

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: April 20, 2021**

Request to Approve a Final Resolution Authorizing the Issuance of Tax-Exempt Revenue Notes for New Money Purposes and Request to Approve a Resolution for Small Business Assistance Fund Costs of Issuance Assistance

Prepared by: Alison French-Tubo

Applicant:	SoCal Biomethane, LLC, and/or its affiliates	Final Resolution Amount Requested:	\$13,000,000
		Allocation Amount Requested	\$13,000,000
		SBAF Resolution Amount Requested:	\$ 18,000
Project		Application No.:	941(SB)
Location:	Victorville (San Bernardino County)	Final Resolution No.:	21-01-610
		SBAF Resolution No. :	21-01-03
		Prior Action:	IR 20-09 approved 11/20/20

Summary. SoCal Biomethane, LLC, and/or its affiliates (the “Borrower”) requests the approval of a Final Resolution for an amount not to exceed \$13,000,000 in tax-exempt notes. The Borrower is also requesting the approval of a Small Business Assistance Fund (SBAF) Resolution in an amount not to exceed \$18,000. Note proceeds will be used for a portion of the costs of the acquisition, construction and/or equipping of a sewage treatment plant and biomethane plant (the “Project”).

Borrower. The Borrower was formed on August 7, 2017, and its sole member is SoCal Biomethane Holdco, LLC, which is wholly owned by Anaergia Services, LLC, which in turn is wholly owned by UTS Bioenergy Holdings, LLC, which in turn is wholly owned by Anaergia US Corp., which in turn is wholly owned by Anaergia, Inc. The affiliates of SoCal Biomethane, LLC, are SoCal Biomethane Holdco, LLC; Anaergia Services, LLC; UTS Bioenergy Holdings, LLC; Anaergia US Corp.; and Anaergia, Inc. The Borrower is a small business with zero employees and its affiliates have a total of 220 employees.

The principal stockholders of Anaergia, Inc., are:

Andrew Benedek Family	80.0%
Emerson Collective Investments, LLC	8.8%
BDC Capital Inc.	5.0%
Lyles Diversified, Inc.	3.1%
All others (less than 3.0% each)	<u>3.1%</u>
Total:	<u>100.0%</u>

Legal Status Questionnaire. The Authority staff has reviewed the Borrower’s responses to the questions contained in the Legal Status Questionnaire portion of the Application. The information disclosed in the Legal Status Questionnaire portion of the Application does not raise concerns concerning the financial viability or legal integrity of this applicant.

Agenda Item 4.C.
Resolution No. 21-01-610

Tax Equity and Fiscal Responsibility Act (TEFRA). The TEFRA hearing was held on March 12, 2021. There were no comments received in support of or in opposition to this Project.

Fees. The Borrower has paid an application fee of \$5,000 and will pay an administrative fee of up to \$21,000 at closing.

SBAF Eligibility. The SBAF, established in Section 8041 of Division 11 of Title 4 of the California Code Regulations, is funded by fees collected from large-business borrowers with more than 500 employees to help offset the costs of issuance for small businesses that participate in the program. The SBAF assistance is available on a sliding scale to small-business borrowers, defined in Section 8020(l) of Division 11 of Title 4 of the California Code of Regulations as those who employ no more than 500 employees, unless the par amount of the bond/note issue is above \$13,750,000.

SBAF Assistance. The Borrower is a small business eligible for SBAF assistance in an amount not to exceed \$18,000.

Prior Financings. Prior financings of the Borrower’s affiliates are listed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of 4/8/21
Rialto Bioenergy Facility, LLC (owned indirectly by Anaergia, Inc.)	01/30/2019	\$117,200,000	\$117,200,000
TOTALS:		<u>\$117,200,000</u>	<u>\$117,200,000</u>

Project Description. The Borrower represents the Project consists of the following: In Victor Valley and the High Desert region, there are biosolids from the Victor Valley Wastewater Reclamation Authority’s (VWVRA) wastewater treatment plant (WWTP) and food waste to be recycled as part of the statewide goal to reduce organics in landfills under Chapter 13.1 (commencing with section 42652) of the Public Resources Code (SB 1383, Chapter 395, Statutes of 2016) and regulations adopted by the Department of Resources Recycling and Recovery (CalRecycle). The Project site is a portion of the VWVRA’s WWTP and has already been leased from VWVRA. The Project will be known as the VWVRA Organics Project and will upgrade the existing facility to include a high throughput, high efficiency anaerobic digestion system. Additionally, new biogas processing equipment will condition and upgrade the biogas produced by the digester into renewable natural gas (RNG) that meets standards to be transported using the Southwest Gas natural gas pipeline. The wastewater treatment plant already has a waste-to-energy electrical generation component that will remain in place. The Borrower represents that the Project will be the first WWTP injecting RNG derived from the co-digestion of biosolids and food waste into the natural gas pipeline, and that the Project demonstrates a model to leverage existing infrastructure to support California’s organic waste diversion goals as analyzed in the State Water Resources Control Board report entitled “Co-Digestion Capacity in California.”

**Agenda Item 4.C.
Resolution No. 21-01-610**

Based on the application and preliminary costs of issuance submitted to the Authority, the estimated Project and issuance costs at the time of this staff report are shown below. The actual costs of issuance will be itemized and reported to the Authority at the time of closing.

Project & Issuance Costs	To Be Paid From Note Proceeds	To Be Paid From All Other Sources
Installation of New Equipment	\$0	\$6,141,178
Utilities Connection	0	400,000
Duties and Shipping	0	1,071,842
Sales Tax	0	825,822
Biogas Equipment	10,283,008	0
Project Engineering	779,360	1,021,790
Permits/Legal	66,000	0
Costs of Issuance	260,000	194,600
Debt Service Reserve Fund (6 Months)	870,632	0
Capitalized Interest (12 Months @ 5.25%)	741,000	0
Total	<u>\$13,000,000</u>	<u>\$9,655,232</u>

Note: The Project costs reported in the Borrower's application and shown here in the Authority 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 the increased costs of certain components of the Project from original estimates, and other reasons. In addition, those 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 for other reasons. However, the Borrower confirms, through the 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, they will be used to complete the Project as described and 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 is anticipated to be completed within one year of closing.

California Debt Limit Allocation Committee (CDLAC) Volume Cap Allocation. The Authority has applied on the Borrower's behalf to CDLAC to be considered for an exempt facility volume cap allocation in an amount not to exceed \$13,000,000 at its April 28, 2021, meeting.

Local Government. The Borrower received a letter of support from Darron Poulsen, General Manager of the Victor Valley Wastewater Reclamation Authority (see Attachment A).

Pollution Control and/or Environmental Benefits. The Borrower represents the Project will generate the pollution control, environmental, and employment benefits described below. The Borrower states the Project will "demonstrate an important model in leveraging existing wastewater treatment infrastructure to meet California's greenhouse gas reduction targets and landfill diversion mandates through the conversion of organic waste into carbon negative fuel."

Agenda Item 4.C.
Resolution No. 21-01-610

Air Quality. The Borrower states, “By diverting 300 tons per day of organic waste [food waste] from landfills, the Project is expected to effectively reduce greenhouse gas emissions by approximately 70,000 metric tons of CO² per year, which is equivalent to taking 14,500 cars off the road.”

Water Quality. The Borrower states “The Project will process up to 300 tons of sludge [biosolids] from the Victor Valley Wastewater Treatment Plant, thus improving water quality. 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 [Borrower] will comply with storm water management regulations.”

Energy Efficiency. The Borrower states, “The Project is expected to create 320,000 MMBTU (one million British Thermal Units) per year of renewable natural gas. A portion of the energy generated will be used onsite, thereby reducing the demand for energy from local suppliers.”

Safety and Compliance. The Borrower states “Implementation of the Project would result in the safe disposal of food waste and Biosolids, 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, SB 32, and AB 1826 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. This Project will also help the [High Desert] region in providing organic landfill diversion capacity as required by SB 1383.”

Employment. The Borrower states “Employment with long term highly technical jobs and multiple indirect jobs in a disadvantaged community. Roughly three new high tech permanent jobs will be created and 20 indirect jobs will be created.”

Permitting and Environmental Approvals. The Borrower has provided a signed letter from Arun Sharma, President of SoCal Biomethane, LLC, articulating that the Project is consistent with its existing zoning and permitting requirements. The Borrower represents that the Project does not require a new California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) process nor does it require any discretionary permits.

Financing Details. The Borrower anticipates a direct bank purchase of negotiated tax-exempt notes by Live Oak Banking Company, which is a Qualified Institutional Buyer (QIB) as defined in SEC Rule 144A under the Securities Act of 1933, in minimum denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof during the index interest rate period or initial period. The target date for closing is June 3, 2021.

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 \$13,000,000 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 Borrower.

Financing Team.

Municipal Advisor to Borrower: Westhoff, Cone & Holmstedt
Note Counsel: Orrick, Herrington & Sutcliffe
Issuer's Counsel: Office of the Attorney General
Direct Bank Purchaser: Live Oak Banking Company
Trustee: The Bank of New York Mellon Trust
Company, N.A.

Staff Recommendation. Staff recommends the approval of Final Resolution No. 21-01-610 for an amount not to exceed \$13,000,000 and SBAF Resolution No. 21-01-03 for an amount not to exceed \$18,000 for SoCal Biomethane, LLC, and/or its affiliates.

Attachment A



Victor Valley Wastewater Reclamation Authority
A Joint Powers Authority and Public Agency of the State of California
20111 Shay Road, Victorville, CA 92394
Telephone: (760) 246-8638
Fax: (760) 246-2898

January 28, 2021

Mr. Larry Flood
Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95834

RE: California Debt Limit Allocation Committee, Exempt Facility Approvals
SoCal Biomethane, LLC – VWRA Organics Project

Dear Mr. Flood:

I write to you today on behalf of SoCal Bio relating to their anaerobic digester project for which approval will be requested at the next California Debt Limit Allocation Committee ("CDLAC") meeting.

My staff and I have worked with the management of SoCal Biomethane, LLC over the last few years in their development and permitting of the proposed project and they now are ready for final approval of the financing. This project is an integral part of our wastewater treatment facility. I 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 CDLAC must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project. We and SoCal Biomethane, LLC 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 Victor Valley Wastewater Reclamation Authority, I would appreciate it if you would approve the VWRA Organics Project at your next meeting. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Darron Poulsen". The signature is written in a cursive, flowing style.

Darron Poulsen
General Manager, VWRA

**FINAL RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
AUTHORIZING THE ISSUANCE OF REVENUE NOTES
FOR THE SOLID WASTE DISPOSAL/RECYCLING FACILITIES AND EQUIPMENT
OF SOCAL BIOMETHANE, LLC, AND/OR ITS AFFILIATES**

April 20, 2021

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of SoCal Biomethane, LLC, a Delaware limited liability company (the “Borrower”) for financial assistance to finance and/or refinance a portion of the costs of the acquisition, construction and/or equipping of a sewage treatment facility and biomethane plant to be located at 20111 Shay Road, Victorville, 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 notes from time to time in an amount not to exceed \$13,000,000 to assist in the financing or refinancing of the Project; and

WHEREAS, the Authority has applied for an allocation to finance or refinance certain costs of the Project and to pay certain costs of issuance of the Notes in the aggregate amount of \$13,000,000 from the California Debt Limit Allocation Committee (“CDLAC”) (the “Allocation”); 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 the California Environmental Quality Act (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 (Division 27 (commencing with Section 44500) of the Health and Safety Code) (the “Act”).

Agenda Item 4.C.
Resolution No. 21-01-610

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 (SoCal Biomethane, LLC Project), Series 2021” (the “Notes”), 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 \$13,000,000, 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 Project (including without limitation, reimbursing the Borrower for qualifying costs incurred for the Project prior to the issuance of the Notes) 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, 2021, by negotiated sale, at such price and at such interest rate or rates as the Treasurer 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; and

(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, as agent for sale, and the bank named in the Term Sheet, as purchaser (the “Purchaser”), 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. Any modification to the Project made prior to the issuance of the Notes 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 note sale structure prior to the issuance of the Bonds or Notes 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 CDLAC 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 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 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 the Notes shall be as provided in the Indenture, as finally executed.

Section 9. The Notes shall be executed by the manual or facsimile signature of the Chair or any Deputy to the Chair 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 10. The Authority hereby dedicates and confirms the Allocation to the Notes of \$13,000,000 from the Allocation to be received from CDLAC, if approved, to finance or refinance certain costs of the 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. The Allocation shall automatically revert to CDLAC unless the Authority has executed Notes on behalf of the Borrower within one hundred eighty (180) days of the transfer of the Allocation. The Executive Director of CDLAC may approve an extension of up to ninety (90) days, which approval shall not be unreasonably withheld. This extension will result in a forfeiture of the Project’s performance deposit to the extent that the performance deposit has not been previously 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 or delivery of the Notes, and otherwise to effectuate the

Agenda Item 4.C.
Resolution No. 21-01-610

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 12. 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,” Resolution No. 21-01-001, adopted by the Authority on January 19, 2021, (the “Delegation Resolution”) apply to the documents and actions approved in this Resolution, and the provisions of Resolution No. 21-01-001 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 that replaces or supersedes the Delegation Resolution.

Section 13. The provisions of the Initial Resolution No. 20-09, approved by the Executive Director of the Authority, on behalf of the Authority, on November 20, 2020, pursuant to the Executive Director’s delegation authority, apply to the documents and actions approved in this Resolution, and the provisions of such 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 1 annually, until the project’s Certificate of Completion has been submitted to the Authority, as provided in the Loan Agreement. These forms may be found at this website location: <http://www.treasurer.ca.gov/cdlac>. A failure to demonstrate compliance may result in the disqualification from future allocations of the State Ceiling on Qualified Private Activity Bonds.

Section 15. 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 Notes are executed 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 Resolution.

Section 17. 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 (SoCal Biomethane, LLC Project), Series 2021 (the “Notes”)
Maximum Amount of Issue:	\$13,000,000 (tax-exempt)
Issuer:	California Pollution Control Financing Authority (the “Authority”), Sacramento, CA
Borrower:	SoCal Biomethane, LLC
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Underwriter:	Not applicable
Purchaser:	Live Oak Banking Company
Note Counsel:	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
Remarketing Agent:	Not applicable
Project:	The Project consists of the financing and/or refinancing of a portion of the costs of the acquisition, construction and/or equipping of a sewage treatment facility and biomethane plant, to be located at 20111 Shay Road, Victorville, California 92394; and payment of associated costs of the financing.
Maximum Note Term:	Not to exceed 30 years
Type of Sale:	Negotiated sale; private placement
Description of Minimum Denominations:	Initially \$250,000 and any integral multiple of \$5,000 above that amount
Financing Structure:	Initially fixed rate notes based, convertible to variable or other fixed rate modes; transferable by Purchaser to either an affiliate of the Purchaser or, upon delivery of a purchaser letter,

Agenda Item 4.C.
Resolution No. 21-01-610

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:	Andre Ospital-Cone (925) 472-8750

**RESOLUTION OF THE CALIFORNIA
POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO ASSISTANCE FROM THE SMALL
BUSINESS ASSISTANCE FUND FOR
SOCAL BIOMETHANE, LLC,
AND/OR ITS AFFILIATES**

April 20, 2021

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has approved the application of SoCal Biomethane, LLC (the “Borrower”), for financial assistance to finance or refinance the acquisition, construction and/or equipping of a sewage treatment facility and biomethane plant to be located at 20111 Shay Road, Victorville, California, all as more particularly described in Application No. 941(SB) of the Borrower (the “Project”) and has adopted its Resolution No. 21-21-01-610 (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”) in Section 8041 of Title 4 of the California Code of Regulations 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, Borrower is a “small business” as defined in Section 8020 of Title 4 of the California Code of Regulations and classified pursuant to Subpart A of Part 121 of Title 13 of the Code of Federal Regulations, or it has 500 employees or less, and is otherwise eligible for assistance from the Fund; and

WHEREAS, the Project constitutes a “project” within the meaning of the California Pollution Control Financing Authority Act (Division 27 (commencing Section 44500) of the Health and Safety Code); 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 Authority hereby authorizes and approves up to \$18,000 of assistance from the Fund to the Borrower to be used for payment of certain costs of the issuance of the Notes. The actual amount of assistance shall be determined by the Executive Director or

Agenda Item 4.C.
SBAF Resolution No. 20-01-03

Deputy 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.

Section 2. The Executive Director or the Deputy 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 they may deem necessary or advisable in order to provide the assistance from the Fund and otherwise to effect the purposes of this resolution.

Section 3. 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.