

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: November 13, 2012
Request for Final Resolution and
Assistance from the Small Business Assistance Fund and
Request for Tax-Exempt Bond Allocation Approval

Prepared by: *Mario Wong*

Applicant: Alameda County Industries AR, Inc. and/or its Affiliates	Amount Requested: \$10,275,000
Project Location: San Leandro (Alameda County)	Application No.: 863(SB) Final Resolution No.: 529 Prior Actions: IR 12-09 Approved 8/21/12

Summary. Alameda County Industries AR, Inc. and/or its Affiliates (the “Company”) requests approval of a Final Resolution and Volume Cap Allocation for an amount not to exceed \$10,275,000 and a Small Business Assistance Fund Resolution not to exceed \$83,400 to finance the acquisition of new compressed natural gas (CNG) fueled vehicles, containers and site improvements to its existing Materials Recovery Facility (MRF). The Company provides refuse collection and disposal services in Alameda County. The Company anticipates that the project will provide ratepayer, air quality, energy efficiency and recycling benefits.

Borrower. The Company provides refuse collection and disposal services to its customers in the cities of Alameda and San Leandro and operates a materials recovery facility. The Company was founded in 1999 and has approximately 104 employees.

The principal stockholders of the Company are as follows:

Louis Pellegrini	27.08%
Kent Kenney	6.25%
Robert J. Molinaro and Carol E. Molinaro, Trustees	13.59%
Anthony Macchiano and Shirley Macchiano, Trustees	6.79%
William J. Dobert and Lynn C. Dobert, Trustees	4.00%
Brian E. Storti and Linda S. Storti, Trustees	4.08%
Michael Achiro	4.17%
Edward Bortoli	4.17%
Douglas H. Button and Mary Ann L. Button, Trustees	4.17%
Paul R. Formosa and Julie A. Formosa, Trustees	4.17%
Ronald Fornesi and Tamara L. Fornesi, Trustees	4.17%
Jerry P. Nabhan and Julie Ann Nabhan, Trustees	4.17%
John F. Rossi, Trustee	4.17%
Stephanie Uccelli-Menner	4.17%
Various (less than 3% each)	4.85%
Total:	<u>100.00%</u>

Legal Questionnaire. The Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed in the

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Legal Status portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

TEFRA. The TEFRA hearing was held on November 8, 2012. There were no comments received in support of or in opposition to this Project.

Fees. The Company paid an application fee of \$5,000 and will pay an administrative fee of \$15,550 upon closing.

SBAF Assistance. The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$83,400.

Prior Financings. Prior actions and financings for the Company and its affiliates are listed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of Sept. 14, 2012
Bay Counties Waste Services, Inc.	08/10/2011	\$20,100,000	\$19,625,000
Alameda County Industries, Inc.	08/04/2010	\$2,460,000	\$2,460,000
Garden City Sanitation, Inc.	12/23/2009	\$33,000,000	\$24,330,000
Garden City Sanitation, Inc.	12/23/2009	\$10,000,000	\$5,970,000
Bay Counties SMaRT	08/15/2007	\$5,310,000	\$2,515,000
Mission Trail Waste Systems, Inc.	10/02/2002	\$7,555,000	\$1,135,000
Mission Trail Waste Systems, Inc.	05/17/2001	\$3,500,000	\$525,000
Alameda County Industries, LLC	05/24/2000	\$10,310,000	\$3,330,000
Santa Clara Valley Industries, LLC	03/04/1998	\$8,495,000	\$1,110,000
TOTALS:		<u>\$100,730,000</u>	<u>\$61,000,000</u>

Project Description. The Company intends to purchase new CNG fueled vehicles and containers to allow it to continue to meet its obligations under its Franchise Agreements with the cities of Alameda and San Leandro. The Company also plans improvements to its existing MRF, including, but not limited to, modification and addition of existing sort line equipment and a CNG fueling station.

The anticipated Project and issuance costs are listed below:

Collection Vehicles and Containers	\$9,319,500
MRF Improvements	750,000
Bond Issuance Expenses (including discount)	<u>205,500</u>
Total Bond Amount	<u>\$10,275,000</u>

Note: The Project costs reported in the Borrower's application and shown here in staff's report are estimated costs. At the time this financing closes, the estimated Project costs will be finalized and stated in the Tax Certificate. Variations from the costs shown in the application and in this report may occur prior to the closing due to increased costs of certain components of the Project from original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation or for other reasons. However, the Borrower confirms, through submission of a signed application and will confirm through covenants and

representations in various bond documents, that all assets purchased with bond proceeds will qualify for tax exempt financing, that they will be used to complete the Project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.

Anticipated Timeline. The Company anticipates purchasing equipment beginning in December 2012.

Local Government. The Company received a letter of support from John A. Russo, the City Manager of Alameda (Attachment A).

Pollution Control and/or Environmental Benefits. The Company represents the Project will generate the pollution control and environmental benefits described below.

Ratepayer Benefits. The Company's capital cost is a component of the rate charged to its customers under its Franchise Agreements with the cities of Alameda and San Leandro. Using tax-exempt financing helps minimize this cost as well as the rates charged to the customers.

Air Quality. The Company will purchase new CNG collection vehicles, which emit less particulate matter in the air than diesel fueled vehicles.

Energy Efficiency. CNG is primarily a domestically produced product that reduces reliance on foreign oil.

Recycling of Commodities. Upgrades and improvements to the Company's sort line should increase the amount of material that is recycled.

Permitting and Environmental Approvals. This is mostly an equipment financing, therefore no permits are required. The Company intends to comply with the California Air Resources Board's (CARB's) Collection Vehicle standards and requirements.

Financing Details. The Company anticipates issuance of negotiated tax-exempt, weekly reset, variable rate bonds with a term not to exceed 30 years for the qualifying portion of the project. The Company plans to secure the bonds with an irrevocable, direct pay Letter of Credit that is rated at least "A-" by Fitch Rating Agency or equivalent. The target date for financing is December 2012.

Financing Team.

Underwriter: Westhoff, Cone & Holmstedt
Bond Counsel: Law Offices of Leslie M. Lava
Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of Final Resolution No. 529 and Volume Cap Allocation Resolution No. 09-136-10 for an amount not to exceed \$10,275,000, and a SBAF Resolution in an amount not to exceed \$83,400 for Alameda County Industries AR, Inc. and/or its Affiliates.

Attachment A

City of Alameda California



October 22, 2012

Michael Paparian, Executive Director
California Pollution Control Financing Authority
State of California
915 Capitol Mall, Room 415
Sacramento, CA 95814

Re: California Debt Limit Allocation Committee (CDLAC), Exempt Facility Approvals - Alameda County Industries, LLC Project

Dear Mr. Paparian:

I write to you on behalf of Alameda County Industries, LLC relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority meeting in November.

My staff has worked closely with the management of Alameda County Industries and is very supportive of their efforts. I understand that in order to receive approval for the issuance of tax exempt bonds, on which lower interest rates the "project" economics have been based, that CDLAC must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

The City of Alameda and Alameda County Industries agree that the implementation of this project is a cost effective addition to our overall program, taking into account cost, technology, and expected waste diversion.

On behalf of the City of Alameda I would appreciate it if you approve the Alameda County Industries, LLC Project at your meeting in November. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "John A. Russo", with a long horizontal flourish extending to the right.

John A. Russo
City Manager

JAR/MTN:mk

cc: Kent Kenny, ACI
Alexander Nguyen, Deputy City Manager
Matthew Naclerio, Public Works Director

Office of the City Manager
2263 Santa Clara Avenue, Room 320
Alameda, California 94501-4477
510.747.4700 Office • Fax 510.747.4704 • TDD 510.522.7538

**FINAL BOND RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING OR REFINANCING OF
SOLID WASTE DISPOSAL FACILITIES AND EQUIPMENT
FOR ALAMEDA COUNTY INDUSTRIES AR, INC.
AND/OR ITS AFFILIATES**

November 13, 2012

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of Alameda County Industries AR, Inc., a California corporation (the “Borrower”), for financial assistance to finance or refinance (i) the construction of improvements to a materials recovery facility, including without limitation, a compressed natural gas (CNG) fueling station, the construction of site improvements, and/or the acquisition and installation, if any, of CNG collection vehicles, other rolling stock, equipment for the collection, processing, transfer and recycling of solid waste and other equipment functionally related thereto, all to be located at 610 Aladdin Avenue, San Leandro, California 94577 (the “Site”), and/or (ii) the acquisition of drop boxes, bins, carts and containers to be located at the Site and/or with customers throughout Alameda County, California, all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue its revenue bonds from time to time in an amount not to exceed \$10,275,000 to assist in the financing or refinancing of the Project; and

WHEREAS, the proceeds of such revenue bonds will be loaned to the Borrower under a loan agreement with the Authority; and

WHEREAS, final approval of the terms of such revenue bonds and certain documents relating to such revenue bonds is now sought; and

WHEREAS, the Borrower has provided documentation to the Authority demonstrating that the Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a project under that division;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Project constitutes a “project” and the Borrower is a “participating party” within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

Section 2. Pursuant to the Act, revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Alameda County Industries AR, Inc. Project) Series 2012” (the “Bonds”), or such alternate designation as may be approved by the Executive Director, or Deputy Executive Director, of the Authority, in an aggregate principal amount not to exceed \$10,275,000, are hereby authorized to be issued. The Bonds may be issued at one time, or from time to time, in one or more series separately or differently identified, and may be issued in a tax-exempt mode, all in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Bonds shall be used to finance or refinance the Project and to pay costs of issuance of the Bonds.

Section 3. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Bonds, at one time or from time to time on or before December 31, 2012, by negotiated sale, at such price and at such interest rate or rates as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract.

Section 4. The following documents:

- (i) a loan agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower;
- (ii) an indenture relating to the Bonds (the “Indenture”), between the Authority and the trustee named in the Term Sheet (the “Trustee”);
- (iii) a bond purchase contract (the “Purchase Contract”) among the Authority, the Treasurer of the State of California and the underwriter or underwriters named in the Term Sheet (the “Underwriters”), and approved by the Borrower; and
- (iv) the preliminary official statement relating to the Bonds (the “Preliminary Official Statement”)

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture and the Purchase Contract and by delivery thereof in the case of the Preliminary Official Statement.

Section 5. The Authority understands and agrees that pursuant to the terms of the Loan Agreement, the obligations of the Borrower may, under some circumstances, be carried out or assumed by a successor or assignee entity, or by an Affiliate of the Borrower. For purposes of this Resolution, an “Affiliate” of the Borrower means any person or entity which meets the definition of “Participating Party” in the Act and, jointly or severally, controls, is controlled by, or is under common control with, the Borrower, as shown by the possession, directly or

indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.

Section 6. The dates, maturity dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 7. The Underwriters are hereby authorized to distribute the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds. The Underwriters are hereby directed to deliver (in a manner that complies with Securities and Exchange Commission rule 15c2-12(b)(3)) a copy of said final official statement (as finally executed, the “Official Statement”) to all actual purchasers of the Bonds.

Section 8. The Bonds, when executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York, on behalf of the Underwriters in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Bonds to The Depository Trust Company, on behalf of the Underwriters thereof, upon payment of the purchase price thereof.

Section 9. The Authority hereby dedicates and confirms its allocation to the Bonds issued in a tax-exempt mode (the “Tax-Exempt Bonds”) of a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, in an amount up to the applicable principal amount of Tax-Exempt Bonds issued and delivered to finance certain costs of the Project and to pay certain costs of issuance of the Tax-Exempt Bonds, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Tax-Exempt Bonds.

Section 10. Each officer of the Authority, acting alone, is hereby authorized and directed to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the issuance, sale or delivery of the Bonds, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement, the Purchase Contract and the Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any certifications, including, a tax certificate.

Section 11. The provisions of the resolution of the Authority entitled “Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings” adopted by the Authority on January 17, 2012, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

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Section 12. The Authority hereby approves and ratifies each and every action taken by its officers, agents, members and employees prior to the date hereof in furtherance of the purposes of this Resolution.

Section 13. This resolution shall take effect immediately upon its passage. The adoption by the Authority of this final resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

EXHIBIT A

TERM SHEET

Name of Issue: California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Alameda County Industries AR, Inc. Project) Series 2012, or such alternate designation as may be approved by the Executive Director of the Authority (the “Bonds”)

Maximum Amount of Issue: \$10,275,000 (tax-exempt)

Issuer: California Pollution Control Financing Authority (the “Authority”)
Sacramento, CA

Borrower: Alameda County Industries AR, Inc., a California corporation

Trustee: The Bank of New York Mellon Trust Company, N.A.

Underwriters: Westhoff, Cone & Holmstedt

Bond Counsel: Leslie M. Lava, Esq.
Sausalito, CA

Remarketing Agent: Westhoff, Cone & Holmstedt

Project: Finance or refinance (i) the construction of improvements to a materials recovery facility, including without limitation, a compressed natural gas (CNG) fueling station, the construction of site improvements, and/or the acquisition and installation, if any, of CNG collection vehicles, other rolling stock, equipment for the collection, processing, transfer and recycling of solid waste and other equipment functionally related thereto, all to be located at 610 Aladdin Avenue, San Leandro, California 94577 (the “Site”), and/or (ii) the acquisition of drop boxes, bins, carts and containers to be located at

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the Site and/or with customers throughout Alameda County, California.

Maximum Bond Term:	Not to exceed 30 years
Type of Sale:	Negotiated sale
Description of Minimum Denominations:	\$100,000 or any integral multiple of \$5,000 in excess thereof while in variable rate mode
Financing Structure:	Variable rate demand bonds; convertible to fixed rate pursuant to the Indenture
Maximum Interest Rate:	12%
Letter of Credit:	Provided by Bank of the West
Other Credit Enhancement:	Not applicable
Anticipated Bond Rating:	Bank of the West: "A" (Minimum "A-")
Type of Financing:	Solid waste disposal revenue bonds
Prepared by:	Leslie M. Lava, Esq. Law Offices of Leslie M. Lava (415) 331-6464

**RESOLUTION OF THE CALIFORNIA
POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO ASSISTANCE FROM THE SMALL
BUSINESS ASSISTANCE FUND FOR
ALAMEDA COUNTY INDUSTRIES AR, INC.
AND/OR ITS AFFILIATES**

November 13, 2012

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has approved the application of Alameda County Industries AR, Inc., a California corporation (the “Borrower”), for financial assistance to finance or refinance (i) the construction of improvements to a materials recovery facility, including without limitation, a compressed natural gas (CNG) fueling station, the construction of site improvements, and/or the acquisition and installation, if any, of CNG collection vehicles, other rolling stock, equipment for the collection, processing, transfer and recycling of solid waste and other equipment functionally related thereto, all to be located at 610 Aladdin Avenue, San Leandro, California 94577 (the “Site”), and/or (ii) the acquisition of drop boxes, bins, carts and containers to be located at the Site and/or with customers throughout Alameda County, California, as more particularly described in Application No. 863(SB) of the Borrower (the “Project”) and has adopted its Resolution No. 529 (the “Final Resolution”) authorizing the issuance of revenue bonds to provide such financial assistance; and

WHEREAS, the Authority has established the Small Business Assistance Fund (the “Fund”) to assist small businesses to obtain pollution control financing through the issuance of tax-exempt revenue bonds (the “Bonds”); and

WHEREAS, the Authority has received and accepted an application from the Borrower for assistance from the Fund; and

WHEREAS, the Borrower has demonstrated a financial capability to make loan payments to the satisfaction of the issuer of a direct pay letter of credit securing the Bonds, as named in the Final Resolution; and

WHEREAS, authorization of assistance from the Fund is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

The Borrower (as defined in the Final Resolution) is a “Small Business” as classified pursuant to Title 13 Code of Federal Regulations, Part 121, Subpart A (1-1-94 Edition) or it has 500 employees or less, and is otherwise eligible for assistance from the Fund. The Project constitutes a “project” within the meaning of the California Pollution Control Financing Authority Act.

The Authority hereby authorizes and approves up to \$83,400 of assistance from the Fund to the Borrower to be used for payment of initial Letter of Credit fees and certain costs of

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issuance of the Bonds. The actual amount of assistance shall be determined by the Executive Director of the Authority based upon the final terms of the sale of the Bonds.

The Executive Director of the Authority is hereby authorized and directed to do any and all ministerial acts and to execute and deliver a contract for financial assistance with the Borrower in conformance with the terms of this resolution, which he or she may deem necessary or advisable in order to provide the assistance from the Fund and otherwise to effect the purposes of this resolution.

This resolution shall take effect immediately upon adoption hereof. The adoption by the Authority of this resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

RESOLUTION NO. 09-136-10

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2009 STATE
CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN
EXEMPT FACILITY PROJECT**

WHEREAS, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from Alameda County Industries AR, Inc. and/or its Affiliates (“Project Sponsor”) for approval of the issuance of revenue bonds; and

WHEREAS, on November 13, 2012, CPCFA approved Final Resolution No. 529 (“Final Resolution”) authorizing the issuance of up to \$10,275,000 of its solid waste disposal revenue bonds (Alameda County Industries AR, Inc. Project) Series 2012 (“Bonds”); and

WHEREAS, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the project to CPCFA which were relied upon by CPCFA in approving the Final Resolution; and

WHEREAS, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to CPCFA a portion of the 2009 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC’s policies and procedures. Accordingly, capitalized terms not otherwise defined shall have the meanings ascribed to them in the “Procedures of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Procedures”); and

WHEREAS, it is appropriate for CPCFA to confirm the use of a portion of the 2009 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Bonds as set forth in the Final Resolution;

NOW, THEREFORE, CPCFA resolves as follows:

Section 1. CPCFA Allocation in the amount of \$10,275,000 is hereby dedicated to the issuance of the Bonds. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Bonds for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A, and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor and all its respective successors and assignees, 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 shall require reconsideration by the CPCFA before the Allocation may be used for the Project.

Section 4. The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Bonds for the Project have been issued by CPCFA by the close of business on **December 31, 2012.**

Section 5. Within twenty-four (24) hours of issuing the Bonds, CPCFA shall notify CDLAC via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Bonds have been issued. This notice shall identify the Project Sponsor, the project or program, the date and amount of the Bonds issued.

Section 6. Within fifteen (15) calendar days of the Bond closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting the appropriate completed Report of Action Taken in a form prescribed by and made available by CDLAC.

Section 7. Any differences between the amount of Bonds issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 4 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

Section 8. In consideration of the CPCFA Allocation dedicated in Section 1 of this resolution, 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 Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, CPCFA shall ensure that the Bond documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 9. 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 CDLAC or CPCFA.

Section 10. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 09-136-10
(AN EXEMPT FACILITY PROJECT)
EXHIBIT A

1. Project Sponsor: Alameda County Industries AR, Inc. and/or its Affiliates
2. Application #: 863(SB)
3. Project User: Alameda County Industries AR, Inc. and/or its Affiliates
4. Project Name: Alameda County Industries AR, Inc. Project
5. Location: Alameda and San Leandro (Alameda County)
6. Credit Enhancement or Private Placement Purchaser: Bank of the West
7. The Credit Enhancement Provider/Private Placement Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$10,275,000