

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: November 17, 2015**

*Request to Approve Final Resolution Authorizing the
Issuance of Revenue Bonds, Small Business Assistance Fund (SBAF)
Costs of Issuance Assistance and Tax-Exempt
Volume Cap Allocation*

Prepared by: *Andrea Gonzalez*

Applicant:	Eco-Modity LLC and/or its Affiliates	Amount Requested:	\$6,145,000
		Application No.:	878(SB)
		Final Resolution No.:	548
Project Location:	City of Commerce (Los Angeles County), City of Los Angeles (Los Angeles County), City of Industry (Los Angeles County), City of Fresno (Fresno County), Union City (Alameda County), City of San Leandro (Alameda County), City of Oakland (Alameda County), City of Hayward (Alameda County), City of San Diego (San Diego County)	Prior Actions:	IR 14-06 approved 11/18/2014

Summary. Eco-Modity LLC and/or its Affiliates (the “Company”) requests approval of a Final Resolution and Volume Cap Allocation for an amount not to exceed \$6,145,000 to finance facility improvements and the acquisition of equipment, as well as the purchase of transport vehicles.

The Company also requests approval of a Small Business Assistance Fund Resolution not to exceed \$182,520.

Borrower. Eco-Modity LLC was organized in California on December 20, 2012. The Company is the largest independent mattress recycler in California and is a leading innovator of mattress recycling services. The Company currently disassembles over 12,000 mattresses and box springs each month which would otherwise be landfilled. Over 90% of the materials collected are reused to manufacture non-mattress related products.

The principal stockholders of the Company are as follows:

Tchad Robinson	52%
Silas Myers	7%
Rani Aliahmad	7%

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Dr. Ron Lascoe	5%
Brian Massey	5%
Mark Marcus	4%
James I. Cash	3%
Various (less than 3%)	<u>17%</u>
Total:	<u>100%</u>

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

TEFRA. The TEFRA hearing was held on [November 12, 2015]. 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 \$7,290¹ at closing.

SBAF Assistance. The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$182,520.

Prior Financings. No prior financing.

Project Description. The Company plans to make facility improvements and purchase equipment to expand its existing facility in Los Angeles County and open new facilities (transfer stations) in Alameda, Fresno, and San Diego Counties. The Company plans on financing the purchase of equipment including the acquisition of balers, a shredder, conveyors and various material sorting components to separate and process used mattresses. Bond proceeds will also be used to purchase vehicles to transport used mattresses from customer facilities and Company operated transfer stations.

The anticipated project and issuance costs are listed below:

Acquisition and Installation of New Equipment	\$4,240,000
Rehabilitation of Existing Building	125,000
Legal, Permits, etc.	650,000
Bond Issuance Expenses	122,900
Interest During Construction	337,975
Reserve Fund	614,500
Project Contingency	<u>54,625</u>
Total	<u>\$6,145,000</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.

¹ Administrative Fee: Volume Cap Allocation eligible projects: .002 (2/10 of 1%) of total amount of bonds issued. The application fee is deducted from the administrative fee.

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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 bond documents, that all assets purchased with bond 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 Company commenced equipment acquisitions in October and anticipates completion of acquisition in December of 2015.

Local Government. The Company received a letter of support from Gina Nila, Deputy Director of Public Works Operations with the City of Commerce (Attachment A).

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

Air and Water Quality. According to a 2012 Mattress and Box Spring Case Study commissioned by the California Department of Resources Recycling and Recovery, recycling mattresses will offset greenhouse gas emissions associated with the landfilling of mattresses. Also, manufacturing products from recycled materials typically generates less air and water pollution than manufacturing from new materials.

Recycling of Commodities. The applicant's facility will be the first fully automated mattress and box spring recycling facility in the country and is anticipated to process approximately 1.2 million units per annum commencing January 1, 2016. Typically, discarded mattresses are disposed of in landfills. Only a few are manually disassembled and component parts recycled. A new law passed in 2013 (SB 254) requires that retail mattress purchasers pay a recycling fee at time of purchase which will be collected by the Mattress Recycling Council and, in turn, paid to designated recyclers in California as compensation for collecting, transporting and recycling the resulting materials. The units recycled will be added to waste collection and processing companies' diversion rates for those which participate in the program when aggregating units for Blue Marble to collect and process. The materials in the units which will be sold for repurposing are metal, polyurethane foam, wood and cotton (pillow top quilt).

Safety and Compliance. The Company's facilities will comply with all applicable state and federal environmental regulations regarding solid waste disposal. The federal Resource Conservation and Recovery Act (RCRA), the California Integrated Waste Management Act of 1989 (AB 939) and the California Global Warming Solutions Act (Chapter 488, Statutes of 2006), as adopted in Assembly Bill 32 Scoping Plan, all mandate the reduction of debris to landfill and an increase in debris recycling, both of which the project will achieve.

Tax Revenues. The Company anticipates that the following approximate tax revenues will be generated by the project annually:

Real and Unsecured County Property Taxes \$40,000 per year

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State and Federal Payroll Taxes	\$250,000 per year
Sales Taxes	\$330,000 one time

Jobs. The Company anticipates creating 35 new full time and 10 equipment installation related jobs.

Permitting and Environmental Approvals. The Company represents that no discretionary permits or approvals are required for the development of this project.

Financing Details. The Company anticipates a private placement of fixed-rate tax-exempt bonds with Oppenheimer Asset Management, which is a Qualified Institutional Buyer (QIB) as defined in SEC Rule 144 under the Securities Act of 1933, in minimum denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof. Additionally, the bonds will have a restriction on transfer to QIBs and require an investor letter. The target date for financing is November 19, 2015.

Financing Team.

Placement Agent: Westhoff, Cone & Holmstedt
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of Final Resolution No. 548 and Volume Cap Allocation Resolution No. 12-141-05 for an amount not to exceed \$6,145,000, and a SBAF Resolution in an amount not to exceed \$182,520 for Eco-Modity LLC and/or its Affiliates.



City of Commerce

Public Works & Development Services Department

November 2, 2015

Ms. Renée Webster-Hawkins
Executive Director
California Pollution Control Financing Authority
915 Capitol Mall, Room 457
Sacramento, CA 95814

RE: California Pollution Control Financing Authority, Exempt Facility Approvals
Blue Marble Materials Project

Dear Ms. Webster-Hawkins:

I understand that Blue Marble Materials, a mattress recycling company located in the City of Commerce is awaiting approval from the California Pollution Control Financing Authority ("CPCFA") from their meeting in November. Mr. Tchad Robinson of Blue Marble Materials explained their business plan and project expansion concept and provided a tour of their facility to representatives of Los Angeles County and myself on behalf of the City of Commerce when exploring financing opportunities earlier through the Los Angeles Recycling Market Development Zone (RMDZ). I am pleased that Blue Marble Materials is now ready for final approval of their financing.

The business expansion is expected to increase the capacity of the Company's current operations, establish Commerce as their major processing facility for materials received from throughout the State, and increase the number of jobs created in Commerce. I understand that in order to receive approval for the issuance of tax exempt bonds that CPCFA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

The City of Commerce supports waste diversion and reuse activities and green businesses such as Blue Marble Materials and appreciates your support and approval. Thank you.

Sincerely,

Gina Nila
Deputy Director of Public Works Operations

**FINAL BOND RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING OF SOLID WASTE DISPOSAL
FACILITIES AND EQUIPMENT FOR
ECO-MODITY LLC AND/OR ITS AFFILIATES**

November 17, 2015

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of Eco-Modity LLC, a California limited liability company (the “Borrower”), for financial assistance to finance the acquisition, construction, rehabilitation, renovation, installation, improvement and equipping of solid waste disposal facilities, located in Los Angeles County, Fresno County, Alameda County, and/or San Diego County, and all as more particularly described in the Term Sheet (the “Term Sheet”) attached hereto as Exhibit A 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 \$6,145,000 to assist in the financing of the Project; and

WHEREAS, the proceeds of such revenue bonds will be loaned to the Borrower under a loan agreement with the Authority; and

WHEREAS, final approval of the terms of such revenue bonds and certain documents relating to such revenue bonds is now sought; 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;

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, designated as the “California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (Blue Marble Materials Project), Series 2015” (the “Bonds”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$6,145,000 are hereby authorized to be issued. The Bonds may be issued at one time, or

from time to time, in one or more 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 finance the Project (including, without limitation, reimbursing the Borrower for costs incurred for the Project prior to the issuance of the Bonds), and to pay a portion of the 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 [December 31, 2015], by negotiated sale, at such price, 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 Private Placement Agreement.

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”); and
- iii. a private placement agreement relating to the Bonds (the “Private Placement Agreement”) among the Authority, the Treasurer of the State of California and the placement agent named in the Term Sheet (the “Placement Agent”), and 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 in the case of the Loan Agreement, the Indenture, and the Private Placement Agreement.

Section 5. 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 Affiliates of such 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 6. 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.

Section 7. 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

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hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York, on behalf of the Placement Agent 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 The Depository Trust Company, on behalf of the Placement Agent thereof, upon payment of the purchase price thereof.

Section 8. The Authority hereby dedicates and confirms its allocation to the Bonds of \$6,145,000 of a portion of the 2012 State Ceiling on qualified private activity bonds as previously received from the California Debt Limit Allocation Committee and carried forward by the Authority to finance certain costs of the Project and to pay certain costs of issuance of the Bonds, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Bonds.

Section 9. 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 remarketing of the Bonds, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement, and the Private Placement Agreement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including, without limitation, any certifications and one or more tax certificates.

Section 10. 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” adopted by the Authority on January 21, 2014, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

Section 11. 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 12. This Resolution shall take effect immediately upon its passage. 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.

EXHIBIT A

TERM SHEET

Name of Issue: California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (Blue Marble Materials Project), Series 2015 (the “Bonds”)

Maximum Amount of Issue: \$6,145,000

Issuer: California Pollution Control Financing Authority (the “Authority”), Sacramento, CA

Borrower: Eco-Modity LLC and/or its Affiliates

Trustee: UMB Bank, N.A.

Placement Agent: Westhoff, Cone & Holmstedt

Initial Purchaser: Oppenheimer Asset Management

Bond Counsel: Orrick, Herrington & Sutcliffe LLP, San Francisco, CA

Project: The Bond proceeds will finance the acquisition, construction, rehabilitation, renovation, installation, improvement and equipping of facilities and equipment for the processing of solid waste expected to be located in one or more of the following locations: (a) Los Angeles County, California at (1) 6040 Bandini Blvd, Commerce, California 90040, (2) 6050 Rickenbacker Road, Commerce, California 90040, (3) 1614-1616 Perrino Place, Los Angeles, California 90023, (4) 17651 Railroad Street, Industry, California 91748, (5) 4936-4950 Triggs Street, Unit C, Commerce, California 90040, (6) 6141-6195 Randolph Street, Commerce, California 90040; (b) Fresno County, California at (1) 2702 S. Maple Avenue, Fresno, California 93725, (2) 3234 S. East Avenue, Fresno, California 93725, (3) 5310 E. Home Avenue, Fresno, California 93727, (4) 2929 S. Angus Avenue, Unit C, Fresno, California 93725, (5) 2929 S. Granite Court, Fresno, California 93725, (6) 2945-2965

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S. Angus Avenue, Fresno, California 93725, (7) Elm Avenue Industrial Park, Building F, Fresno, California 93706, (8) 3145 S. Northpointe Drive, Building 3, Fresno, California 93725, (9) North Pointe Business Park, Fresno, California 93725, (10) 2898 S. Orange Avenue, Fresno, California 93725, (11) 2867 S. East Avenue, Fresno, California 93725; (c) Alameda County, California at (1) 30420 Whipple Road, Union City, California 94587, (2) 4005 Whipple Road, Union City, California 94587, (3) 2885 Volpey Way, Union City, California 94587, (4) 1550 Pacific Street, Union City California, 94587, (5) 2277 National Avenue, Hayward, California 94545, (6) 1501 Doolittle Drive, Unit G, San Leandro, California 94577, (7) 2211 Frederick Street, Oakland, California 94606, (8) 30973 Santana Street, Hayward, California 94544, (9) 23119 Eichler Street, Hayward, California 94545; and (d) San Diego County, California at 4686 Mercury Street, San Diego, California 92111.

Maximum Bond Term:	Not to exceed 30 years
Type of Sale:	Private placement
Description of Minimum Denominations:	\$250,000 or any integral multiple of \$5,000 in excess thereof; provided, however, that in the event of the receipt of an investment-grade rating of the Bonds by a nationally recognized securities rating agency, minimum denominations may be lowered to \$5,000, subject to confirmation by the Authority
Financing Structure:	Fixed Rate
Interest Rate:	8.25%
Other Credit Enhancement:	Not applicable
Anticipated Bond Rating:	Unrated
Type of Financing:	Solid waste disposal revenue bonds
Prepared by:	Anthony E. Cone, (925) 472-8750

**RESOLUTION OF THE CALIFORNIA
POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO ASSISTANCE FROM THE SMALL
BUSINESS ASSISTANCE FUND FOR
ECO-MODITY LLC AND/OR ITS AFFILIATES**

November 17, 2015

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has approved the application of Eco-Modity LLC (the “Borrower”) for financial assistance to finance the acquisition, construction, rehabilitation, renovation, installation, improvement and equipping of solid waste disposal facilities equipment (including without limitation reimbursing to the Borrower costs incurred for the Project as described in Initial Resolution No. 14-06 of the Authority adopted on November 18, 2014), all as more particularly described in Application No. 878(SB) of the Borrower (the “Project”) and has adopted its Resolution No. 548 (the “Final Resolution”) authorizing the issuance of revenue bonds to provide such financial assistance; and

WHEREAS, the Authority has established the Small Business Assistance Fund (the “Fund”) to assist small businesses to obtain pollution control financing through the issuance of tax-exempt revenue bonds (the “Bonds”); and

WHEREAS, the Authority has received and accepted an application from the Borrower for assistance from the Fund; 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 Borrower (as defined in the Final Resolution) is a “Small Business” as classified pursuant to Title 13 Code of Federal Regulations, Part 121, Subpart A (1-1-94 edition) or it has 500 employees or less, and is otherwise eligible for assistance from the Fund.

Section 2. The Project constitutes a “project” within the meaning of the California Pollution Control Financing Authority Act.

Section 3. The Authority hereby authorizes and approves up to \$182,520 of assistance from the Fund to the Borrower to be used for payment of certain costs of issuance of the Bonds. The actual amount of assistance shall be determined by the Executive Director of the Authority based upon the final terms of the sale of the Bonds.

Section 4. The Executive Director of the Authority is hereby authorized and directed, acting alone, 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 he or she may deem necessary or advisable in order to provide the assistance from the Fund and otherwise to effect the purposes of this resolution.

Section 5. 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.

THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

RESOLUTION NO. 12-141-05

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2012 STATE
CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN
EXEMPT FACILITY PROJECT**

WHEREAS, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from Eco-Modity LLC (“Project Sponsor”) for approval of the issuance of revenue bonds; and

WHEREAS, on November 17, 2015, CPCFA approved Final Resolution No. 548 (“Final Resolution”) authorizing the issuance of up to \$6,145,000 of its solid waste disposal revenue bonds (Blue Marble Materials Project) Series 2015 (“Bonds”); and

WHEREAS, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the project to CPCFA which were relied upon by CPCFA in approving the Final Resolution; and

WHEREAS, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to CPCFA a portion of the 2012 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC’s policies and procedures. Accordingly, capitalized terms not otherwise defined shall have the meanings ascribed to them in the “Procedures of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Procedures”); and

WHEREAS, it is appropriate for CPCFA to confirm the use of a portion of the 2012 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Bonds as set forth in the Final Resolution;

NOW, THEREFORE, CPCFA resolves as follows:

Section 1. CPCFA Allocation in the amount of \$6,145,000 is hereby dedicated to the issuance of the Bonds. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Bonds for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A, and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor and all its respective successors and assignees, will be bound by such terms and conditions.

Section 3. Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and shall require reconsideration by the CPCFA before the Allocation may be used for the Project.

Section 4. The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Bonds for the Project have been issued by CPCFA by the close of business on **December 31, 2015**. In a case of extreme hardship, the Deputy Executive Director or the Executive Director may extend this date by up to thirty (30) business days.

Section 5. Within twenty-four (24) hours of issuing the Bonds, CPCFA shall notify CDLAC via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Bonds have been issued. This notice shall identify the Project Sponsor, the project or program, the date and amount of the Bonds issued.

Section 6. Within fifteen (15) calendar days of the Bond closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting the appropriate completed Report of Action Taken in a form prescribed by and made available by CDLAC.

Section 7. Any differences between the amount of Bonds issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 4 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

Section 8. In consideration of the CPCFA Allocation dedicated in Section 1 of this resolution, the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, CPCFA shall ensure that the Bond documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 9. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by CDLAC or CPCFA.

Section 10. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 12-141-05
(AN EXEMPT FACILITY PROJECT)
EXHIBIT A

1. Project Sponsor: Eco-Modity LLC and/or its Affiliates
2. Application #: 878(SB)
3. Project User: Eco-Modity LLC and/or its Affiliates
4. Project Name: Blue Marble Materials
5. Location: (a) Los Angeles County, California at (1) 6040 Bandini Blvd, Commerce, California 90040, (2) 6050 Rickenbacker Road, Commerce, California 90040, (3) 1614-1616 Perrino Place, Los Angeles, California 90023, (4) 17651 Railroad Street, Industry, California 91748, (5) 4936-4950 Triggs Street, Unit C, Commerce, California 90040, (6) 6141-6195 Randolph Street, Commerce, California 90040; (b) Fresno County, California at (1) 2702 S. Maple Avenue, Fresno, California 93725, (2) 3234 S. East Avenue, Fresno, California 93725, (3) 5310 E. Home Avenue, Fresno, California 93727, (4) 2929 S. Angus Avenue, Unit C, Fresno, California 93725, (5) 2929 S. Granite Court, Fresno, California 93725, (6) 2945-2965 S. Angus Avenue, Fresno, California 93725, (7) Elm Avenue Industrial Park, Building F, Fresno, California 93706, (8) 3145 S. Northpointe Drive, Building 3, Fresno, California 93725, (9) North Pointe Business Park, Fresno, California 93725, (10) 2898 S. Orange Avenue, Fresno, California 93725, (11) 2867 S. East Avenue, Fresno, California 93725; (c) Alameda County, California at (1) 30420 Whipple Road, Union City, California 94587, (2) 4005 Whipple Road, Union City, California 94587, (3) 2885 Volpey Way, Union City, California 94587, (4) 1550 Pacific Street, Union City California, 94587, (5) 2277 National Avenue, Hayward, California 94545, (6) 1501 Doolittle Drive, Unit G, San Leandro, California 94577, (7) 2211 Frederick Street, Oakland, California 94606, (8) 30973 Santana Street, Hayward, California 94544, (9) 23119 Eichler Street, Hayward, California 94545; and (d) San Diego County, California at 4686 Mercury Street, San Diego, California 92111.
6. Private Placement Purchaser: Oppenheimer Asset Management
7. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$6,145,000