

CERTIFICATE OF THE EXECUTIVE DIRECTOR
Sacramento, California

I, Janae R. Davis, Deputy Executive Director of the California Pollution Control Financing Authority, hereby certify that the foregoing is a full, true and correct copy of a **RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS TO FINANCE AND REFINANCE DISTRICT HEATING AND COOLING, SEWAGE AND WATER FURNISHING FACILITIES FOR MISSION ROCK UTILITIES, INC. AND/OR ITS AFFILIATES** for the Project approved by me on June 19, 2020, and that I have the requisite right, power and authority to approve this resolution as delegated by the Authority in RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY DELEGATING CERTAIN POWERS AND AUTHORIZING CERTAIN ACTIONS RELATED TO BOND FINANCINGS adopted on January 15, 2019.

This resolution of intent expires June 19, 2023.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the California Pollution Control Financing Authority hereto.



June 19, 2020

Janae R. Davis
Deputy Executive Director

**RESOLUTION OF OFFICIAL INTENT TO ISSUE NOTES AND BONDS TO
FINANCE AND REFINANCE DISTRICT HEATING AND COOLING, SEWAGE AND
WATER FURNISHING FACILITIES FOR
MISSION ROCK UTILITIES, INC. AND/OR ITS AFFILIATES**

June 19, 2020

WHEREAS, the California Pollution Control Financing Authority (“Authority”), a public instrumentality, is authorized and empowered by the provisions of the California Pollution Control Financing Authority Act (“Act”) to issue bonds or notes for the purpose of financing the cost of facilities for local district heating and cooling and the furnishing of water; and

WHEREAS, Mission Rock Utilities, Inc., a Delaware corporation (“Applicant”), and/or its affiliates (collectively, “Company”), have requested that the Authority assist in financing and refinancing the acquisition, construction, and/or installation of facilities for local district heating and cooling, including the construction of a district energy system and related facilities, and for the collection and treatment of blackwater for the purpose of treating sewage and furnishing water, including a blackwater recycling system and related facilities, as further described in Exhibit “A” attached hereto (the “Facilities”), and have presented an estimate of the maximum cost of such Facilities as shown in Exhibit “A” attached hereto; and

WHEREAS, the Authority desires to encourage the Company to provide district energy system facilities and blackwater recycling system facilities which will serve the public of the State of California; and

WHEREAS, the Authority deems it necessary and advisable to further the purposes of the Act that the Facilities be constructed at the earliest practicable date, but the Company requires satisfactory assurances from the Authority that the proceeds of the sale of bonds or notes of the Authority will be made available to finance and refinance such Facilities; and

WHEREAS, the Company expects to incur or pay from its own funds certain expenditures in connection with the Facilities prior to the issuance of indebtedness for the purpose of financing costs associated with the Facilities on a long-term basis; and

WHEREAS, subject to meeting all the conditions set forth in this Initial Resolution the Authority reasonably expects that debt obligations in an amount not expected to exceed \$70,000,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Company for its prior expenditures for the Facilities; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Facilities with proceeds of a subsequent borrowing;

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

Section 1. The Authority finds and determines that the foregoing recitals are true and correct. For purposes of this Initial Resolution, an "Affiliate" of the Applicant 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 Applicant, 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 2. The Authority declares its official intent to issue, at one time or from time to time, an aggregate of up to \$70,000,000 principal amount of bonds or notes of the Authority for the Facilities; including up to \$45,000,000 for the purpose of reimbursing to the Company costs incurred for the Facilities prior to the issuance of the bonds or notes.

Section 3. The bonds or notes will be payable solely from the revenues to be received by the Authority pursuant to a loan agreement or other agreements to be entered into between the Authority and the Company in connection with the Facilities. Each bond or note shall contain a statement to the following effect:

"Neither the faith and credit nor the taxing power of the State of California or any political subdivision thereof or any local agency is pledged to the payment of the principal of, premium, if any, or any interest on this bond."

Section 4. The bonds or notes shall be issued subject to the conditions that (i) the Authority and the Company shall have first agreed to mutually acceptable terms for the bonds or notes and of the sale and delivery thereof, and mutually acceptable terms and conditions of the loan of the proceeds thereof to the Company; (ii) all requisite governmental approvals shall have first been obtained or shall be obtained by the Company for any local governmental approvals required during construction of the Facilities; (iii) a Final Resolution shall have been received from the Authority; and (iv) an allocation shall have been received from the California Debt Limit Allocation Committee for any portion of the bonds or notes which are to be sold as exempt from federal income tax.

Section 5. The Executive Director or Deputy Executive Director of the Authority has authority under Authority Resolution No. 19-01-001 to indicate the willingness of the Authority to proceed with and effect such financing in order to assist the Company by defraying the cost of the Facilities, subject to due compliance with all requirements of the law and the obtaining of all necessary consents and approvals and meeting all other requirements of the Authority.

Section 6. It is intended that this Initial Resolution shall constitute "some other similar official action" towards the issuance of bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations and "official intent" within the meaning of Section 1.150-2 of the Treasury Regulations, each as applicable under Section 103 of the Internal Revenue Code of 1986, as amended. It is also intended that this statement of "official action" or "official intent" by the Authority shall continue in full force and effect even if this Initial Resolution ceases to be effective for other purposes.

Section 7. This Initial Resolution shall take effect immediately upon its approval and remain in full force and effect thereafter; provided that, subject to Section 6, this Initial Resolution shall cease to be effective on the date three years after the approval date unless prior thereto the Authority, or Executive Director or Deputy Executive Director of the Authority, specifically

adopts a further resolution extending the effective date of this Initial Resolution, which it will do only after receiving a specific request for such action from the Company, accompanied by an explanation of the status of the project and any additional information requested by the Authority to supplement the Company's application.

EXHIBIT A

APPLICATION NUMBER: 934

PROJECT LOCATION: Seawall Lot 337, San Francisco, California

PROJECT DESCRIPTION: Finance and refinance the acquisition, construction, and/or installation of facilities for local district heating and cooling, including the construction of a district energy system and related facilities, and for the collection and treatment of blackwater for the purpose of treating sewage and furnishing water, including a blackwater recycling system and related facilities

TYPE: District heating and cooling, sewage and water furnishing

AMOUNT: Up to \$70,000,000