in, all or any portion of its rights and security hereunder, including the instruments securing the Borrowers' obligations hereunder. In case of such assignment, the Borrowers shall accord full recognition thereto and agree that all rights and remedies of the Bank in connection with the interest so assigned shall be enforceable against the Borrowers by such assignee with the same force and effect and to the same extent as the same would have been enforceable by the Bank, but for such assignment. No such assignment by the Bank, however, will relieve the Bank of its obligations under this Agreement either voluntarily or by operation of law. In connection with any proposed assignment, the Bank may disclose to the proposed assignee any information that the Borrowers are required to deliver to the Bank pursuant to this Agreement; provided, however, that in the event of any such disclosure the Bank shall obtain from the proposed assignee appropriate assurances of confidential treatment of the disclosed information.

24. Representations and Warranties of the Bank. The Bank represents and warrants that this Agreement and each Letter of Credit is valid and enforceable against the Bank, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

25. Headings. Section headings in this Agreement are included for convenience of reference only, and shall not constitute a part of this Agreement for any other purpose.

26. Further Assurances. The Borrowers agree to do, and to cause each Guarantor to do, such further acts and things, and to execute and deliver to the Bank, and to cause each Guarantor to execute and deliver to the Bank, such additional instruments, documents,

assignments, agreements and powers as the Bank may require or deem advisable to carry into effect the purposes of this Agreement and the Related Documents or to better assure and confirm unto the Bank its rights, powers and remedies under this Agreement and the Related Documents.

27. Survival of Representations and Warranties. All agreements, representations and warranties made in this Agreement and in any documents or certificates delivered pursuant hereto shall survive the execution and delivery of this Agreement and the issuance of each Letter of Credit hereunder until any and all sums payable under this Agreement, or which are secured by the Collateral Documents, have been paid in full.

28. Severability of Provisions. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

29. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all such counterparts, taken together, shall constitute but one and the same Agreement.

30. Time. Time is of the essence of this Agreement, each Security Document, and each and every provision thereof in which time is an element.

31. Dispute Resolution. This Agreement hereby incorporates any alternative dispute resolution agreement previously, concurrently or hereafter executed between any of the Borrowers and the Bank.

32. Joint and Several Obligations. The obligations of the Borrowers under this Agreement and any Related Document to which more than one Borrower is a party are joint and several..

33. USA Patriot Act Notice. The Bank is subject to the USA Patriot Act and hereby notifies the Borrowers that pursuant to the requirements of that Act, the Bank is required to obtain, verify and record information that identifies each of the Borrowers, which information includes the name and address of such Borrower and other information that will allow the Bank to identify such Borrower in accordance with that Act.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

"Bank"

UNION BANK, N.A.

By _____

Steven Peterson

Vice President

"Borrowers"

WASTE CONTROL, INC.,

a Washington corporation

By _____

Name: _____

Title: _____

WASTE CONTROL EQUIPMENT INC.,

a Washington corporation

By _____

Name: _____

Title: _____

WASTE CONTROL RECYCLING, INC.,
a Washington corporation

By _____
Name: _____
Title: _____

WEST COAST PAPER FIBRES INC.,
a Washington corporation

By _____
Name: _____
Title: _____

HEIRBORNE INVESTMENTS, LLC,
a Washington limited liability company

By _____
Name: _____
Title: _____

SCHEDULE I

PRICING GRID

Pricing Period Level	Fixed Charge Coverage Ratio	Applicable Letter of Credit Fee	Applicable Margin for Reference Rate Loans	Applicable Margin for LIBOR Loans
Level 1	≤1.25	180 bps.	25 bps.	195 bps
Level 2	>1.25 but ≤1.40	165 bps.	15 bps.	170 bps
Level 3	>1.40 but ≤1.65	135 bps.	0 bps.	155 bps
Level 4	>1.65	125 bps.	-35 bps.	140 bps

1. The Applicable Margin for the Term Loan will initially be set at Level 2 for the period prior to the first Business Day of July, 2010. Thereafter, the Applicable Margin for the Term Loan will be set at the Pricing Period Level set forth above corresponding to the Fixed Charge Coverage Ratio based on the Borrowers' financial statements for the most recently completed fiscal quarter (i.e., the Applicable Margin for interest on Term Loan payable on the first Business Day of August 2010 will be based on the Borrowers' financial statements for the fiscal quarter ending on March 31, 2010). If, for any reason, the Borrowers fail to deliver a properly completed Compliance Certificate when due in accordance with Section 11.9 and such failure shall continue for a period of ten (10) Business Days, the Pricing Period Level shall be deemed to be Level 1, retroactive to the date on which the Borrowers should have delivered a Compliance Certificate in accordance with Section 11.9 and shall continue as Level 1 until a properly completed Compliance Certificate indicating a different Fixed Charge Coverage Ratio is delivered to the Bank.

2. From and after the Term Line Availability Termination Date, the Applicable Margin for the Term Line Loans will be set at the Pricing Period Level set forth above corresponding to the Fixed Charge Coverage Ratio based on the Borrowers' financial statements for the most recently completed fiscal quarter.

3. With respect to outstanding Term Loan and Term Line Loans, changes in the Applicable Margin attributable to changes in the Fixed Charge Coverage Ratio shall become effective from and after the fifth (5th) Business Day following the Bank's receipt of the Compliance Certificate.

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EXHIBIT A-1

September __, 2009

Irrevocable Letter of Credit No. _____

Wells Fargo Bank, National Association, as Trustee
under a Trust Indenture dated as of December 14, 2006

Attn: _____

Ladies and Gentlemen:

At the request and on the instructions of our customer, Heirborne Investments, LLC, a Washington limited liability company (the "Borrower"), we hereby establish this Letter of Credit in your favor as Trustee and we hereby irrevocably authorize you to draw on us on any Business Day (as defined below) on or before the Expiration Date (as defined below), in accordance with the terms and conditions hereinafter set forth, by sight drafts in an aggregate amount not exceeding Eleven Million Six Hundred Twenty-Nine Thousand Five Hundred Forty-Six and No/100 Dollars (\$11,629,546.00) (as reduced and reinstated from time to time in accordance with the provisions hereof, the "Stated Amount") of which Stated Amount (i) not more than Eleven Million Four Hundred Sixty Thousand and No/100 Dollars (\$11,460,000.00) (the "Principal Portion") may be designated by you on a duly completed certificate in the form of either Exhibit 1 or Exhibit 2 hereto as being drawn under the Principal Portion of this Letter of Credit, and (ii) not more than One Hundred Sixty-Nine Thousand Five Hundred Forty-Six and No/100 Dollars (\$169,546.00), which represents forty-five (45) days of interest on the initial State Amount at 12% per annum computed on the basis of a 365-day year (the "Interest Portion"); may be designated by you on a duly completed certificate in the form of either Exhibit 1 or Exhibit 2 hereto as being drawn under the Interest Portion of this Letter of Credit. As used herein, the term "Business Day" shall mean any day other than: (i) a Saturday or Sunday or legal holiday in the State of California, (ii) a day on which we or the Trustee are authorized or obligated to close, and (iii) any day on which banking institutions located in the city where the principal corporate trust office of the Trustee is located or in the city in which drawings are to be made under this Letter of Credit are authorized or obligated by law or executive order to remain closed.

Funds under this Letter of Credit are available to you against your sight draft(s) accompanied by your executed and completed certificate(s) dated the date of presentation in the form of either Exhibit 1 or Exhibit 2 hereto. Each sight draft presented hereunder shall be in the form attached hereto as Exhibit 7, duly completed by you, and must be dated the date of presentation to us.

Demand for payment may be made by you under this Letter of Credit on or before the Expiration Date by presentation to us at our office at 1980 Saturn Street, Monterey Park,

California 91755-7417 or at such other address in the County of Los Angeles as we may specify in a notice delivered to you (the "Payment Office"), at any time during business hours at the Payment Office, on a Business Day. Demands for payment and the accompanying certificates may also be presented by telecommunications through telefax number (323) 720-2773, with originally executed documents to follow immediately thereafter via overnight mail or courier service. Presentations effected by telecommunications as provided above will be honored by us in the same manner as presentations effected in person, *provided* that your demand for payment and the documents presented in connection therewith conform to the terms and conditions of this Letter of Credit but for the requirement of original signatures. We shall have no duty to examine, and will not examine, the original documents confirming presentation by telecommunications, and our failure to receive any such original documents shall not affect or impair the validity of any presentation otherwise properly effected by telecommunications. In the event of presentation by telecommunications, the telecommunication is, and shall be considered, the sole original presentation.

If demand for payment accompanied by your duly completed certificate in the form of Exhibit 1 hereto is received by us as aforesaid at or prior to 10:00 a.m., Los Angeles time, on a Business Day, and provided that such demand for payment and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you, in immediately available funds, no later than 10:00 a.m., Los Angeles time, on the next succeeding Business Day. If demand for payment accompanied by your duly completed certificate in the form of Exhibit 1 hereto is received by us as aforesaid after 10:00 a.m., Los Angeles time, on a Business Day, and provided that such demand for payment and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, not later than 10:00 a.m., Los Angeles time, on the second succeeding Business Day thereafter. If a demand for payment accompanied by your duly completed certificate in the form of Exhibit 2 hereto is received by us as aforesaid at or prior to 8:30 a.m., Los Angeles time, on a Business Day, and provided that such demand and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, not later than 11:00 a.m., Los Angeles time, on the same Business Day or not later than 11:00 a.m., Los Angeles time, on such later Business Day as you may specify. If a demand for payment accompanied by your duly completed certificate in the form of Exhibit 2 hereto is received by us as aforesaid after 8:30 a.m., Los Angeles time, on a Business Day, and provided that such demand and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, not later than 11:00 a.m., Los Angeles time, on the next succeeding Business Day or not later than 11:00 a.m., Los Angeles time, on such later Business Day as you may specify. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that such demand was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that we are holding any documents at your disposal or are returning the same to you, as we may elect. Upon being notified that such demand was not effected in accordance with this Letter of Credit, you may attempt to correct any such non-conforming demand for payment if, and to the extent that, you are entitled (without regard to the provisions of this sentence) and able to do so.

Demands for payment honored hereunder shall not exceed the Stated Amount as the same may be reduced or reinstated as hereinafter provided. The Principal Portion and the Interest Portion of the Stated Amount shall each be reduced automatically, without notice to you, by the respective amount of drawings honored under each such portion. The Interest Portion of the Stated Amount shall be automatically reinstated to the maximum amount then available under the Interest Portion effective as of the Bank's close of business in Los Angeles, California on the third Business Day after any payment in respect of any drawing under the Interest Portion unless, prior to such close of business on such third Business Day, you have received a written notice from us in the form of Exhibit 8 hereto; *provided, however*, that with respect to any reduction in the Stated Amount made as a result of a drawing pursuant to the Liquidity Drawing Certificate attached hereto as Exhibit 2, both the Principal Portion and the Interest Portion of such drawing shall be reinstated effective only upon our delivery to you of the written confirmation of reinstatement in the form attached hereto as Exhibit 9. Effective as of the Bank's close of business in Los Angeles, California on the date of the Bank's receipt from you of a duly completed certificate in the form of Exhibit 10 hereto, the maximum amount available to be drawn under the Interest Portion of the Letter of Credit shall be reduced to the amount specified in such certificate.

This Letter of Credit shall expire at 4:00 p.m. Los Angeles time, on the earlier to occur of the following dates (the "Expiration Date"): (i) October 1, 2014, or (ii) the date on which we receive a certificate executed by you in the form of either Exhibit 3, 4 or 5 hereto. This Letter of Credit shall be promptly surrendered to us by you upon such expiration.

This Letter of Credit sets forth in full the terms of our undertaking, and this undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or agreement referred to herein (except the UCP, as hereinafter defined, or as expressly provided herein), or in which this Letter of Credit is referred to or to which this Letter of Credit relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

This Letter of Credit is transferable in its entirety (but not in part), and may be successively transferred (anything in Article 38 of the UCP to the contrary notwithstanding) by the presentation to us of this Letter of Credit accompanied by a certificate substantially in the form of Exhibit 6 attached hereto.

Only you (or a transferee as permitted by the terms of this Letter of Credit) may make a drawing under this Letter of Credit. Upon the payment to you or for your account of the amounts specified in all sight drafts permitted to be drawn hereunder, we shall be fully discharged of our obligation under this Letter of Credit, and we shall not thereafter be obligated to make any further payments under this Letter of Credit to you or to any other person or entity who may have made to you or who makes to you a demand for payment with respect to any of the Bonds (as that term is defined in Exhibit 1 attached hereto).

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce, Publication No. 600 (the "UCP"), *provided* that Article 32 thereof shall not limit the rights of the Trustee to make drawings in compliance with the terms hereof; and *provided further* that anything in this Letter of Credit to

the contrary notwithstanding, if we are unable to perform our obligations hereunder because of the interruption of our business for any of the reasons specified in Article 36 of the UCP and this Letter of Credit would otherwise expire during such interruption, then this Letter of Credit shall not then expire but shall be valid, binding and enforceable upon the resumption of our business and shall continue in effect for a period of thirty (30) days immediately following the date of such resumption; at the conclusion of such thirty-day period this Letter of Credit shall expire. For purposes of Article 6(d)(ii) of the UCP, the place of presentation for payment shall be the Payment Office. As to matters not governed by the UCP, this Letter of Credit shall be governed by the Uniform Commercial Code as in effect in the State of California.

We hereby agree with you that each draft drawn in compliance with the terms of this credit shall be duly honored on presentation to us and shall be paid with our funds and not with any funds of the Borrower.

Very truly yours,

UNION BANK, N.A.

By: _____
Name: _____
Title: _____

Delivery Address:

UNION BANK, N.A. Telephone: (323) 720-7957
TRADE SERVICE OPERATIONS Telecopy: (323) 720-2773
1980 Saturn Street, V01-519
Monterey Park, CA 91755-7417
Attn: Standby Letter of Credit Section

EXHIBIT 1

DRAWING CERTIFICATE FOR PAYMENT
OF PRINCIPAL AND/OR INTEREST

To: UNION BANK, N.A.
TRADE SERVICE OPERATIONS
1980 Saturn Street, V01-519
Monterey Park, CA 91755-7417
Attn: Standby Letter of Credit Section

Re: Washington Economic Development Finance Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds, Series 2006K (Heirborne Investments, LLC Project), in the aggregate principal amount of \$11,785,000 (the "Bonds") issued pursuant to a Trust Indenture dated as of December 14, 2006 (the "Indenture"), between the Washington Economic Development Finance Authority (the "Issuer") and Wells Fargo Bank, National Association, as Trustee

The undersigned (the "Trustee"), acting by and through its duly authorized officer, hereby certifies, with reference to its concurrent presentation of a sight draft under that certain Letter of Credit No. _____ (the "Letter of Credit"), issued by Union Bank, N.A. in favor of the Trustee under the Indenture, that (i) the amount of the sight draft accompanying this Certificate is payable under the Indenture and was computed in accordance with the terms thereof and of the Letter of Credit and does not exceed the Stated Amount (as defined in the Letter of Credit); and (ii) the sight draft accompanying this certificate is in the amount of _____ Dollars (\$ _____) of which _____ Dollars (\$ _____) is being drawn under the Principal Portion of the Letter of Credit and _____ Dollars (\$ _____) is being drawn under the Interest Portion of the Letter of Credit. No portion of the amount being drawn herewith is being drawn in respect of the purchase price of Bonds tendered for purchase under the Indenture. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____, _____.

TRUSTEE:

[Name of Trustee]

By: _____
Authorized Officer

EXHIBIT 2

LIQUIDITY DRAWING CERTIFICATE

To: UNION BANK, N.A.
TRADE SERVICE OPERATIONS
1980 Saturn Street, V01-519
Monterey Park, CA 91755-7417
Attn: Standby Letter of Credit Section

Re: Washington Economic Development Finance Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds, Series 2006K (Heirborne Investments, LLC Project), in the aggregate principal amount of \$11,785,000 (the "Bonds") issued pursuant to a Trust Indenture dated as of December 14, 2006 (the "Indenture"), between the Washington Economic Development Finance Authority (the "Issuer") and Wells Fargo Bank, National Association, as Trustee

The undersigned (the "Trustee"), acting by and through its duly authorized officer, hereby certifies, with reference to its concurrent presentation of a sight draft under that certain Letter of Credit No. _____ (the "Letter of Credit"), issued by Union Bank, N.A. in favor of the Trustee under the Indenture, that (i) the amount of the sight draft accompanying this Certificate is payable under the Indenture and was computed in accordance with the terms thereof and of the Letter of Credit and does not exceed the Stated Amount (as defined in the Letter of Credit); and (ii) the sight draft accompanying this certificate is in the amount of _____ Dollars (\$ _____) of which _____ Dollars (\$ _____) is being drawn under the Principal Portion of the Letter of Credit with respect to the principal amount of Bonds being tendered for purchase under the Indenture and _____ Dollars (\$ _____) is being drawn under the Interest Portion of the Letter of Credit with respect to accrued and unpaid interest due on Bonds being tendered for purchase under the Indenture. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____, _____.

TRUSTEE:

[Name of Trustee]

By: _____
Authorized Officer

EXHIBIT 3

CERTIFICATE FOR
ALTERNATE CREDIT FACILITY
OR ALTERNATE LETTER OF CREDIT

To: UNION BANK, N.A.
TRADE SERVICE OPERATIONS
1980 Saturn Street, V01-519
Monterey Park, CA 91755-7417
Attn: Standby Letter of Credit Section

Re: Washington Economic Development Finance Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds, Series 2006K (Heirborne Investments, LLC Project), in the aggregate principal amount of \$11,785,000 (the "Bonds") issued pursuant to a Trust Indenture dated as of December 14, 2006 (the "Indenture"), between the Washington Economic Development Finance Authority (the "Issuer") and Wells Fargo Bank, National Association, as Trustee

The undersigned (the "Trustee"), acting by and through its duly authorized officer, hereby certifies, with reference to that certain Letter of Credit No. _____ (the "Letter of Credit"), issued by Union Bank, N.A. in favor of the Trustee under the Indenture, that:

- (1) The Trustee is presently Trustee under the Indenture for the owners of the Bonds.
- (2) The conditions precedent for the acceptance of an Alternate [Credit Facility] [Letter of Credit] (*insert as appropriate*), as set forth in the Indenture, have been satisfied.
- (3) As Trustee under the Indenture, the Trustee has accepted such Alternate [Credit Facility] [Letter of Credit] and such Alternate [Credit Facility] [Letter of Credit] is effective.
- (4) Pursuant to the Indenture and the Letter of Credit, we are delivering herewith the Letter of Credit for cancellation.
- (5) The undersigned officer of the Trustee is duly authorized to execute and deliver this Certificate on behalf of the Trustee.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____, ____.

TRUSTEE:

[Name of Trustee]

By: _____

Authorized Officer

EXHIBIT 4

INTEREST RATE CONVERSION
CERTIFICATE

To: UNION BANK, N.A.
TRADE SERVICE OPERATIONS
1980 Saturn Street, V01-519
Monterey Park, CA 91755-7417
Attn: Standby Letter of Credit Section

Re: Washington Economic Development Finance Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds, Series 2006K (Heirborne Investments, LLC Project), in the aggregate principal amount of \$11,785,000 (the "Bonds") issued pursuant to a Trust Indenture dated as of December 14, 2006 (the "Indenture"), between the Washington Economic Development Finance Authority (the "Issuer") and Wells Fargo Bank, National Association, as Trustee

The undersigned (the "Trustee"), acting by and through its duly authorized officer, hereby certifies, with reference to that certain Letter of Credit No. _____ (the "Letter of Credit"), issued by Union Bank, N.A. in favor of the Trustee under the Indenture, that:

- (1) The Trustee is presently Trustee under the Indenture for the owners of the Bonds.
- (2) The interest rate on the Bonds has been converted to a Term Interest Rate, as defined in the Indenture.
- (3) Pursuant to the Indenture and the Letter of Credit, we are delivering herewith the Letter of Credit for cancellation.
- (4) The undersigned officer of the Trustee is duly authorized to execute and deliver this Certificate on behalf of the Trustee.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____, _____.

TRUSTEE:

[Name of Trustee]

By: _____
Authorized Officer

EXHIBIT 5

DEFEASANCE OR FULL PAYMENT
CERTIFICATE

To: UNION BANK, N.A.
TRADE SERVICE OPERATIONS
1980 Saturn Street, V01-519
Monterey Park, CA 91755-7417
Attn: Standby Letter of Credit Section

Re: Washington Economic Development Finance Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds, Series 2006K (Heirborne Investments, LLC Project), in the aggregate principal amount of \$11,785,000 (the "Bonds") issued pursuant to a Trust Indenture dated as of December 14, 2006 (the "Indenture"), between the Washington Economic Development Finance Authority (the "Issuer") and Wells Fargo Bank, National Association, as Trustee

The undersigned (the "Trustee"), acting by and through its duly authorized officer, hereby certifies, with reference to that certain Letter of Credit No. _____ (the "Letter of Credit"), issued by Union Bank, N.A. in favor of the Trustee under the Indenture, that:

- (1) The Trustee is presently Trustee under the Indenture for the owners of the Bonds.
- (2) No Bonds remain outstanding under the Indenture.
- (3) Pursuant to the Indenture and the Letter of Credit, we are delivering herewith the Letter of Credit for cancellation.
- (4) The undersigned officer of the Trustee is duly authorized to execute and deliver this Certificate on behalf of the Trustee.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____, _____.

TRUSTEE:

[Name of Trustee]

By: _____
Authorized Officer

EXHIBIT 6

UNION BANK, N.A.
TRADE SERVICE OPERATIONS
1980 Saturn Street, V01-519
Monterey Park, CA 91755-7417
Attn: Standby Letter of Credit Section

Re: Irrevocable Letter of Credit No. _____

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

(Name of Transferee)
(Address)

all rights of the undersigned beneficiary to draw under the above Letter of Credit. The transferee has succeeded to the undersigned as Trustee under that certain Trust Indenture dated as of December 14, 2006, between the Washington Economic Development Finance Authority and the undersigned as Trustee.

By this transfer, all rights of the undersigned beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments, whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

The above Letter of Credit is returned herewith and, in accordance therewith, we ask that this transfer be effective and that you issue a new irrevocable letter of credit in favor of the transferee with provisions consistent with the above Letter of Credit.

Very truly yours,

[Name of Beneficiary]

By: _____
Authorized Officer

EXHIBIT 7

Date: _____, _____

Drawn under Union Bank, N.A.
Irrevocable Letter of Credit No. _____

UNION BANK, N.A.
TRADE SERVICE OPERATIONS
1980 Saturn Street, V01-519
Monterey Park, CA 91755-7417
Attn: Standby Letter of Credit Section

This sight draft is presented to you for the amount of _____ Dollars
(\$ _____) for the purposes set forth in the accompanying Certificate.

_____, as Trustee (the
"Trustee") under that certain Trust Indenture dated
as of December 14, 2006, between the Trustee and
the Washington Economic Development Finance
Authority

By: _____
Authorized Officer

EXHIBIT 8

NOTICE OF NON-REINSTATEMENT
OF INTEREST

Irrevocable Letter of Credit No. _____

The undersigned, a duly authorized officer of Union Bank, N.A. (the "Bank"), hereby gives notice to _____ (the "Trustee"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit"); capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Letter of Credit) issued by the Bank in favor of the Trustee, that an Event of Default (as defined in the Credit and Reimbursement Agreement referred to below) has occurred and is continuing under that certain Credit and Reimbursement Agreement dated as of September 30, 2009, between the Borrower and the Bank and the Interest Portion (as defined in the Letter of Credit) will not be reinstated. Pursuant to Section [7.01(e)(ii)] of the Indenture, you are now required to [declare the principal of and interest on the Bonds (as defined therein) immediately due and payable] [give notice of mandatory tender for the Bonds (as defined therein) pursuant to Section [4.06(a)(iii)] of the Indenture] and to draw upon the Letter of Credit in accordance with the terms thereof.

IN WITNESS WHEREOF, the Bank has executed and delivered this Notice as of _____,
_____.

UNION BANK, N.A.

By: _____

Title: _____

EXHIBIT 9

NOTICE OF REINSTATEMENT

Irrevocable Letter of Credit No. _____

The undersigned, a duly authorized officer of Union Bank, N.A. (the "Bank"), hereby gives notice to _____ (the "Trustee"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit"; capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Letter of Credit) issued by the Bank in favor of the Trustee, that effective as of the date of this notice, the Principal Portion of the Letter of Credit has been reinstated to the aggregate amount of [*Insert amount of Principal Portion following reinstatement*] and the Interest Portion of the Letter of Credit has been reinstated to the maximum amount available to be drawn under the Interest Portion.

IN WITNESS WHEREOF, the Bank has executed and delivered this Notice as of _____,
_____.

UNION BANK, N.A.

By: _____

Title: _____

EXHIBIT 10

INTEREST PORTION REDUCTION CERTIFICATE

To: UNION BANK, N.A.
TRADE SERVICE OPERATIONS
1980 Saturn Street, V01-519
Monterey Park, CA 91755-7417
Attn: Standby Letter of Credit Section

Re: Washington Economic Development Finance Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds, Series 2006K (Heirborne Investments, LLC Project), in the aggregate principal amount of \$11,785,000 (the "Bonds") issued pursuant to a Trust Indenture dated as of December 14, 2006 (the "Indenture"), between the Washington Economic Development Finance Authority (the "Issuer") and Wells Fargo Bank, National Association, as Trustee

The undersigned (the "Trustee"), acting by and through its duly authorized officer, hereby certifies, with reference to that certain Letter of Credit No. _____ (the "Letter of Credit"), issued by Union Bank, N.A. in favor of the Trustee under the Indenture, that:

- (1) The Trustee is presently Trustee under the Indenture for the owners of the Bonds.
- (2) The Trustee hereby notifies you that on or prior to the date hereof _____ Dollars (\$_____) of the principal amount of the Bonds has been redeemed and paid or has been defeased pursuant to the Indenture.
- (3) Following the redemption, payment or defeasance referred to in paragraph (2) above, the aggregate principal amount of all of the Bonds which are "Outstanding" within the meaning of the Indenture is _____ Dollars (\$_____).
- (4) The maximum amount of interest, computed in accordance with the terms and conditions of the Bonds and the Indenture, which could accrue on the Bonds referred to in paragraph (3) above for 45 days at an annual interest rate of twelve percent (12%) per annum computed on the basis of a 365-day year is _____ Dollars (\$_____).
- (5) The Interest Portion available to be drawn by the Trustee under the Letter of Credit is hereby reduced to _____ Dollars (\$_____) (such amount being equal to the amount specified in paragraph (4) above) effective as of your close of business in Los Angeles, California on the date of receipt by you of this Certificate.
- (6) The undersigned officer of the Trustee is duly authorized to execute and deliver this Certificate on behalf of the Trustee.

Capitalized terms used herein which are not specifically defined herein have the meanings assigned to those terms in the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____.

TRUSTEE:

[Name of Trustee]

By: _____
Authorized Officer

EXHIBIT B

[Trustee]

Attn: _____

Re: Credit and Reimbursement Agreement dated as of September 30, 2009 (the "Reimbursement Agreement"), among the undersigned, Heirborne Investments, LLC, Waste Control, Inc., Waste Control Equipment Inc., Waste Control Recycling, Inc. and West Coast Paper Fibers Inc.; and Indenture dated as of December 14, 2006 (the "Indenture"), between the Washington Economic Development Finance Authority and Wells Fargo Bank, N.A., as Trustee

Gentlemen:

Pursuant to the referenced Reimbursement Agreement, we hereby notify you, as trustee under the referenced Indenture, that an Event of Default (as defined in Section 13 of the Reimbursement Agreement) has occurred and is continuing. Capitalized terms not defined herein have the meanings assigned to such terms in the Reimbursement Agreement.

You are now directed [to accelerate the Bonds pursuant to Section 7.01(e) of the Indenture] [give notice of a mandatory tender for the Bonds pursuant to Section 4.06(a)(iii) of the Indenture].

Very truly yours,

UNION BANK, N.A.

By: _____

Its: _____

EXHIBIT C

FORM OF NOTICE OF BORROWING

[Date]

Union Bank, N.A.
7108 North Fresno Street, Suite 200
Fresno, California 93720
Attn: Steven Peterson/Jeffrey Duncan

1. Reference is made to that Credit and Reimbursement Agreement dated as of September 30, 2009 (the "Credit Agreement"), among Heirborne Investments, LLC, a Washington limited liability company, Waste Control, Inc., a Washington corporation, Waste Control Equipment Inc., a Washington corporation, Waste Control Recycling, Inc., a Washington corporation, and West Coast Paper Fibers Inc., a Washington corporation (collectively, the "Borrowers"), and Union Bank, N.A. (the "Bank"). Unless otherwise indicated, all terms defined in the Credit Agreement have the same respective meanings when used herein.

2. Pursuant to Section ____ of the Credit Agreement, the Borrowers hereby irrevocably request a [Term] [Revolving] [Term Line] Loan upon the following terms:

- a. The Borrower requesting the Loan is _____;
- b. The principal amount of the requested Loan is to be \$_____;
- c. The requested Loan is to consist of ["Reference Rate" or "LIBOR"] Loans;
- d. [If the requested Loan is to consist of LIBOR Loans] The initial Interest Period for such Loans will be _____ months; and
- e. The date of the requested Loan is to be _____.

3. The Borrower Representative hereby certifies to the Bank that, on the date of this Notice of Borrowing and after giving effect to the requested Loan:

a. The representations and warranties set forth in Section 9 of the Credit Agreement and in the Collateral Documents are true and correct in all material respects as if made on such date (except for representations and warranties expressly made as of a specified date, which shall be true as of such date); and

b. No Default has occurred and is continuing.

4. Please disburse the proceeds of the requested Loan to: _____

IN WITNESS WHEREOF, the Borrower Representative has executed this Notice of Borrowing on the date set forth above.

WASTE CONTROL, INC.,
a Washington corporation

By _____

[Printed Name and Title]

EXHIBIT D

FORM OF NOTICE OF CONVERSION

[Date]

Union Bank, N.A.
7108 North Fresno Street, Suite 200
Fresno, California 93720
Attn: Steven Peterson/Jeffrey Duncan

1. Reference is made to that Credit and Reimbursement Agreement dated as of September 30, 2009 (the "Credit Agreement"), among Heirborne Investments, LLC, a Washington limited liability company, Waste Control, Inc., a Washington corporation, Waste Control Equipment Inc., a Washington corporation, Waste Control Recycling, Inc., a Washington corporation, and West Coast Paper Fibers Inc., a Washington corporation (collectively, the "Borrowers"), and Union Bank, N.A. (the "Bank"). Unless otherwise indicated, all terms defined in the Credit Agreement have the same respective meanings when used herein.

2. Pursuant to Section ____ of the Credit Agreement, the Borrowers hereby irrevocably request to convert a Loan as follows:

a. The Loan to be converted consists of ["Reference Rate" or "LIBOR"] Loans in the aggregate principal amount of \$ _____, which were initially advanced to _____ on _____;

b. The Loan is to be converted into ["Reference Rate" or "LIBOR") Loans;

c. [If such Loan is to be converted into a LIBOR Loan] The initial Interest Period for such Loan commencing upon conversion will be _____ months; and

d. The date of the requested conversion is to be _____.

3. The Representative Borrower hereby certifies to the Bank that, on the date of this Notice of Conversion, and after giving effect to the requested conversion:

a. The representations and warranties of the Borrowers set forth in Section 9 of the Credit Agreement and in the Collateral Documents are true and correct in all material respects as if made on such date (except for representations and warranties expressly made as of a specified date, which shall be true as of such date); and

b. No Default has occurred and is continuing.

IN WITNESS WHEREOF, the Borrower Representative has executed this Notice of Conversion on the date set forth above.

WASTE CONTROL, INC.,
a Washington corporation

By _____

[Printed Name and Title]

CREDIT AND REIMBURSEMENT AGREEMENT

among

UNION BANK, N.A.

and

WASTE CONTROL, INC.,
a Washington corporation

and

WASTE CONTROL EQUIPMENT INC.,
WASTE CONTROL RECYCLING, INC.,
WEST COAST PAPER FIBERS INC. and
HEIRBORNE INVESTMENTS, LLC

Dated as of September 30, 2009

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- B - Form of Notice of Default to Trustee
- C - Form of Notice of Borrowing
- D - Form of Notice of Continuation