

TERMS OF PUBLIC SALE

On Wednesday, June 21, 2023, at 10:00 a.m. (Pacific Time), remotely over Zoom, Full Cycle BioPlastics European Partners I, (the “**Secured Party**”), as secured lender, will offer for sale, in a single lot, at public auction, under Section 9-610 of the California Uniform Commercial Code (the “**Code**”), and sell to the highest qualified bidder (as defined below), the collateral listed on Appendix A attached hereto (collectively, the “**Collateral**”) of **FULL CYCLE BIOPLASTICS, INC.**, a Delaware corporation (“**Full Cycle**”). The sale will be conducted by Braunco, Inc. (the “**Auctioneer**”), braunco.com (310) 798-3123. The Collateral includes, without limitation: Full Cycle copyrights, patents (including US Patents 11,377,672 and 10,465,214) and, subject to exceptions set forth in Appendix A, trademarks and includes all such copyrights, patents, and trademarks applicable to Full Cycle’s proprietary technology relating to the conversion of organic waste materials into compostable and biodegradable bioplastics. The Collateral has been pledged by Full Cycle to secure indebtedness held by the Secured Party pursuant to (A) that certain Amended and Restated Secured Convertible Promissory Note, dated May 11, 2022 (the “**Note**”), between the Secured Party and Full Cycle and (B) the Intellectual Property Security Agreement, dated April 3, 2022 (the “**Security Agreement**”), between the Secured Party and Full Cycle (collectively, and together with all other documents executed by Full Cycle in favor of the Secured Party in connection therewith, in each case as amended, supplemented, or otherwise modified from time to time, the “**Loan Documents**”), including principal, interest, certain costs of Secured Party subject to indemnification by Full Cycle pursuant to Section 9.13 of the Note.

Full Cycle is in default of its obligations under the Loan Documents, which obligations are secured by the Collateral, such default is continuing, and the entire amount of such obligations are now due and payable. Accordingly, the Secured Party has exercised and is exercising its post-default remedies with respect to the Collateral, in accordance with Article 9 of the Code.

The sale of Collateral described above shall be on the following terms (“**Terms of Sale**”):

1. The Collateral shall be sold as a single, whole lot only and on an “AS IS – WHERE IS” basis, with all faults, and without recourse to the Secured Party, its agents or representatives, and the Secured Party, its agents and representatives, make no representations or warranties, express or implied, as to the value, condition, merchantability or fitness for use or particular purpose of any of the Collateral, the existence or non-existence of other liens, or any other representation or warranty with respect to the Collateral whatsoever, all of which are expressly disclaimed. The Secured Party does not claim title to the Collateral being sold hereunder and disclaims any warranty of title, possession, quiet enjoyment, and the like in this sale.
2. Although, upon request, the Secured Party and its agents may from time to time furnish or otherwise provide access to certain information and materials regarding Full Cycle or the Collateral, no such information or materials shall constitute a representation or warranty of

any kind by Secured Party or its agents. In particular, there can be no representation, warranty, or other assurance whatsoever that any such information or any such material is accurate, up-to-date, or complete. Prospective bidders are advised that the Secured Party and/or its agents may be in possession of information that prospective bidders may not have, including without limitation information regarding Full Cycle or the Collateral. Prospective bidders are encouraged to conduct such due diligence themselves as they deem necessary or advisable.

3. The sale shall be a public auction sale to the qualified bidder submitting the highest qualified bid for the Collateral. Bidding shall be opened at an initial minimum opening bid of \$100,000.00, with competing bids in minimum increments of \$25,000 or otherwise at the direction and discretion of the Auctioneer. Higher bids will continue to be entertained until the Auctioneer has determined that it has received the highest or best bid from a qualified bidder. The Secured Party will be permitted to bid at the sale and become the purchaser of the Collateral if it is the highest bidder, as determined below. Notwithstanding any requirement herein that the sale of the Collateral be for cash, the Secured Party may credit bid its secured claims in whole or in part, alone or together with such additional cash amounts, if any, as the Secured Party may elect, and the face amount of any credit bid by the Secured Party shall be treated as cash for all purposes of the auction and sale. The Secured Party reserves the right (a) to reject all bids and terminate the sale or adjourn or continue the sale to such other time or times as the Secured Party may deem proper by announcement on the date of sale, and any subsequent adjournment thereof, without further publication, and (b) to impose any other commercially reasonable conditions upon the sale of the Collateral as the Secured Party may deem proper.

4. In order for a prospective bidder to be eligible to bid at the public auction (any such bidder, a **“qualified bidder,”** which term shall in all events include the Secured Party), such prospective bidder must:

(a) be represented at the auction by Zoom, by the bidder itself (if a natural person) or a duly authorized officer or other agent with evidence of its authority to act on behalf of the bidder;

(b) certify in writing for the benefit of Secured Party and its agents (the **“Certification”**): (i) that such prospective bidder has the power and authority (or, in the case of a natural person, the legal capacity) to purchase and pay for the Collateral in accordance with the Terms of Sale; (ii) in the case of any prospective bidder that is not a natural person, that purchase of and payment for the Collateral in accordance with the Terms of Sale has been duly authorized by all necessary action on the part of such prospective bidder, its board of directors or comparable body, and its stockholders or other members; (iii) that the Certification has been duly executed and delivered by such prospective bidder; (iv) that the Certification is, and any other document executed and delivered by such prospective bidder, when so executed and delivered, will be, a legal, valid, and binding obligation of such prospective bidder, enforceable in accordance with its terms; (v) that such prospective bidder has sufficient financial means to pay the purchase price in full at the Closing (as defined below) and otherwise to meet its obligations in connection with the auction and sale of the Collateral described above, in accordance with the

Terms of Sale; (vi) that purchase of and payment for the Collateral in accordance with the Terms of Sale does not and will not violate or conflict with any loan agreement or other contract to which such prospective bidder is a party or by which such prospective bidder or its property is bound, or any applicable law or regulation, or any judgment or order binding upon such prospective bidder or its property, and in the case of any prospective bidder that is not a natural person, does not and will not violate or conflict with the charter and bylaws (or other governing instruments) of such prospective bidder; (vii) except as otherwise disclosed, the undersigned is acting on its own behalf and not on behalf of any other person or group;

(c) agree to indemnify the Secured Party and its agents with respect to all sales, use, recordation or other taxes arising out of or related to this auction and any claim based on the misrepresentation or inaccuracy contained in the information in such Certification;

(d) if reasonably requested by the Secured Party, satisfy to the Secured Party (and its counsel) that purchase of and payment for the Collateral by such prospective bidder will not violate or conflict with any applicable federal and state laws; and

(e) register with the Auctioneer, as agent for the Secured Party, and deposit with an escrow agent selected by Secured Party (the “**Escrow Agent**”) the sum of \$500,000, in the form of a cashier’s check on a U.S. bank acceptable to Auctioneer in its reasonable discretion, or wire transfer of immediately available funds, no later than 5:00 p.m. local time two business days prior to the start of the auction.

(f) if a prospective bidder is a special purpose entity or an entity with creditworthiness that is, in the Secured Party’s reasonable judgment, insufficient to support the representations, warranties and indemnification provisions set forth in the Certification or payment of the purchase price if such prospective bidder is ultimately the successful bidder at the public auction, Secured Party reserves the right to require additional credit support in the form of a guaranty by a creditworthy affiliate of such prospective bidder or other appropriate credit support. Any purchaser at the public sale will be required to provide certain representations, warranties, and covenants including without limitation (x) financial ability to immediately pay the price, and (y) past and future compliance with the laws, rules and regulations for the United States and any other applicable jurisdiction pertaining to trade embargoes, export controls and transactions with designated persons and the foreign corrupt practices statutes of the United States, all to the satisfaction of the Secured Party, in its sole discretion.

5. The closing of the purchase and sale of the Collateral (“**Closing**”) shall occur at the offices of Faegre Drinker Biddle & Reath LLP, counsel to the Secured Party, at 1800 Century Park East, Suite 1500, Los Angeles, CA 90067, on the business day following the auction; provided, however, that the Secured Party, in its sole discretion, may extend the date of the Closing, by up to three additional business days, by notice to the successful bidder. At the Closing, the successful bidder will pay the remainder of the purchase price (less the initial deposit of \$500,000 required to establish eligibility) in cash, by wire transfer of immediately available funds (such funds to be received no later than 2:00 p.m. local time, on the date of the

Closing) ; provided, however, that if the successful bidder is the Secured Party, then payment for the Collateral may be made by applying against the purchase price the amounts due to the Secured Party by Full Cycle. At the Closing, upon delivery of the purchase price, the purchaser shall receive a transfer statement transferring all of Full Cycle's rights, title and interests in the Collateral, without warranty or recourse by or to the Secured Party, its agents or its representatives, substantially in the form attached hereto as Appendix B.

6. In the event that the Secured Party is unable for any reason to consummate the sale of the Collateral to the successful bidder at the auction and to execute and deliver the closing documents, its sole liability to the bidder shall be the return of the principal amount of the deposit, without any interest accrued thereon. In the event that the successful bidder is unable for any reason to consummate the purchase of the Collateral and to execute and deliver the closing documents, the Secured Party shall retain the deposit paid by the bidder, plus any interest that has accrued on such amount, as liquidated damages for the costs of the sale and for the loss of a bargain, in lieu of all other damages, and the Secured Party may accept the next highest qualified bid at the auction of the Collateral and such next highest qualified bid shall then become the successful bid. By bidding at the sale, the bidder acknowledges that it would not be possible to ascertain the Secured Party's actual damages under such circumstances. The deposit of any bidder other than the successful bidder will be returned within one business day after the auction date (unless, at Secured Party's request, such bidder agrees to keep its bid in place as a back-up, in which case such deposit will be returned within one business day after Closing with another bidder).

Potential bidders are encouraged to perform such due diligence as they deem necessary or advisable. U.S. patents are on public record and may be searched online through www.uspto.gov. For further information concerning the Collateral or the sale herein described, prospective bidders may contact Maria Cho, Esq. of Faegre Drinker Biddle & Reath LLP at 310-203-4000 or maria.cho@faegredrinker.com. All bidders and others desiring access to any non-public information regarding the Collateral or Full Cycle may be required to execute a confidentiality and non-disclosure agreement in form acceptable to Secured Party and to keep the information obtained strictly confidential. Any inspection of, or meeting or teleconference concerning, the Collateral shall be held by appointment only during regular business hours between now and the date of sale. No information provided to a bidder in response to any such request shall constitute a representation or warranty of any kind with respect to the Collateral, Full Cycle, the Full Cycle's business, or the auction. The inability and/or failure of a prospective bidder to conduct due diligence with respect to the Collateral and/or Full Cycle shall not entitle such bidder to make a claim for adjustment or rescission if it is the successful bidder.

7. The purchaser shall be solely responsible for all sales, transfer and other taxes, if any, with respect to the sale of the Collateral hereunder, and for preparing and/or filing any tax returns, notices, or other filings with respect thereto.

8. The Secured Party may, in its sole discretion, amend, supplement or otherwise change these Terms of Public Sale either in writing or by announcement at the time of the auction.

9. The sale will be conducted by Braunco, Inc., a California licensed auctioneer, license No. LPM76640490.

10. The sale of the Collateral will not affect the rights of Secured Party to pursue any other rights or remedies it may have against Full Cycle, any guarantors, any other secondary obligors or any other parties, including, pursuing any rights and remedies with respect to any other collateral under the Credit Agreement.

Appendix A

Collateral

- (a) Any and all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or of any other country; all registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; all continuations, renewals, or extensions thereof; and any registrations to be issued under any pending applications (collectively, the “Copyrights”);
- (b) All letters patent of, or rights corresponding thereto in, the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto in, the United States or any other country, including, without limitation, registrations, recordings and applications in the USPTO or in any similar office or agency of the United States, any State thereof or any other country; all reissues, continuations, continuations-in-part or extensions thereof; all petty patents, divisionals, and patents of addition; and all patents to be issued under any such applications, including without limitation the patents and patent applications set forth on Exhibit A attached hereto (collectively, the “Patents”);
- (c) All trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the USPTO or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and reissues, extensions or renewals thereof, (collectively, the “Trademarks”);
- (d) Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;
- (e) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;
- (f) All amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and
- (g) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

Notwithstanding the foregoing the term “Collateral” shall not include: (a) “intent-to-use” trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the USPTO or otherwise, but only to the

extent the granting of a security interest in such “intent to use” trademarks would be contrary to applicable law or (b) any contract, instrument or chattel paper in which Borrower has any right, title or interest if and to the extent such contract, instrument or chattel paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of Borrower therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such contract, instrument or chattel paper to enforce any remedy with respect thereto; provided, however, that the foregoing exclusion shall not apply if (i) such prohibition has been waived or such other person has otherwise consented to the creation hereunder of a security interest in such contract, instrument or chattel paper, or (ii) such prohibition would be rendered ineffective pursuant to Sections 9-407(a) or 9-408(a) of the UCC, as applicable and as then in effect in any relevant jurisdiction, or any other applicable law (including the United States Bankruptcy Code (title 11, United States Code, as amended from time to time)) or principles of equity); provided further that immediately upon the ineffectiveness, lapse or termination of any such provision, the term “Collateral” shall include, and Borrower shall be deemed to have granted a security interest in, all its rights, title and interests in and to such contract, instrument or chattel paper as if such provision had never been in effect; and provided further that the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect Secured Party’s unconditional continuing security interest in and to all rights, title and interests of Borrower in or to any payment obligations or other rights to receive monies due or to become due under any such contract, instrument or chattel paper and in any such monies and other proceeds of such contract, instrument or chattel paper.

Exhibit A

Patents

Invention	Application No./ Application Date	Publication No./ Publication Date	Patent No./ Issue Date
Producing Resins from Organic Waste Products	16/666,961 10/29/2019	US 2020-0270652 A1 08/27/2020	11,377,672 07/05/2022
Producing Resins from Organic Waste Products	14/947,873 11/20/2015	US 2016-0145659 A1 05/26/2016	10,465,214 11/05/2019

Appendix B

Form of Transfer Statement

See Attached.