

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: October 17, 2018**

*Request To Approve Final Resolution Authorizing the Issuance of
Tax-Exempt Revenue Green Bonds*

Prepared by: Solomita Malko

Applicant:	Rialto Bioenergy Facility, LLC and/or its affiliates	Amount Requested:	\$117,200,000
		Application No.:	923(SB)
		Final Resolution No.:	18-01-592
		Prior Action:	IR 18-03
Project Location:	City of Rialto (San Bernardino County)		approved 7/13/18

Summary. Rialto Bioenergy Facility, LLC and/or its affiliates (the “Company”) requests approval of a Final Resolution for an amount not to exceed \$117,200,000. The Company will use bond proceeds to develop and build a nonhazardous solid waste treatment and disposal facility, as well as the acquisition of equipment (the “Project”). The Company has obtained independent validation that the issuance meets the principles of a green bond.

Borrower. The Company is wholly-owned by Anaergia Services, LLC. Anaergia Services, LLC is the sole member of Rialto Bioenergy Facility, LLC and controls 100% of the ownership. The Company and its affiliates, together, are a small business that employs 238 employees. The Company was organized in Delaware in November of 2013 for the purpose of developing and operating waste treatment facilities with advanced anaerobic digestion. Anaergia Services, LLC is indirectly, wholly owned by Anaergia, Inc.

The voting stockholders of Anaergia, Inc. are as follows:

<u>Anaergia, Inc.</u>	
Andrew Benedek family	95.5%
All others less than 3%	<u>4.5%</u>
Total:	<u>100.0%</u>

Legal Status Questionnaire. Staff has reviewed the Company’s responses to the questions contained in the Legal Status Questionnaire portion of the Application. No information was disclosed in the Legal Status Questionnaire portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

TEFRA. The TEFRA hearing was held on September 13, 2018. There were no comments received in support of or in opposition to this project.

Fees. The Company has paid an application fee of \$5,000 and will pay an administrative fee of \$229,400 at closing.

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SBAF Assistance. The Company is a small business; however, it is not eligible for SBAF assistance due to the requested Par amount.

Project Description. The Company intends to design and build a facility known as the Rialto Bioenergy Facility (the “Project”) to accept up to 700 tons of organic rich solid food waste and convert it into renewable energy and fertilizer through an anaerobic digestion process. The facility will receive up to 300 tons per day of biosolids which will be dried for beneficial reuse. The project is expected to produce approximately 2.5 megawatts (MW) of renewable electrical energy for export from the amount of methane generated by the process and to generate renewable natural gas for pipeline injection. The electricity is intended to be sold to Southern California Edison and the renewable natural gas is intended to be sold to Anaheim Public Utilities as well as Southwest Gas.

The Project will be located at 503 E Santa Ana Ave. in Rialto (also sometimes found in certain records and databases (online or otherwise) with the street number identified as “501” and/or the city identified as “Bloomington”), and will be developed on a site owned by the City of Rialto. The City of Rialto has leased the site to the Rialto Utility Authority and the Company has entered into a 22-year lease agreement with the Rialto Utility Authority which included two 5-year options for extension.

The anticipated Project and issuance costs are listed below:

Construction of New Facility	\$62,363,920
Acquisition and Installation of New Equipment	\$28,274,197
Bond Issuance Expenses	\$2,292,220
Interest During Construction	\$14,064,000
Project Contingencies	\$5,202,813
Debt Service Reserve Fund	<u>\$5,002,850</u>
Total:	<u>\$117,200,000</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 note documents, that all assets purchased with note 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 Project has been initiated and all proceeds are expected to be expended by the end of 2020.

Local Government. The Company received a letter of support from Robb R. Steel, Assistant City Administrator and Development Services Director for the City of Rialto (Attachment A).

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

Air Quality. By diverting up to 700 tons per day of food waste from landfills, the Project is expected to effectively reduce greenhouse gas emissions by approximately 20,000 metric tons of carbon dioxide per year, which is equivalent to taking 4,250 cars off the road.

Water Quality. The Project, when fully operational, should accept up to 300 tons per day of biosolids from wastewater treatment plants, thus improving water quality in the greater Los Angeles region. Furthermore, the proposed anaerobic digestion facility would be operating in tanks and not on exposed ground areas. This would prevent any seepage of undesirable materials into the ground water. The Project Sponsor will comply with storm water management regulations.

Energy Efficiency. The Project is expected to create renewable electricity and natural gas. A portion of the energy generated would be used onsite, thereby reducing the demand for energy from local suppliers.

Recycling. The Project is intended to annually convert up to 255,000 tons of food waste. It would also annually convert up to 109,500 tons of biosolids into approximately 2.5 megawatts (MW) of renewable electricity from methane generated in the process as well as approximately 500,000 MBTU of renewable natural gas.

Safety and Compliance. Implementation of the Project would result in the safe disposal of food waste and biosolids. The Project is in compliance with all applicable State and Federal environmental regulations regarding solid waste disposal. It is important to note that the California Integrated Waste Management Act of 1989 (AB 939), AB 32, SB32, and AB1826 as well as the United States Resource Conservation and Recovery Act (RCRA) mandate the need to minimize the amount of material landfilled, which the Project will achieve.

Consumer Cost Savings and Efficiencies. The low interest cost anticipated by this financing will keep tipping fees low and thus will keep costs to the consumer to a minimum.

Permitting and Environmental Approvals. The Company has provided a signed letter from Arun Sharma, the president of Rialto Bioenergy Facility, LLC, articulating that they received approval of the project and Notice of Determination in March 2018. The Company is in compliance with the California Environmental Quality Act and does not require any additional discretionary permits.

Green Bonds. The Company has engaged a technical advisor, Steve Brunner, Project Manager at Harris Group, Inc. to analyze whether the project meets the Green Bond Principles (GBP) of the International Capital Market Association (“ICMA”). In connection with the financing, Harris Group, Inc. delivered its final report on October 4, 2018, opining that the project meets such criteria for Green Bond Principles and State of California environmental goals and policies, including: (i) reduction of air pollution; (ii) reduction of climate pollution; (iii) reduction of water pollution; (iv) water conservation; (v) increasing energy efficiency; and (vi) stewarding natural resources.

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Harris Group, Inc.’s independent assessment of the Project is that it meets the GBPs because it provides clear environmental benefits as below (the list is not exhaustive):

- Greenhouse Gas Emission Reductions: It is estimated that the Project will offset approximately 223,930 metric tons of CO₂ equivalents per year (“MT CO₂e/yr”) from offsetting natural gas use with renewable natural gas, keeping organics from the landfill, offsetting electricity use with renewable electricity use, reduction in transportation, and offsetting conventional fertilizer production with onsite fertilizer recycling. The emissions reductions are summarized in table 1.
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Table 1 Greenhouse Gas Emissions Reductions	
<u>Description</u>	<u>Reduction (MT CO₂e/yr)</u>
Renewable Natural Gas	42,856
Keeping Organics from Landfill	158,268
Renewable Electricity	11,222
Transportation	8,467
Fertilizer	<u>3,117</u>
	<i>Total:</i> 223,930

- Renewable Energy: The Project will produce renewable electricity (approximately 16,300 MWh/yr exported to the grid) and renewable natural gas (approximately 500,000 MMBtu/yr injected into the pipeline) by digesting food waste, a renewable resource.
- Energy Efficiency: In addition to energy efficient design, the Project will utilize waste heat from the reciprocating engine generator to dry biosolids and digested solids. By doing so, the Project will save an estimated 137,000 MMBtu/yr.
- Pollution Prevention and Control: By processing food waste and biosolids at the Project, it will avoid the transportation of hundreds of thousands of miles per year, eliminating emissions associated with operating trucks.
- Sustainable Water and Wastewater Management: The Project will re-use non-potable wastewater from the adjacent Rialto Wastewater Treatment Plant, thus reducing the potential of using 44.7 million gallons of potable water per year.

In addition, the Project will provide other environmental benefits, including reducing greenhouse gases and recycling of nutrients from waste that would otherwise be landfilled. The Project also supports environmental policy objectives of the State of California to regulate organic waste management practices, including Assembly Bill 1826, Senate Bill 1383, and Assembly Bill 1584.

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CPCFA staff acknowledges the quantification of the environmental benefits of the Project, principally the significant benefits supporting well-established State objectives to improve energy efficiency, reducing greenhouse gases, providing sustainable water and wastewater management, and providing pollution prevention and control. In consultation with its advisors including bond counsel, CPCFA staff confirms that the technical report finalized by Harris Group, Inc. and delivered in connection with the financing is consistent with the commonly accepted Green Bond Principles, and recommends that the Authority, in approving the tax-exempt financing of the Project, also recognize the Borrower's self-certification of the issuance as a Green Bond.

Pursuant to the Green Bond Principles, the Borrower will publish and provide to the Authority an annual report providing an overview of the project financed through the proceeds raised from the green bond issuance, including the amount of green bonds allocated to the eligible green project, amount and use of the unallocated proceeds, and environmental impact reporting using quantitative and qualitative performance indicators, including at a minimum:

- Renewable electricity produced
- Renewable natural gas produced
- Tons of organics diverted from landfill

Financing Details. The Bonds will be sold in a limited offering to Qualified Institutional Buyers, subject to an investor letter and minimum \$250,000 denominations. The Bonds will be long-term, fixed-rate, and non-credit-enhanced obligations. The tax-exempt Bonds will have a maximum bond term of 30 years and an anticipated interest rate of approximately 6%.

Staff anticipates that the Bonds will be secured by a debt service reserve fund, and the loan repayments by the Company will be secured by a gross revenue pledge, a deed of trust on certain property of the Company, and a pledge and security agreement. In addition, the Company will agree not to incur additional indebtedness unless authorized by the Loan Agreement, and will agree to certain financial covenants, including a debt service coverage ratio requirement, a day's cash on hand requirement, and a capital maintenance fund requirement. Some, or all of these terms, may be supplemented or removed prior to closing.

Westhoff, Cone & Holmstedt will enter into a Distribution Agreement with Piper Jaffray to assist with the marketing and sale of the Bonds. As part of this effort, a draft Preliminary Limited Offering Memorandum (PLOM) has been prepared and is also being presented to the Authority for approval. A link to the PLOM can be found here: <https://mcguirewoods.sharefile.com/d-s78bc76af82c430ab>

The target closing date for financing is December 19, 2018. The Bonds will be designated as "Green Bonds" and the Company has provided self-certification (with supporting third-party verification) that the Bonds meet the requirements of Green Bond principles, all as further described in the attached Final Resolution and independent report.

Financing Team.

Bond Underwriter: Westhoff, Cone & Holmstedt

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Bond Counsel: McGuireWoods LLP
Issuer's Counsel: Office of the Attorney General
Trustee: UMB Bank, N.A.

Staff Recommendation. Staff recommends approval of Final Resolution No. 18-01-592 in an amount not to exceed \$117,200,000 for the Rialto Bioenergy Facility, LLC project, and acknowledgement of the Green Bond designation.

Attachment A

R. 8/2/18



City of Rialto
California

July 25, 2018

Ms. Laura Whittall-Scherfee
Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814

RE: California Debt Limit Allocation Committee, Exempt Facility Approvals
Rialto BioEnergy Facility LLC Project

Dear Ms. Whittall-Scherfee:

The City of Rialto herewith expresses its support for the Rialto BioEnergy Facility LLC organic recycling facility proposed for development and operation on a City owned site. It is our understanding that Rialto Bioenergy Facility LLC requests approval of an allocation for tax-exempt financing at the next California Debt Limit Allocation Committee ("CDLAC") meeting.

The City has worked with the management of Rialto BioEnergy Facility LLC over the last few years to permit and develop the proposed project, entering into a Ground Sublease Agreement and a Facility Operation Agreement. The City understands that in order to issue tax-exempt bonds, the CDLAC must first grant the Project part of the State's allocation for "private activity" bonds as defined by the federal government. The project's economics require the lower interest rates applicable to a tax-exempt financing.

The City and Rialto BioEnergy Facility LLC agree that the implementation of this project is a cost effective addition to the region's overall organic waste disposal program, taking into account cost, technology and expected waste diversion.

On behalf of the City of Rialto, I would appreciate your favorable consideration of the request for a private activity allocation to the Rialto BioEnergy Facility LLC Project at your next meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robb R. Steel".

Robb R. Steel
Assistant City Administrator/Development Services Director

150 South Palm Avenue • Rialto, California 92376

**FINAL BOND RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
AUTHORIZING THE ISSUANCE OF REVENUE BONDS
TO FINANCE SOLID WASTE DISPOSAL FACILITIES AND EQUIPMENT
OF RIALTO BIOENERGY FACILITY, LLC AND/OR ITS AFFILIATES**

October 17, 2018

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of Rialto Bioenergy Facility, LLC, a Delaware limited liability company (the “Borrower”), for financial assistance for the Borrower and/or its affiliates to finance or refinance the acquisition, construction, rehabilitation, renovation, installation, improvement and/or equipping of solid waste treatment and disposal facilities to be located in San Bernardino County, and all as more particularly described in the Term Sheet attached hereto as Exhibit A (the “Term Sheet”) and incorporated herein (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 \$117,200,000 to assist in the financing or refinancing of the Project; and

WHEREAS, the Authority has applied for a portion of the 2018 State Ceiling on Qualified Private Activity Bonds (“Allocation”) from the California Debt Limit Allocation Committee (“CDLAC”) for bonds issued in tax-exempt mode for the Project as described in CDLAC Application No. [___], to (i) finance or refinance certain costs of the Project, (ii) fund certain reserves for the Bonds (defined below) and the Project, (iii) fund capitalized interest on the Bonds and (iv) pay certain costs of issuance of the Bonds, all so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986 with respect to the Bonds; and

WHEREAS, the proceeds of the Bonds will be loaned to the Borrower under the hereinafter referred to Loan Agreement with the Authority; 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; and

WHEREAS, the Borrower has represented to the Authority that the Borrower and/or its affiliates (i) expects that all or a portion of the Bonds will meet the green bond requirements of (A) the International Capital Market Association, as reflected in its Green Bond Principles, (B) the Climate Bond Initiative, as reflected in its Climate Bonds Standard or (C) such other green bond program or standard acceptable to the Authority (collectively, the “Green Bond Program”), (ii) expects to receive third-party certification or provide self-certification (accompanied by third-party verification) that all or a portion of the Bonds meet the requirements of the Green Bond Program

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(collectively, the “Green Bond Certification”) and (iii) will describe any such Green Bond Certification in materials prepared for potential purchasers of the Bonds; and

WHEREAS, final approval of the terms of the Bonds and certain documents relating to the Bonds is now sought.

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,” both within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

Section 2. Pursuant to the Act, revenue obligations of the Authority in an aggregate principal amount not to exceed \$117,200,000, designated as the “California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (Rialto Bioenergy Facility, LLC Project) Series 2018 (AMT) (Green Bonds) (the “Bonds”), or such alternate designation as may be approved by the Executive Director of the Authority, are hereby authorized to be issued. Moreover, the Authority hereby recognizes the certification of all or a portion of the issuance as Green Bonds consistent with the Green Bond Program, subject to receipt of the Green Bond Certification in a form acceptable to the Executive Director of the Authority. The Bonds 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 or taxable mode, in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Bonds shall be used to make a loan to the Borrower to (i) finance or refinance the Project (including without limitation, reimbursing the Borrower and/or its Affiliates (as hereinafter defined) for qualifying costs incurred for the Project prior to the issuance of the Bonds), (ii) fund certain reserves for the Bonds and the Project, (iii) fund capitalized interest on the Bonds and (iv) pay certain 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 the ninetieth (90th) day following the transfer of the Allocation from CDLAC to the Authority, by negotiated sale, at such price and at such interest rate or rates and in such mode (taxable or tax-exempt) as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract. Delivery of the Bonds 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 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”);

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(iii) a Bond Purchase Contract relating to the Bonds (the “Purchase Contract”) among the Authority, the Treasurer, as agent for sale, and the underwriter named in the Term Sheet (the “Underwriter”), and approved by the Borrower; and

(iv) a Limited Offering Memorandum (in the form of either the “Preliminary Limited Offering Memorandum” or the final “Limited Offering Memorandum”) to be used in connection with the offering and sale of the Bonds;

are hereby approved in substantially the forms on file with the Authority as of the date of 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 in the case of the Loan Agreement, the Indenture, the Purchase Contract and the Limited Offering Memorandum, and by delivery thereof in the case of the Preliminary Limited Offering Memorandum, and subject to the approval by CDLAC of Allocation for the Project, such approval to be conclusively evidenced by execution and delivery of a resolution by CDLAC (the “CDLAC Resolution”). The Underwriter is hereby authorized to distribute the Preliminary Limited Offering Memorandum to persons who may be interested in the purchase of the Bonds. The Underwriter is hereby directed to deliver a final Limited Offering Memorandum to all actual purchasers of the Bonds.

Section 5. Any modification to the Project made prior to the issuance of the Bonds shall be reported to the Executive Director of the Authority, and such modification shall be subject to further approval by the Authority. If such modification is approved by the Authority, the Executive Director of the Authority shall immediately report to the Executive Director of CDLAC. If the Executive Director of CDLAC determines such modification to be material in accordance with CDLAC’s regulations, CDLAC shall reconsider the modification to the Project before the Allocation may be used.

Section 6. Any material changes to the bond sale structure prior to the issuance of the Bonds are subject to further approval by the Authority. If material changes are approved by the Authority, the Executive Director of the Authority shall immediately report any material changes to the Executive Director of CDLAC. CDLAC may require approval of the material change by the Committee Chair or the Executive Director of CDLAC before the Allocation may be used.

Section 7. 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 one or more Affiliates of the Borrower. For purposes of this Final Resolution, an “Affiliate” of the Borrower means any person or entity which meets the definition of “Participating Party” in the Act and directly or indirectly 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 8. 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 each series of the Bonds shall be as provided in the Indenture, as finally executed.

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Section 9. The Bonds 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 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 or through the facilities of The Depository Trust Company, New York, New York, on behalf of the Underwriter 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 or through the facilities of The Depository Trust Company, on behalf of the Underwriter, upon payment of the purchase price thereof.

Section 10. The Allocation requested by the Authority, if approved by CDLAC, shall automatically revert to CDLAC unless the Authority has issued Bonds on behalf of the Borrower within ninety (90) days of the transfer of the Allocation. In a case of extreme hardship, the Executive Director of CDLAC may extend this date by up to five (5) business days. In addition, the Executive Director of CDLAC may also grant an additional extension of up to ninety (90) days. This extension will result in a forfeiture of the Project's performance deposit to the extent that the performance deposit has not previously been forfeited. The Authority shall return any unused Allocation to CDLAC.

Section 11. 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, delivery or, if any, remarketing of the Bonds, and otherwise to effectuate the purposes of this Final Resolution and the Indenture, the Loan Agreement, the Purchase Contract and the Limited Offering Memorandum. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including, without limitation, any certifications, including, one or more tax certificates.

Section 12. The provisions of Resolution No. 18-01-001 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 23, 2018 (the "Delegation Resolution"), apply to the documents and actions approved in this Final Resolution, and the provisions of such Delegation Resolution are incorporated herein by reference. This Section 12 shall be deemed to refer to and incorporate any resolution of a similar nature adopted hereafter by the Authority which replaces or supersedes the Delegation Resolution.

Section 13. The provisions of the Initial Resolution No. 18-03, approved by the Executive Director of the Authority on July 13, 2018 (as such approval is authorized pursuant to the Delegation Resolution), apply to the documents and actions approved in this Final Resolution, and the provisions of such Initial Resolution are incorporated herein by reference.

Section 14. The Certification of Compliance II or equivalent form must be submitted by the Borrower to the Authority by February 1st annually, until the project's Certificate of Completion

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has been submitted to the Authority, as provided in the Loan Agreement. 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 demonstrate compliance may result in disqualification from future program participation.

Section 15. As required by the CDLAC Resolution, the Loan Agreement, Indenture and Purchase Contract expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in CDLAC's Resolution. Once the Bonds are issued and delivered, the terms and conditions set forth in CDLAC's Resolution shall be enforceable by CDLAC through an action for specific performance or any other available remedy.

Section 16. 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 Final Resolution.

Section 17. This Final 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 Solid Waste Disposal Revenue Bonds (Rialto Bioenergy Facility, LLC Project) Series 2018 (AMT) (Green Bonds)
Maximum Amount of Issue:	\$117,200,000
Issuer:	California Pollution Control Financing Authority, Sacramento, CA
Borrower:	Rialto Bioenergy Facility, LLC
Trustee:	UMB Bank, N.A.
Underwriter:	Westhoff, Cone & Holmstedt
Bond Counsel:	McGuireWoods LLP Richmond, VA
Project:	Bond proceeds will finance or refinance the acquisition, construction, rehabilitation, renovation, installation, improvement and/or equipping of solid waste treatment and disposal facilities to include the processing of solid food waste and biosolids to produce fertilizer, renewable electricity and renewable natural gas, to be located at 503 East Santa Ana Avenue, Rialto, California (also sometimes found in certain records and databases (online or otherwise) with the street number identified as “501” and/or the city identified as “Bloomington”)
Maximum Bond Term:	Not to exceed thirty years
Type of Sale:	Limited offering
Description of Minimum Denominations:	\$250,000 or any integral multiple of \$5,000 in excess thereof

Financing Structure:	Fixed Rate
Maximum Interest Rate:	Lesser of 12% or the maximum rate permitted by law
Credit Enhancement:	Not applicable
Anticipated Bond Rating:	Unrated
Type of Financing:	Solid waste disposal revenue bonds
Prepared by:	Mark Holmstedt, (925) 472-8747