

Initial Resolution No. 21-01
Application No. 944(SB)

CERTIFICATE OF THE EXECUTIVE DIRECTOR
Sacramento, California

I, Derek Chernow, Interim 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 NOTES TO FINANCE SOLID WASTE DISPOSAL AND RECYCLING FACILITIES AND EQUIPMENT FOR NAPA RECYCLING & WASTE SERVICES, LLC, AND/OR ITS AFFILIATES Project approved by me on April 12, 2021, 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 19, 2021.

This resolution of intent expires April 12, 2024.

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



April 12, 2021

A handwritten signature in black ink, appearing to read "Derek Chernow".

Derek Chernow
Interim Executive Director

**RESOLUTION OF OFFICIAL INTENT TO ISSUE NOTES TO FINANCE
SOLID WASTE DISPOSAL AND RECYCLING FACILITIES AND EQUIPMENT
FOR NAPA RECYCLING & WASTE SERVICES, LLC, AND/OR ITS AFFILIATES**

April 12, 2021

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 (Division 17 (commencing with section 44500) of the Health and Safety Code) (“Act”) to issue notes for the purpose of financing the cost of certain solid waste disposal and recycling facilities and equipment located in Yolo County, California (“Project”); and

WHEREAS, Napa Recycling & Waste Services, LLC, a California limited liability company (“Applicant”), has submitted an application and requested that the Authority assist in financing or refinancing the Project for the benefit of the Applicant and/or its affiliates (“Company”), and has presented an estimate of the maximum cost of the Project, as shown in Exhibit “A” attached hereto; and

WHEREAS, the Authority desires to encourage the Company to provide solid waste disposal and recycling facilities, that will serve the public of the state; and

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

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

WHEREAS, subject to meeting all the conditions set forth in this resolution the Authority reasonably expects that debt obligations in an amount not expected to exceed \$37,000,000 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 Project; 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 Project 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 Resolution, an "Affiliate" of the Applicant means any person or entity that 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 \$37,000,000 principal amount of notes of the Authority for the Project; including for the purpose of reimbursing to the Company costs incurred for the Project prior to the issuance of the notes.

Section 3. The 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 Project. Each 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 note."

Section 4. The 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 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; (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.

Section 5. The Executive Director of the Authority has authority under Authority Resolution No. 21-01-001 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 Project, 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 Resolution shall constitute "some other similar official action" towards the issuance of notes 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 Resolution ceases to be effective for other purposes.

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

NUMBER: 21-01

PROJECT LOCATION(S): 44090 County Road 28H, Woodland, CA 95776

PROJECT DESCRIPTION: (i) Construction of an organics and demolition processing facility; and (ii) acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including solid waste collection vehicles, excavator, wheel loaders, grinders, shredders, screens, sorting equipment and other equipment functionally related thereto.

TYPE: Solid Waste Disposal

AMOUNT: \$37,000,000