

**CAPITAL PROGRAMS & CLIMATE FINANCING AUTHORITY (CPCFA)
BOND FINANCING PROGRAM**

Approval Date: February 20, 2026

***Request to Approve an Initial Resolution Reflecting Official Intent to Issue
Revenue Notes***

Prepared by: Morgan Matz

Applicant:	BHS Projects @ Napa, LLC and/or its affiliates
Project Location:	City of Napa (Napa County)
Amount Requested:	\$24,000,000
Application No.:	977 (SB)
Initial Resolution No.:	26-01

Summary. BHS Projects @ Napa, LLC and/or its affiliates (the “Company”) requests approval of an Initial Resolution for an amount not to exceed \$24,000,000 in tax-exempt notes. The Company will use the note proceeds to assist with costs related to the development and construction of a new organic waste processing and renewable natural gas (RNG) production facility located in Napa (the “Project”).

Borrower. The Company, which was organized in California on January 9, 2026, and created specifically for this project, is a limited liability company contracted with the city of Napa and Napa Recycling and Waste Services (NRWS). The Company employs approximately 296 employees, qualifying it as a small business.

The Company is owned in its entirety by BHS Projects, LLC, which is itself owned in its entirety by Emerging Acquisitions LLC. The owners of Emerging Acquisitions LLC are as follows:

Steven A. Miller	93.39%
McGinnis-Loree Revocable Living Trust	<u>6.61%</u>
Total:	<u>100.00%</u>

The Company’s single key official is:

Steven A. Miller	Manager
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Legal Questionnaire. CPCFA staff has reviewed the Company’s responses to the questions contained in the Legal Status Questionnaire portion of the Application. The Borrower stated that it had nothing to disclose regarding any legal, regulatory, or investigative action that would materially impact the financial viability of the project or applicant or that involved fraud, corruption, or health and safety issues. Staff also conducted an online search and found nothing of note.

Project Description. Note proceeds will be used to design, build, and operate a system that converts organic waste into RNG. The Company is acting under contract with the city of Napa and NRWS to build and operate this system with an initial term of 20 years and two possible 5-year extensions. The RNG produced by the project will be used primarily by the city of Napa and NRWS, and excess RNG will be transported offsite to a pipeline injection point for use by other companies.

Volume Cap Allocation. The Company anticipates applying to the California Debt Limit Allocation Committee via CPCFA for a volume cap allocation in the second or third quarter of 2026.

Financing Details. The Company anticipates the issuance of negotiated tax-exempt notes. The target date for financing is anticipated to be within the second or third quarter of 2026.

Financing Team.

Investment Banker: Piper Sandler & Co.
Note Counsel: Orrick, Herrington & Sutcliffe, LLP
Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends the approval of Initial Resolution No. 26-01 for BHS Projects @ Napa, LLC and/or its affiliates for an amount not to exceed \$24,000,000.

Pursuant to CPCFA Resolution 25-01-001, Resolution of the Capital Programs & Climate Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings an initial resolution may be approved by the CPCFA Executive Director and then reported to the Authority Board at the next subsequent meeting.

Note: An Initial Resolution approval is not a commitment that the Capital Programs & Climate Financing Authority will approve a Final Resolution and bond financing of the proposed Project.

Any information in this staff report related to the borrower or the project, including any data or analysis related to the borrower's financial condition or ability to repay the financing, is based on information provided by the borrower and was prepared solely for members of the Authority's Board to satisfy certain provisions of the Capital Programs and Climate Financing Authority Act (Division 27 (commencing with Section 44500) of the Health and Safety Code). This staff report does not constitute a recommendation by the Authority to purchase the bonds or notes. Potential investors are advised to read the entire preliminary official statement, preliminary limited offering memorandum, or other offering document, as applicable, with respect to the bonds or notes to obtain information essential to the making of an investment decision.

**RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS OR NOTES TO
FINANCE SOLID WASTE DISPOSAL FACILITIES FOR
BHS PROJECTS @ NAPA, LLC AND/OR ITS AFFILIATES**

February 20, 2026

WHEREAS, the Capital Programs and Climate Financing Authority (“Authority”), a public instrumentality of the State of California (the “State”), is authorized and empowered by the provisions of the Capital Programs and Climate Financing Authority Act (Division 27 (commencing with Section 44500) of the Health and Safety Code) (“Act”) to issue bonds, notes, or other debt obligations for the purpose of defraying the cost of facilities and equipment for the disposal of solid or liquid waste products including resource recovery and energy conversion facilities, to prevent, reduce, or eliminate environmental pollution, remediate contamination, enable alternative and renewable sources of energy, and encourage beneficial reuse; and

WHEREAS, BHS Projects @ Napa, LLC, an Oregon limited liability company (the “Applicant”), and/or its affiliates (collectively, the “Company”) has submitted an application (the “Application”) requesting that the Authority assist in the financing or refinancing of the construction of facilities and acquisition of equipment for collection, processing, recycling, transportation, and disposal of solid waste, as more fully described in the Application (collectively, the “Project”) to be owned and operated by the Company, and have presented an estimate of the maximum cost of such Project as shown in Exhibit “A” attached hereto; and

WHEREAS, the Authority desires to encourage the Company to provide solid waste disposal and resource recovery facilities and equipment that will serve the public of the State; and

WHEREAS, 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 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 bonds or notes in an amount not expected to exceed \$24,000,000 will be issued and that certain of the proceeds of such bonds or notes will be used to reimburse the Company for its prior expenditures associated with 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 the proceeds of a subsequent borrowing;

NOW, THEREFORE, BE IT RESOLVED by the Capital Programs and Climate 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 \$24,000,000 principal amount of bonds or 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 bonds or notes.

Section 3. The bonds or notes shall 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 bond or note, consistent with the Act, 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 of any local agency is pledged to the payment of the principal of, premium, if any, or any interest on this [bond][note]."

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; (iii) a Final Resolution shall have been received from the Authority; and (iv) to the extent required, 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 of the Authority is hereby authorized 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 to 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 bonds or 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 three years after the approval date unless prior to such date the Authority or its Executive Director or its Deputy Executive Director specifically adopts a further resolution extending the effective date of this Resolution. The Authority will consider such extension 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: 26-01
LOCATION: 820 Levitin Way, Napa, CA 94558
TYPE: Solid Waste Disposal
AMOUNT: Up to \$24,000,000