

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: July 18, 2017**

*Request to Approve Final Resolution Authorizing the Issuance of Revenue
Notes for New Money and Refunding Purposes, Small Business Assistance Fund
(SBAF) Costs of Issuance Assistance and Tax-Exempt Volume Cap Allocation*

Prepared by: *Dmitri Godamunne*

Applicant:	Best Way Disposal Co., Inc.	Amount Requested:	\$21,430,000
		Allocation Amount Requested:	\$7,655,000
		Application No.:	908(SB)
Project Location:	City of Hesperia (San Bernardino County)	Final Resolution No.:	570
		Prior Actions:	IR Approved 4/18/17

Summary. Best Way Disposal Co., Inc. and/or its Affiliates (the “Company”) specializes in the collection and transportation of commercial, industrial, construction and demolition waste. The Company is requesting a total financing of \$21,430,000 in direct bank purchase, variable rate, tax-exempt notes comprising a refunding of Series 2012 bonds in the amount of \$13,775,000 and new money allocation in an amount not to exceed \$7,655,000. The new money will be used to finance improvements to an existing materials recovery facility (MRF), and the acquisition of equipment for the collection, processing, transfer and recycling of solid waste which includes organic waste, including rolling stock, collection vehicles, carts, pails, bins, containers and other related equipment (the “Project”).

In addition, the Company is requesting approval of a Small Business Assistance Fund (SBAF) Resolution in an amount not to exceed \$146,280 to assist with the costs of issuance of this transaction.

Borrower. The Company specializes in the collection and transportation of commercial, industrial, construction and demolition waste. Services are provided throughout San Bernardino County. The Company was incorporated in California on June 27, 1967, and is a small business with 72 employees.

The Company is 100% owned by Sheila R. Bath.

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 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 June 29, 2017. There were no comments received in support of or in opposition to this Project.

Agenda Item 4.C

Fees. The Company has paid an application fee of \$3,827.50 and will pay an administrative fee of \$39,032.50 at closing.

SBAF Assistance. The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$146,280.

Prior Financings. Prior financings are listed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of <u>May 19, 2017</u>
Best Way Disposal Co., Inc. Series 2012	10/10/2012	\$15,600,000	\$13,775,000
TOTALS:		<u>\$15,600,000</u>	<u>\$13,775,000</u>

Background. The Company provides services for the collection of waste and recycling to residential and commercial customers.

On October 10, 2012, CPCFA issued bonds for Best Way Disposal Co., Inc. in the amount of \$15,600,000. The bonds financed the acquisition of various MRF equipment, waste hauling tractors and trailers, building construction and site improvements.

Project Description. The Company collects and processes solid waste material in the city of Hesperia. The Project is in response to new State legislation for organic and food waste diversion from landfills and includes the acquisition of trucks, organic waste processing equipment, and improvements to the Company's MRF in order to accommodate such organic waste processing equipment. The Project entails the collection of mixed waste from both commercial and residential sources in a single stream which is separated at the MRF. The Company will purchase new trucks to service the organic waste collection program. The new organic waste processing equipment will pulverize the organic waste, and the resulting project will be used for composting.

The anticipated project and issuance costs are listed below:

Acquisition and Installation of New Equipment	\$6,500,000
Improvements to Existing Building	\$1,000,000
Note issuance Expenses (including discount)	\$153,100
Note Rounding Factor	<u>1,900</u>
TOTALS:	<u>\$7,655,000</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 Project Timeline. The facility improvement and the purchase and installation of the collection vehicles, carts, bins, bins, pails and containers is expected to be begin during the third quarter of 2017.

Local Government. The Company received a letter of support from Nils Bentsen, City Manager, for the City of Hesperia. A copy of this letter is attached (Attachment A).

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

Water Quality. The Project included a runoff water collection and filtration system which will capture waste prior to discharge into the local sewer system.

Recycling of Commodities. The Company's MRF includes mechanical and floor sorting of refuse and recyclables which is currently transferred to the landfill and, therefore, increased recovery of recyclables. The Project is intended to divert commercial and residential food waste from the landfill. Such waste will be pulverized, and the resulting product will be used for composting.

Safety and Compliance. The Project will be compliant with all State and local mandates.

Permitting and Environmental Approvals. The Company will be financing collection vehicles, organic waste processing equipment, carts, bins and containers. The Company provided a letter dated March 17, 2017 that represents no additional discretionary permits or approvals are required for the development of the Project. The Project is consistent with existing zoning and permits.

Financing Details. The Company anticipates a direct bank purchase of negotiated variable rate, tax-exempt notes (the "Notes") with Bank of the West in the amount of \$21,430,000. The target date of financing is August 2, 2017. Based upon the issuance of \$21,430,000 of Notes, the tax-exempt financing will save the Company approximately \$17,000 per year compared to a taxable or conventional loan alternative.

For state law purposes, the Notes will be delivered ("drawn down") incrementally. For federal tax law purposes, since at least \$50,000 of the Notes will be delivered on the initial closing date, the entire amount will be deemed issued at closing and will receive the full amount of volume cap allocation dedicated to the Notes. This structure will provide significant cost savings to the Company.

Financing Team.

Municipal Advisor to Borrower: 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. 570 and Volume Cap Allocation Resolution No. 14-147-03 for an amount not to exceed \$7,655,000, and a SBAF

Agenda Item 4.C

Resolution in an amount not to exceed \$146,280 for Best Way Disposal Co., Inc. and/or its Affiliates.

Attachment A



City of Hesperia

Gateway to the High Desert

May 10, 2017

Ms. Reneé Webster-Hawkins
Executive Director
California Pollution Control Financing Authority
801 Capitol Mall, 2nd Floor
Sacramento, CA 95814

**RE: California Pollution Control Financing Authority, Exempt Facility Approvals
Best Way Disposal Co., Inc. Project**

Dear Ms. Webster-Hawkins:

On behalf of the City of Hesperia, I am writing in support of Best Way Disposal Co., Inc., DBA Advance Disposal Co., Inc., relating to the funding of their organic and food waste project (the "Project") for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting in June.

My staff and I have worked with the management of Best Way Disposal Co., Inc. in their development of the proposed Project, and I understand that they now are ready for final approval of the financing. I further understand that in order to receive approval for the issuance of tax exempt bonds, on whose lower interest rates the Project economics have been based, that CPCFA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

The City and Best Way Disposal Co., Inc. 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.

The City of Hesperia fully supports this Project and requests your approval of the Best Way Disposal Co., Inc. Project at your June meeting. If you have any questions, please do not hesitate to contact me at (760) 947-1018.

Sincerely,

Nils Bentsen
City Manager

*Paul Russ, Mayor
Russ Blewett, Mayor Pro Tem
Bill Holland, Council Member
Larry Bird, Council Member
Rebekah Swanson, Council Member*

Nils Bentsen, City Manager

9700 Seventh Avenue
Hesperia, CA 92345
760-947-1000
TD 760-947-1119

www.cityofhesperia.us

Final Resolution No. 570
Application No. 908(SB)

**FINAL RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
AUTHORIZING THE ISSUANCE OF REVENUE NOTES FOR
NEW MONEY AND REFUNDING PURPOSES FOR THE
SOLID WASTE DISPOSAL/RECYCLING FACILITIES AND EQUIPMENT
OF BEST WAY DISPOSAL CO., INC. AND/OR ITS AFFILIATES**

July 18, 2017

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of Best Way Disposal Co., Inc. (the “Borrower”), for financial assistance to finance or refinance the construction of an organic processing facility and improvements to an existing materials recovery facility, and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, collection vehicles, carts, pails, bins and containers, all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “2017 Project”); and

WHEREAS, the Authority has previously issued its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Best Way Disposal Co., Inc. Project) Series 2012 (the “Prior Bonds”); and

WHEREAS, the Borrower now wishes to refund the Prior Bonds, which financed or refinanced the construction, renovation and/or improvement of one or more buildings to house a materials recovery facility and related maintenance facilities, the construction of site improvements, and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, all as more particularly described in the Term Sheet (the “Prior Project” and, together with the 2017 Project, the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue its revenue notes from time to time in an amount not to exceed \$21,430,000 to assist in the financing or refinancing of the Project and the refunding of the Prior Bonds; and

WHEREAS, the Borrower has requested that such revenue notes be delivered in installments as described in the hereinafter referred indenture; and

WHEREAS, the proceeds of such revenue notes will be loaned to the Borrower under the hereinafter referred loan agreement with the Authority; and

WHEREAS, final approval of the terms of such revenue notes and certain documents relating to such revenue notes 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 Notes (Best Way Disposal Co., Inc. Project) Series 2017” (the “Notes”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$21,430,000, are hereby authorized to be issued. The Notes may be issued at one time, or from time to time, in one or more series or sub-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 Notes shall be used to make a loan to the Borrower to finance or refinance the 2017 Project, to refund the Prior Bonds and to pay certain costs of issuance of the Notes. The Notes may be issued as a single issue for federal tax purposes with delivery of the Notes against proceeds done in periodic installments under a draw down mechanism.

Section 3. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Notes, at one time or from time to time on or before December 31, 2017, 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. Delivery of the Notes at such times to be determined by the Authority pursuant to documents approved in Section 4 hereof, is hereby approved.

Section 4. The following documents:

(i) a loan agreement relating to the Notes (the “Loan Agreement”) between the Authority and the Borrower;

(ii) an indenture relating to the Notes (the “Indenture”) between the Authority and the trustee named in the Term Sheet (the “Trustee”); and

(iii) a note purchase contract relating to the Notes (the “Purchase Contract”) among the Authority, the Treasurer of the State of California, as agent for sale, and the bank named in the Term Sheet, as purchaser (the “Purchasers”), and as approved by the Borrower;

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein 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.

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 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 Notes shall be as provided in the Indenture, as finally executed.

Section 7. The Notes shall be executed by the manual or facsimile signature of the Chairman or any Deputy to the Chairman and the seal of the Authority shall be affixed thereon (or a facsimile reproduced thereon) in the form set forth in and otherwise in accordance with the Indenture. The Notes, 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 Notes by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Notes, when duly executed and authenticated, to the Purchasers 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 Notes to the Purchasers upon payment of the purchase price thereof.

Section 8. The Authority hereby dedicates and confirms its allocation to the Notes of \$7,655,000 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, to finance or refinance certain costs of the 2017 Project and to pay certain costs of issuance of the Notes, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Notes.

Section 9. 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 Notes, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement and the Purchase Contract. 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 10. 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 19, 2016, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

Section 11. 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 12. 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 Notes (Best Way Disposal Co., Inc. Project) Series 2017 (the “Notes”)

Maximum Amount of Issue: \$21,430,000 (tax-exempt)

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

Borrower: Best Way Disposal Co., Inc.

Purchaser: Bank of the West
Newport Beach, California

Note Counsel: Leslie M. Lava, Esq.
Tiburon, California

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

Underwriter: Not applicable

Remarketing Agent: Not applicable

2017 Project: Finance or refinance the construction of an organic processing facility and improvements to an existing materials recovery facility, and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, collection vehicles, carts, pails, bins, containers and other equipment functionally related thereto, to be located at 16955 and/or 17105 Mesa Street, Hesperia, California 92345 and/or with customers in incorporated and unincorporated San Bernardino County, California.

Prior Project:	Finance or refinance the construction, renovation and/or improvement of one or more buildings to house a materials recovery facility and related maintenance facilities, the construction of site improvements, and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste and other equipment functionally related thereto, which were located at one or more of the following addresses: (i) 17105 Mesa Street, (ii) 16955 Mesa Street, (iii) five parcels (APN 0415-201-10, APN 0415-201- 11, APN 0415-201-06, APN 0415-201-07 and APN 0415-201-05) fronting Mesa Street and located within a general area bordered by Mesa Street on the north, Lemon Street on the south, Santa Fe Avenue East on the west, and E Avenue on the east, and (iv) one parcel (APN 0415-211-16) fronting Mesa Street across from parcel (i), all located in Hesperia, California 92345.
Maximum Note Term:	Not to exceed 30 years
Type of Sale:	Negotiated sale; direct purchase by Purchaser
Description of Minimum Denominations:	\$250,000 or any integral multiple of \$5,000 in excess thereof during index interest rate period (initial period)
Financing Structure:	Index interest rate notes deliverable in installments using a draw down mechanism, convertible to term interest rate or weekly variable rate with tender option pursuant to the Indenture; transferrable by Purchaser to either an affiliate of the Purchaser or, upon delivery of a letter of representation, a “Qualified Institutional Buyer”, as defined in Rule 144A of the Securities Act of 1933, as amended

Maximum Interest Rate:	Lesser of 12% or the maximum rate permitted by law
Letter of Credit:	Not applicable
Other Credit Enhancement:	Not applicable
Anticipated Note Rating:	Unrated
Type of Financing:	Solid waste disposal revenue notes
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
BEST WAY DISPOSAL CO., INC.
AND/OR ITS AFFILIATES**

July 18, 2017

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has approved the application of Best Way Disposal Co., Inc. (the “Borrower”), for financial assistance to (A) finance or refinance the construction of an organic processing facility and improvements to an existing materials recovery facility, and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including rolling stock, collection vehicles, carts, pails, bins, containers and other equipment functionally related thereto, to be located at 16955 and/or 17105 Mesa Street, Hesperia, California 92345 and/or with customers in incorporated and unincorporated San Bernardino County, California; and (B) refund the Authority’s Variable Rate Demand Solid Waste Disposal Revenue Bonds (Best Way Disposal Co., Inc. Project) Series 2012 (the “Prior Bonds”), as more particularly described in Application No. 908(SB) of the Borrower (the “Project”) and has adopted its Resolution No. 570 (the “Final Resolution”) authorizing the issuance of revenue notes 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 or notes (the “Notes”); 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 purchaser of the Notes, 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:

Section 1. 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.

Section 2. The Project constitutes a “project” within the meaning of the California Pollution Control Financing Authority Act.

Section 3. The Authority hereby authorizes and approves up to \$146,280 of assistance from the Fund to the Borrower to be used for payment of certain costs of issuance of the Notes. 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 Notes and based on the financing amount eligible for allocation of volume cap pursuant to California Code of Regulations Title 4, Division 11, Article 4, Section 8042(c).

Section 4. The Executive Director of the Authority is hereby authorized and directed, jointly and severally, 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.

Section 5. 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. 14-147-04

**A RESOLUTION TRANSFERRING A PORTION OF THE 2014 STATE CEILING
ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN
EXEMPT FACILITY PROJECT**

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received an application (“Application”) from Best Way Disposal Co., Inc. (“Project Sponsor”) for the dedication of a portion of the 2014 State Ceiling on Qualified Private Activity Bonds under Section 146 of the Internal Revenue Code of 1986, as amended, to finance a Project through the issuance of bonds or other obligations as specifically described in Exhibit A (“Project”) (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Regulations of the California Debt Limit Allocation Committee (the “Committee”) implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds);

WHEREAS, the Project Sponsor has represented and confirmed in its Application certain facts and information concerning the Project;

WHEREAS, in evaluating the Project and dedicating a portion of the State Ceiling on Qualified Private Activity Bonds to the Project Sponsor for the benefit of the Project, the Authority has relied upon the written facts and information represented in the Application by the Project Sponsor; and

WHEREAS, it is appropriate for the Authority to dedicate a portion of the 2014 State Ceiling on Qualified Private Activity Bonds in order to benefit such Project described in the Application;

NOW, THEREFORE, the California Pollution Control Financing Authority resolves as follows:

Section 1. There is hereby dedicated to the Project Sponsor an amount of the 2014 State Ceiling on Qualified Private Activity Bonds equal to **\$7,655,000** (“Allocation”). Such Allocation may be used only in connection with the issuance of bonds or other obligations to finance the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated herein as though set forth in full (this resolution, together with Exhibit A are hereafter referred to collectively as this “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds. The Project Sponsor, and all of its respective successors and assignees, will be bound by such terms and conditions. The Project shall be subject to the monitoring provisions of section 5144 of the Committee’s Regulations.

Section 3. The Allocation must be used within ninety (90) days from the date of this Resolution. The Committee may grant an extension of up to ninety (90) days. However, the extension will result in a forfeiture of the Project's performance deposit.

Section 4. Within twenty-four (24) hours of using the Allocation to issue Qualified Private Activity Bonds to finance the Project, the Authority shall notify the Committee at CDLAC@treasurer.ca.gov that the Allocation has been used. This notice shall identify the Project Sponsor, the project, the date the Allocation was used, and the Allocation amount.

Section 5. Within fifteen (15) calendar days of the Bond closing, the Authority shall formally transmit to the Committee information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by the Committee.

Section 6. Any differences between the amount of Bonds issued and the amount of the Allocation in Section 1 of this Resolution shall automatically revert to the Authority.

Section 7. Authority staff is authorized and directed to transmit a copy of this Resolution to the Project Sponsor together with a request that the Project Sponsor retain a copy of this Resolution for the term of the Bonds. Authority staff is further directed to retain a copy of this Resolution in the files of the Authority for the same period of time.

Section 8. In consideration of the Allocation dedicated to the Project, 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 the Authority or the Committee through an action for specific performance or any other available remedy, provided however, that the Authority and the Committee agree not to take such action or enforce any such remedy that would be materially adverse to the Bondholders. In addition, the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Authority and Committee are third party beneficiaries of the terms and conditions set forth in this Resolution. The Committee may consent to changes in the terms and conditions set forth in this Resolution as changed circumstances may dictate.

Section 9. The Certification of Compliance II or equivalent form must be submitted by the Project Sponsor to the Authority by February 1, but no later than March 1st annually until the project's Certificate of Completion has been submitted to the Authority. The Authority is responsible for reporting to CDLAC by March 1 annually via the Online Compliance System until project completion. A copy of the Certification of Compliance II and Certificate of Completion form may be found at this website location: <http://www.treasurer.ca.gov/cdlac>. Failure to submit compliance may result in disqualification from future program participation.

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

RESOLUTION NO. 14-147-04
(EXEMPT FACILITY PROJECT)
EXHIBIT A

1. Application No.: 908(SB)
2. Project Sponsor Best Way Disposal Co., Inc. (and/or its Affiliates)
3. Project User: Same as Project Sponsor
4. Project Name: Best Way Disposal Co., Inc.
5. Location: 17105 Mesa Street Hesperia, CA 92345
6. Amount of Allocation: \$7,655,000

Pursuant to Section 5145(d) of the CDLAC Regulations, CDLAC must be designated in the bond documents to receive notice of changes in use and circumstances of Bond Default and Qualifying Bond Default.