

**CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION  
INDUSTRIAL DEVELOPMENT BONDS  
Meeting Date: March 24, 2010  
Request for Approval of Tax Exempt Bond Allocation**

Prepared by: *Deanna Hamelin*

<b>Issuer:</b>	California Infrastructure and Economic Development Bank (I-Bank)	<b>Amount</b>	\$6,750,000 TE
		<b>Requested:</b>	\$600,000 TX
<b>Co-Borrower and User:</b>	Solar Atmospheres of California, Inc. and/or a related entity	<b>Application No.:</b>	10-001
<b>Co-Borrower:</b>	Ontario Technical Associates, LLC. and/or a related entity		
<b>Location:</b>	City of Fontana (San Bernardino County)	<b>Allocation Resolution No.:</b>	10-02-001

**Borrower/User/Background:** Solar Atmospheres of California, Inc. (Solar, the User, and the Co-Borrower ) and Ontario Technical Associates, LLC. (Ontario or the Co-Borrower) are processors of commercial heat-treated metal parts for the medical, aerospace, metals, instruments and various other industries. The processing of such metals includes hardening, tempering, annealing, brazing, degassing, stress relieving and hydrating. Solar and Ontario were incorporated in California on January 4, 2007 and January 15, 2009, respectively. Solar is an affiliate of Solar Atmospheres, Inc. which was incorporated in Pennsylvania on November 2, 1984. Other affiliates include Solar Atmospheres, Inc, Solar Atmospheres of Western Pennsylvania, Solar Atmospheres Mfg., Inc., and Solar Transformers, Inc., all of which are based on the East coast. Major customers of the affiliates include Honeywell International, Siemens Power Generation Inc., Accellent Endoscopy, Global Titanium, and Niotan, Inc.

**Project Information:** Bond proceeds will be used to acquire and develop 2.49 acres of land upon which a build-to-suit, 21,750 square-foot building will be constructed. The seller of the land, Stewart Development, LLC, (Stewart or the Seller) is constructing the building, and it has entered into a purchase agreement with the Co-Borrowers to sell the finished building upon completion, which is anticipated to be sometime in August or September 2010. The Seller is paying for building costs with a construction loan.

The Project totals \$8,286,000, which will be financed by tax-exempt and taxable bonds and Ontario’s private equity. The Seller and Solar entered into the Escrow Agreement on the property in December 2009. Escrow is anticipated to close in September 2010. Solar is temporarily leasing an office building in the City of Murrieta. That lease is scheduled to expire in July 2010 and will then go month-to-month until the property and building are ready for occupancy.

Bond proceeds also will be used to acquire and install new equipment, which includes multiple vacuum furnaces. The furnaces will range in size from 24” box furnaces to one that is 24 feet in length, which will be the largest vacuum furnace west of Pittsburg.

**Anticipated Timeline:** The sale of the property is expected to close escrow in September 2010. The construction of the building is expected to be completed by August or September 2010. Equipment

purchases are anticipated to begin in April 2010 and will continue through the completion phase of the construction.

**Prior Actions/Financing:** None.

**Statutory Criteria:** 1) Public Benefits, 2) Relocation, and 3) Bond Issue Qualification: Staff has awarded points based on its evaluation of the Project under CDLAC guidelines. Not all statutory criteria are part of the CDLAC point scheme.

**PUBLIC BENEFITS:** Consistent with CDLAC guidelines, staff awarded the Project a total of 33 verifiable points. Although none of the 33 points is based on the creation or retention of jobs, the Company currently has one direct, full-time employee and anticipates adding 11 direct, full-time jobs within two years of Project completion.

**RELOCATION OF COMPANY OPERATIONS (No point evaluation required):**

Solar is temporarily leasing an office building in the City of Murrieta. Once the property is ready for occupancy, Solar will move its operations to the City of Fontana. This is not a relocation because the Murrieta location is not a manufacturing facility but rather just a location out of which the company is scoping out its CA operations.

**Status Of Permit/Other Required Approvals:**

- On January 22, 2009, the I-Bank executed an Inducement Resolution in an amount not to exceed \$10,000,000 in tax-exempt industrial development bonds (IDBs) for the Project. Subsequently, the Project changed in scope and location. To accommodate these changes, the I-Bank executed an amended Inducement Resolution on January 25, 2010 in an amount not to exceed \$7,350,000. The I-Bank will execute a final resolution for the Project on March 23, 2010.
- The Project was recommended for approval by the Planning Commission at a hearing on February 18, 2010. The County of San Bernardino Board of Supervisors approved the project at hearing on March 23, 2010.
- A TEFRA hearing was held by the I-Bank on February 18, 2010. The I-Bank noticed and approved the issuance of tax-exempt in an amount not to exceed \$7,350,000.
- The Project involves the acquisition of land and building, and the acquisition and installation of new equipment. The land will be improved and the building will be constructed by Stewart Development, LLC using a construction loan and will be sold to Solar upon its completion in September or October 2010 pursuant to the Sale Escrow Instructions. All land use and zoning approvals and permits have been obtained. The Borrower provided confirmation that no additional land use or zoning approvals or permits are required to accommodate the Project.

**Financing Details:**

The I-Bank will issue bonds to finance the project or enter into a three party loan agreement among Univest National Bank & Trust (Univest), the I-Bank and the Borrower. If bonds are issued, Univest will purchase the bonds in a private placement transaction. In either case, Univest is the lender for the financing. Univest is a qualified institutional buyer (QIB) as defined by Rule 144A of the Securities Act of 1933. The bonds will be held by Univest and subject to transfer restrictions to other QIBs or Accredited Investors, within the meaning of the Securities Act of 1933.

The bonds will:

- Be secured by a deed of trust on the property and a security interest in the equipment financed; and
- Have a fixed interest rate equal to 65% of the Uninvest announced Prime Rate, with a floor of 4% for the first six years. The rate will then reset every five years thereafter, to a fixed rate equal to 65% of the Uninvest announced Prime Rate, with a floor of 4%.

If bonds are issued, the bonds will be issued in accordance with CIDFAC’s private placement policy, which has the following requirements:

- The bond purchaser must be a sophisticated investor as defined under SEC Rule 144A.
- The sophisticated investor must sign a “traveling” sophisticated investor letter, which will outline the requirements and restrictions, and which will follow the bonds in the event the bonds are re-sold or traded at a later date.
- The security for the private placement debt must be collateral provided by the Borrower.
- The bonds will be issued in minimum denominations of \$250,000.

**CIDFAC Fees:**

In accordance with CIDFAC regulations, the Borrower has paid or will pay CIDFAC an application fee of \$1,250.<sup>1</sup>

**Financing team:**

**Issuer:** I-Bank  
**Bond Counsel:** Kutak Rock, LLP  
**Financial Advisor:** Pritchard, Bieler, Gruver & Willison  
**Private Placement Provider:** Uninvest National Bank & Trust  
**Escrow Agent:** Rancho Hills Escrow

**Legal Questionnaire:** Staff reviewed the Borrower/User responses to the questions contained in the Legal Status portion of the Application. The responses did not disclose any information that raises questions concerning the financial viability or legal integrity of the User and Co-Borrowers.

**Recommendation:** Staff recommends approval of Allocation Resolution No. 10-02-001 transferring \$6,750,000 from the State’s 2010 allocation for qualified tax-exempt, private activity IDBs to the Issuer for the Solar Atmospheres of California, Inc. Project.

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<sup>1</sup> California Code of Regulations Title 10, Chapter 8, Article 3, §6070

**SOLAR ATMOSPHERES OF  
CALIFORNIA, INC. PROJECT**

**Bond Amount: \$6,750,000 TE  
\$600,000 TX**

City of Fontana (San Bernardino County)

Application No. 10-001

March 24, 2010

**STAFF SUMMARY – CIDFAC**

**Prepared by:** *Deanna Hamelin*

**ISSUE:** On behalf of Solar Atmospheres of California, Inc. (Solar) and/or an related entity (the Co-Borrower and User) and Ontario Technical Associates, LLC and/or a related entity (Ontario, the Co-Borrower), the California Infrastructure and Economic Development Bank (I-Bank or the Issuer) requests approval of Allocation Resolution No. 10-02-001 for an amount equal to \$6,750,000 in tax-exempt IDB allocation. Tax-exempt bond proceeds will be used to acquire land and a building, and to acquire and install new equipment at the Project site.

**BORROWER/USER:** Solar and Ontario process commercial heat-treated metal parts for the medical, aerospace, metals, instruments and various other industries. The processing of such metals includes hardening, tempering, annealing, brazing, degassing, stress relieving and hydrating. Solar and Ontario were incorporated in California on January 4, 2007 and January 15, 2009, respectively. Solar is an affiliate of Solar Atmospheres, Inc. which was incorporated in Pennsylvania on November 2, 1984. Other affiliates of Solar include Solar Atmospheres, Inc, Solar Atmospheres of Western Pennsylvania, Solar Atmospheres Mfg., Inc., and Solar Transformers, Inc. all of which are based on the East coast. Some major customers of the affiliates include Honeywell International, Siemens Power Generation Inc., Accellent Endoscopy, Global Titanium and Niotan, Inc.

**Legal Questionnaire.** Staff reviewed the Co-Borrower/User responses to the questions contained in the Legal Status portion of the Application. They did not disclose any information that raises questions concerning the financial viability or legal integrity of the User and Co-Borrowers.

**Prior Actions and Financings.** None.

**PROJECT INFORMATION:** Bond proceeds will be used to acquire and develop 2.49 acres of land upon which a build-to-suit, 21,750 square-foot building will be constructed. The seller of the land, Stewart Development, LLC, (Stewart or the Seller) is constructing the building, and it has entered into a purchase agreement with the Co-Borrowers to sell the finished building upon completion, which is anticipated to be sometime in August or September 2010. The Seller is paying for building costs with a construction loan.

The Project totals \$8,286,000, which will be financed by tax-exempt and taxable bonds and Ontario's private equity. The Seller and Solar entered into the Escrow Agreement on the property in December 2009. Escrow is anticipated to close in September 2010. Solar is temporarily leasing an office building in the City of Murrieta. That lease is scheduled to expire in July 2010 and will then go month-to-month until the property and building are ready for occupancy.

Bond proceeds also will be used to acquire and install new equipment, which includes multiple vacuum furnaces. The furnaces will range in size from 24” box furnaces to one that is 24 feet in length, which will be the largest vacuum furnace west of Pittsburg.

The following is an estimate of how the tax-exempt bond proceeds for the Project will be applied:

Acquisition of Land.....	\$275,000
Acquisition of Existing	
Building .....	\$2,500,000
Fees Related to Sale .....	\$50,000
Acquisition and	
Installation of New	
Equipment .....	\$3,825,000
Bond Issuance Expenses ....	\$100,000
<b>Total: .....</b>	<b><u>\$6,750,000</u></b>

The following is an estimate of how the taxable bond proceeds and the private equity for the Project will be applied:

Acquisition and	
Installation of New	
Equipment .....	<u>\$1,536,000*</u>
<b>Total: .....</b>	<b><u>\$1,536,000</u></b>

\*\$600,000 will be taxable bonds; \$936,000 will be contributed by Solar.

The taxable bonds will be used for new equipment as they were not purchased within the “look back” period to be eligible for tax-exempt status.

**Anticipated Timeline.** The sale of the property and building is expected to close escrow in September 2010. The construction of the building is expected to be completed by August or September 2010. Equipment purchases are anticipated to begin in April 2010 and will continue through the completion phase of the construction.

**Status Of Permit/Other Required Approvals:**

- On January 22, 2009, the I-Bank executed an Inducement Resolution in an amount not to exceed \$10,000,000 in tax-exempt IDBs for the Project. Subsequently, the Project changed in scope and location. To reflect these changes, the I-Bank executed an amended Inducement Resolution on January 25, 2010 in an amount not to exceed \$7,350,000. The I-Bank will execute a final resolution for the Project on March 23, 2010.
- The Project was recommended for approval by the Planning Commission at a hearing on February 18, 2010. The County of San Bernardino Board of Supervisors approved the project at hearing on March 23, 2010.
- A TEFRA hearing was held by the I-Bank on February 18, 2010. The I-Bank noticed and approved the issuance of tax-exempt in an amount not to exceed \$7,350,000.
- The Project involves the acquisition of land and a building, and the acquisition and installation of new equipment. The building will be constructed by Stewart Development, LLC using a construction loan and will be sold to Solar upon its completion sometime in September or October 2010 pursuant to the Sale Escrow Instructions. The land is currently zoned as a residential zoning district. But a General Plan Amendment will be approved to change the area

to a Community Industrial Zoning District, which allows for warehouse and manufacturing uses. All land use and zoning approvals and permits have been obtained. The Borrower provided confirmation that no additional land use or zoning approvals or permits are required to accommodate the Project.

**STATUTORY CRITERIA:** 1) Public Benefits, 2) Relocation and 3) Bond Issue Qualification. Staff has awarded points based on its evaluation of the Project under CDLAC guidelines. Not all statutory criteria are part of the CDLAC point scheme.

- 1) **PUBLIC BENEFITS:** Staff assigned a total of 33 verifiable points to the Project as detailed below:

**Community Economic Need ( 10 points)**

**Unemployment Rate of the Project Area (0 points):** No points were awarded for the unemployment rate of the Project area. To earn points in this category, the unemployment rate in the Project area must be at least 125% of the statewide rate. The unemployment rate for this Project area is 118% of the statewide rate.

**Poverty Rate of Project Area (5 points):** In accordance with CDLAC procedures, the most recent data from the U.S. Bureau of the Census, which in this case is Census 2000 data, is used to determine if the Project qualifies for points in this category. The poverty rate for this Project area is 13.88%, which is 130.9% of the Census 2000 statewide rate of 10.6%.

**Special Designation Area (0 points):** The Project is not located in a Special Designation Area.

**Median Family Income (5 points):** In accordance with CDLAC procedures, the most recent data from the U.S. Bureau of the Census, which in this case is from Census 2000, is used to determine if the Project qualifies for points in this category. The Project is located in Fontana, census tract 24.01, where the average median family income is \$40,000. Given that the Census 2000 median family income for the State of California is \$53,025, the median family income for the Project area is 75.4% of the Census 2000 statewide average.

**Employment Benefits (Job Creation and/or Job Retention = 0 points)** This Project was not awarded points for job creation or job retention. However, Solar represents that it currently employs one individual and anticipates hiring an 11 additional direct, full-time employees within two years of Project completion.

**Welfare-to-Work Plan (0 points):** No information was provided indicating Solar participates in a Welfare-to-Work program.

**Health Care Benefits (5 points):** Solar provided documentation that it will contribute to the medical insurance for all of the California Solar Atmospheres employees, which is consistent with its practice for its Pennsylvania employees. Based on data submitted regarding health benefits for its 39 Pennsylvania-based employees who participate in the

plan, the contribution computes to an average of \$626 per month toward the health care benefits for each employee. Solar will offer health care benefits to the employees it plans to hire within two years of Project completion. (See Attachment A.)

**Average Hourly Wage (5 points):** In accordance with CDLAC procedures, the most recent data from the Bureau of Labor Statistics, which in this case is May 2008 data, is used to determine if the Project qualifies for points in this category. Solar’s average hourly wage is \$24.40, while the Riverside/San Bernardino/Ontario metropolitan area had an average 2008 production wage of \$12.46. The User’s average hourly wage is 195.8% of the wage estimate for the Riverside/San Bernardino/Ontario area.

**Land Use/Energy Efficiency/Public Transit Corridor (10 points):**

**Land Use (5 points):** This Project involves the reuse of vacant land with developed infrastructure.

**Energy Efficiency (0 points):** No information was provided concerning the energy efficiency of the Project.

**Public Transit Corridor (5 points):** The User provided verification that the Project site is located in a public transit corridor. The OmniTrans Route 66 bus route is within a quarter-mile of the Project site.

**Leveraging (3 points):** The total Project cost is \$8,286,000, of which \$6,750,000 will be financed with tax-exempt IDB financing. The remaining Project costs will be covered by \$600,000 in taxable bond proceeds and \$936,000 from the Ontario’s equity.

2) **RELOCATION OF COMPANY OPERATIONS (No point evaluation required):**

Solar is temporarily leasing an office building in the City of Murrieta. Once the property is ready for occupancy, Solar will move its operations to the City of Fontana. This is not a relocation because the Murrieta location is not a manufacturing facility but rather just a location out of which the company is scoping out its CA operations.

**FINANCING DETAILS:** The I-Bank will issue bonds to finance the project or enter into a three party loan agreement among Univest National Bank & Trust (Univest), the I-Bank and the Borrower. If bonds are issued, Univest will purchase the bonds in a private placement transaction. In either case, Univest is the lender for the financing. Univest is a qualified institutional buyer (QIB) as defined by Rule 144A of the Securities Act of 1933. The bonds will be held by Univest and subject to transfer restrictions to other QIBs or Accredited Investors, within the meaning of the Securities Act of 1933. The bonds will:

- Be secured by a deed of trust on the property and a security interest in the financed equipment; and;
- Have a fixed interest rate equal to 65% of the Univest announced Prime Rate, with a floor of 4% for the first six years. The rate will then reset every five years thereafter, to a fixed rate equal to 65% of the Univest announced Prime Rate, with a floor of 4%.

If bonds are issued, the bonds will be issued in accordance with CIDFAC’s private placement policy, which has the following requirements:

- The bond purchaser must be a sophisticated investor as defined under SEC Rule 144A.
- The sophisticated investor must sign a “traveling” sophisticated investor letter, which will outline the requirements and restrictions, and which will follow the bonds in the event the bonds are re-sold or traded at a later date.
- The security for the private placement debt must be collateral provided by the Borrower.
- The bonds will be issued in minimum denominations of \$250,000.

**CIDFAC FEES:**

In accordance with CIDFAC regulations the Borrower has paid or will pay CIDFAC an application fee of \$1,250<sup>2</sup>.

**FINANCING TEAM:**

**Issuer:** I-Bank  
**Bond Counsel:** Kutak Rock, LLP  
**Financial Advisor:** Pritchard, Bieler, Gruver & Willison  
**Private Placement Provider:** Univest National Bank & Trust  
**Escrow Agent:** Rancho Hills Escrow

**RECOMMENDATION:**

Staff recommends approval of Allocation Resolution No. 10-02-001 transferring \$6,750,000 from the State’s 2010 allocation for qualified tax-exempt, private activity IDBs to the Issuer for the Solar Atmospheres of California, Inc. Project.

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<sup>2</sup> California Code of Regulations Title 10, Chapter 8, Article 3, §6070

**THE CALIFORNIA INDUSTRIAL DEVELOPMENT  
FINANCING ADVISORY COMMISSION  
RESOLUTION NO. 10-02-001  
RESOLUTION TRANSFERRING A PORTION OF THE 2010 STATE CEILING  
FOR QUALIFIED PRIVATE ACTIVITY BONDS FOR A  
SMALL-ISSUE INDUSTRIAL DEVELOPMENT PROJECT**

**WHEREAS**, that the California Debt Limit Allocation Committee (“CDLAC”) awarded allocation to the California Industrial Development Financing Advisory Commission (the “Commission”) for the purpose of awarding a portion of the allocation to local and State issuers; and

**WHEREAS**, the Commission has the authority to transfer a portion of its allocation to local and State issuers; and

**WHEREAS**, the Commission has received an application (“Application”) from the California Infrastructure and Economic Development Bank (“Applicant”) requesting a transfer to the Applicant of a portion of the 2010 State Ceiling on Qualified Private Activity Bonds (the “State Ceiling”) under Section 146 of the Internal Revenue Code of 1986, as amended, for use by the Applicant to issue bonds or other obligations (“Bonds”) for a project as specifically described in Exhibit A (“Project”) (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Procedures of the CDLAC Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds (“CDLAC’s Procedures”)); and

**WHEREAS**, the Project Sponsor (as defined in Exhibit A) has represented certain facts and information concerning the Project in the Application, which the Applicant has confirmed; and

**WHEREAS**, in evaluating the Project and potential allocation of a portion of the State Ceiling to the Applicant for the benefit of the Project, the Commission has relied upon the

written facts and information provided in the Application and otherwise by the Project Sponsor and the Applicant; and

**WHEREAS**, it is appropriate for the Commission to make a transfer of a portion of the State Ceiling (“Allocation”) in order to benefit the Project described in the Application.

**NOW, THEREFORE**, the California Industrial Development Financing Advisory Commission resolves as follows:

Section 1. There will be a transfer to the Applicant an amount of the State Ceiling equal to \$6,750,000. Such Allocation may be used only by the Applicant and only for the issuance of Bonds for the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated as though fully set forth herein (this resolution, together with Exhibit A, hereinafter referred to as the “Resolution”).

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

Section 3. Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and, if the Executive Director determines such modification to be material in light of the Commission’s Procedures, such modification shall require reconsideration by the Commission before the Allocation may be used for the Project. Once the Bonds are issued, the terms and conditions set forth in this Resolution shall be enforceable by the Commission through an action for specific performance or any other available remedy, provided however, that the Commission agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of the Bondholders. The Commission may, as circumstances warrant, consent to changes in the terms and conditions set forth in this Resolution in the event the Commission is advised of changes in the Project.

Section 4. Prior to the issuance of the Bonds, any material changes in the structure of the credit enhancement and not previously approved by the Commission shall require approval of the Commission Chair or the Executive Director.

Section 5. The Applicant is not authorized to use the Allocation transferred hereby to make a carryforward election with respect to the Project. The Applicant is not authorized to transfer the Allocation to any governmental unit in the State other than this Commission.

Section 6. The potential Allocation transferred herein shall automatically revert to this Commission unless the Applicant has issued Bonds for the Project by the close of business within 90 days of the award of Allocation. In the case of extreme hardship, the Executive Director may extend this date by up to five (5) business days.

Section 7. Within twenty-four (24) hours of using the Allocation to issue the Bonds, the Applicant shall notify the Commission's staff and CDLAC's staff in writing (which may be by electronic or facsimile communication) that the Allocation has been used. Each notification to the Commission and to CDLAC shall identify the Applicant, the project or program, the date the Allocation was used, and the amount of the Allocation used.

Section 8. Within fifteen (15) calendar days of the issuance of the Bonds, the Applicant or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting, in a form prescribed by and made available by CDLAC a completed Report of Action Taken. In addition, the Applicant shall provide the Commission with a copy of the final Official Statement, Private Placement Agreement, or other appropriate sale document.

Section 9. Any differences between the amount of Bonds issued and the amount of the Allocation granted in Section 1 of this Resolution shall automatically revert to the Commission. If at any time prior to the expiration date set forth in Section 6 of this Resolution the Applicant determines that part or all of the Allocation will not be used to issue Bonds by that date,

the Applicant shall take prompt action by resolution of its governing board or by action of its authorized officer to return such unused Allocation to the Commission.

Section 10. The staff of the Commission is authorized and directed to transmit a copy of this Resolution to the Applicant together with a request that the Applicant retain, for the term of the Bonds, a copy of this Resolution in the Applicant’s official records. The Commission staff is further directed to retain a copy of this Resolution in the files of the Commission (or any successor thereto) for the same period of time.

Section 11. In consideration of the potential Allocation to be transferred to the Applicant and the Project Sponsor, the Applicant and the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Applicant and the Project Sponsor expressly agree that the terms and conditions of this Resolution may be enforced by the Commission through an action for specific performance or any other available remedy, provided however, that the Commission expressly agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of the Bondholders. In addition, the Applicant and the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Commission is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 12. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by the Commission.

Section 13. This Resolution shall take effect upon its adoption.

**EXHIBIT A**

**RESOLUTION NO: 10-02-001  
(A SMALL-ISSUE INDUSTRIAL DEVELOPMENT PROJECT)**

1. Applicant: I-Bank
2. Application No.: 10-001
3. Project Sponsor: Solar Atmospheres of California, Inc.  
and/or a related entity and Ontario Technical  
Associates, LLC and/or a related entity  
as Co-Borrowers
4. Project User: Solar Atmospheres of California,  
Inc. or affiliates
5. Project Name: Solar Atmospheres of California, Inc. Project
6. Address: 8606 Live Oak Avenue  
Location: Fontana, CA 92335  
County: San Bernardino County
7. Amount of Allocation: \$6,750,000
8. The Project Sponsor has represented that it reasonably expects the User will use its best efforts to achieve the following within two years of the completion of the Project:
  - The creation of 11 direct full-time jobs.

Attachment A



951.304.3790 • 951.304.3773 Fax  
www.solaratm.com

Solar Atmospheres of California  
29970 Technology Drive  
Suite 207  
Murrieta, CA 92563  
January 25, 2010

RE: Solar Atmospheres of California, Benefits

To whom it may concern:

All Solar Atmosphere of California future employees will be afforded the same opportunity to participate in the similar benefits package as all corporate employees to include: (In an amount in excess of \$500/Month per employee.)

Group Health Plan  
Prescription Drug Plan  
Short and Long Term Disability  
Life Insurance / Accidental Death and Dismemberment Insurance  
Employee Assistance Program  
Paid Holidays  
Vacations  
Personal Day Policy  
Paid Jury Duty  
Bereavement  
Tuition Refund  
401(k) Profit Sharing

Derek J. Dennis, President

A handwritten signature in black ink, appearing to read "D.J. Dennis", is written over a horizontal line.

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