

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: December 15, 2015**

*Request for Final Resolution to Issue Refunding Revenue Notes,
Small Business Assistance Fund (SBAF) Cost of Issuance Assistance and
Request for Tax-Exempt Volume Cap Allocation Approval*

Prepared by: *Lyudmila Farbitnikova*

Applicant:	Recycling Industries, Inc. and/or its Affiliates	Final Resolution Amount Requested:	\$8,865,000
		Allocation Amount Requested:	\$2,650,000
		Application No.:	881(SB)
Project Location:	North Highlands (Sacramento County), Sacramento (Sacramento County), and Yuba City (Sutter County)	Final Resolution No.:	549

Summary. Recycling Industries, Inc. and/or its Affiliates (the “Company”) requests approval of a Final Resolution to issue revenue notes to refund the currently outstanding amount of \$6,215,000 California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Recycling Industries, Inc. Project) Series 2011 (the “Series 2011 Bonds”). The Company is also requesting Volume Cap Allocation approval for an amount not to exceed \$2,650,000 for new money revenue notes to finance the acquisition, construction, improvement, renovation, rehabilitation and/or installation of buildings, facilities and equipment.

In addition, the Company is requesting approval of a SBAF Resolution in an amount not to exceed \$172,400 to assist with the cost of issuance of this transaction.

Borrower. Recycling Industries, Inc. incorporated in California in August 1981. The Company offers material collection and processing services. Current operations include sorting and processing recyclable paper, cardboard, aluminum cans, glass bottles, plastic bottles and commingled recycle streams from municipal curbside recycle programs. The communities serviced include the greater Sacramento Region; San Joaquin, Sutter, Yuba, El Dorado, Placer, Yolo, and Nevada Counties. The Company has 89 employees.

Square One Records, Inc. and SM Watts LLC is an affiliate of Recycling Industries, Inc. The principal stockholders of the Company are as follows:

Recycling Industries, Inc.

W. Scott Kuhnen	50%
Michael Macardican	<u>50%</u>
Total:	<u>100%</u>

Square One Records, Inc.

W. Scott Kuhnen	50%
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Michael Macardican 50%
Total: 100%

SM Watts LLC

W. Scott Kuhnen 50%
 Michael Macardican 50%
Total: 100%

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 that raises questions concerning the financial viability or legal integrity of this applicant.

Prior Actions and Financings. Prior CPCFA financings that are currently outstanding are listed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of 12/01/15
Recycling Industries, Inc. Project, Series 2011	11/2/2011	\$7,265,000	\$6,215,000
TOTALS:		<u>\$7,265,000</u>	<u>\$6,215,000</u>

Background. The Company provides sorting and processing recycling services from municipal curbside recycle programs.

On November 2, 2011, CPCFA issued the Series 2011 Bonds in the amount of \$7,265,000. The Series 2011 Bonds financed the acquisition of land and buildings and necessary modifications for the solid waste transfer and recycling facility, and acquisition, construction, improvement, renovation, rehabilitation and/or installation of related facilities, vehicles, forklifts, loaders and other equipment, located at 4741 Watt Avenue, North Highlands, California 95660. Additionally, the Series 2011 Bonds financed the renovation and expansion of an existing building and related site improvements for an existing solid waste processing facility located in Yuba City as well as the acquisition and installation at that location of conveyors, loaders, balers, forklifts, maintenance vehicles and other related equipment.

Current Request. The Company requests approval of a Final Resolution for revenue notes in the amount of \$8,865,000, which will refund the currently outstanding amount of \$6,215,000 of Series 2011 Bonds and provide new funds of \$2,650,000 will to be used to finance site and building improvements including, but not limited to, paving and fencing of its North Highlands facility and to construct a transfer station at or directly adjacent to its recycling facility in Yuba City. The Yuba location costs will primarily be used for building construction and related site improvements sufficient to provide for the transfer of local municipal solid waste to a materials recovery facility (MRF) for further processing. Additionally, the proposed note financing will include both immediate and long term acquisition of various rolling stock and related equipment including, but not limited to, wheel loaders, forklifts, balers, and a crane loader. The equipment

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purchased with note proceeds could be used at any and all of the Company's four operating locations.

Local Government. The Company received a letter of support from Howard Schmidt, Chief of Staff for the County of Sacramento Board of Supervisors (Attachment A).

TEFRA. The TEFRA hearing was held on [December 10, 2015]. There were no comments received in support of or in opposition to this Project.

Fees. The Company has not paid an application fee for this transaction. Generally, an application fee is subtracted from the administrative fee amount at closing. In this case, the Company will pay the refunding administrative fee of \$12,430, and administration fee of \$5,300 on the new money, for a total of \$17,730 in fees at closing.

SBAF Assistance. The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$172,400.

Financing Details. The Company anticipates a private placement of variable rate tax-exempt notes with J.P. Morgan Chase Bank, N.A., 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 notes will have a restriction on transfer to QIBs and require an investor letter. The target date for financing is December 23, 2015.

Financing Team.

Municipal Advisor: Westhoff, Cone & Holmstedt

Bond Counsel: Orrick, Herrington & Sutcliffe

Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of Final Resolution No. 549 for an amount not to exceed \$8,865,000, Volume Cap Allocation Resolution No. 12-141-06 for an amount not to exceed \$2,650,000, and a SBAF Resolution in an amount not to exceed \$172,400 for Recycling Industries, Inc. and/or its affiliates.

Attachment A



SUSAN PETERS
SUPERVISOR, THIRD DISTRICT

Howard Schmidt
Chief of Staff

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Email: susanpeters@saccounty.net

BOARD OF SUPERVISORS
COUNTY OF SACRAMENTO
700 H STREET, SUITE 2450, SACRAMENTO CA 95814

December 3, 2015

Ms. Reneé 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
Recycling Industries, Inc. Project

Dear Ms. Webster-Hawkins,

I write to you today to express support for Recycling Industries, Inc. relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting in December.

This office has worked with the management of Recycling Industries, Inc. over the last few years in their development and permitting of their facility located at 4741 Watt Avenue, North Highlands, CA, in the Third Supervisorial District represented by Supervisor Susan Peters. Said facility performs an important and critical role in recycling waste material in Sacramento County. Without question, the operation provides a community benefit.

Continued success of Recycling Industries, Inc., and its operation is essential to this community and I understand their obtaining cost-effective financing through the CPCFA would be beneficial to the company which in turn would benefit this community. Accordingly, I urge favorable consideration on their application when the matter comes before the Authority in December. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Howard Schmidt", is written over a horizontal line.

Howard Schmidt
Chief of Staff to Supervisor Susan Peters

**FINAL NOTE RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING AND REFINANCING OF SOLID WASTE DISPOSAL
FACILITIES AND EQUIPMENT
FOR RECYCLING INDUSTRIES, INC.
AND/OR ITS AFFILIATES**

December 15, 2015

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of Recycling Industries, Inc., a California corporation (the “Borrower”), for financial assistance to finance or refinance the acquisition, construction, renovation and/or installation of various solid waste disposal facilities and related vehicles and equipment for the processing and disposal of solid waste, located in Sutter County and Sacramento County, and all as more particularly described in the Term Sheet (the “Term Sheet”) attached hereto as Exhibit A and incorporated herein (the “New Project”); and

WHEREAS, the Authority has previously issued its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Recycling Industries, Inc. Project) Series 2011 (the “Prior Bonds”); and

WHEREAS, the Borrower now wishes to refund the Prior Bonds; which were used to finance or refinance the acquisition, construction, renovation, and/or installation of various solid waste disposal facilities and related vehicles and equipment for the processing and disposal of solid waste, as more particularly described in the Term Sheet (the “Prior Project,” and together with the New Project, 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 \$8,865,000 to assist in the financing and/or refinancing of the Project and the refunding of the Prior Bonds; and

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

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

WHEREAS, the Borrower has provided documentation to the Authority demonstrating that the New Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a project under that division; and

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 (the “Act”).

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 (Recycling Industries, Inc. Project), 2015 Series A” (the “Notes”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$8,865,000 are hereby authorized to be issued. The Notes may be issued at one time, or from time to time, in one or more series 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 Notes shall be used to make a loan to the Borrower to finance and/or refinance the Project (including without limitation, reimbursing the Borrower for costs incurred for the New Project prior to the issuance of the Notes) and to pay a portion of the costs of issuance of the Notes.

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, 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 Purchase Agreement.

Section 4. The following documents:

- i. a Loan Agreement relating to the Notes between the Authority and the Borrower (the “Loan Agreement”);
- 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 agreement relating to the Notes among the Authority, the Treasurer of the State of California and the purchaser named in the Term Sheet (the “Purchaser”), and approved by the Borrower, (the “Purchase Agreement”);

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate) 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 Purchase 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 Notes shall be as provided in the Indenture, as finally executed.

Section 7. The Notes 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 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, respectively, 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 respective Purchasers, upon payment of the purchase price thereof.

Section 8. The Authority hereby dedicates and confirms its allocation to the Notes of \$2,650,000 of a portion of the 2012 State Ceiling on qualified private activity bonds as previously received, carried forward or to be received from the California Debt Limit Allocation Committee to finance and/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.

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 Notes, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement and the Purchase 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 Variable Rate Demand Solid Waste Disposal Revenue Notes (Recycling Industries, Inc. Project), 2015 Series A (the “Notes”)
Maximum Amount of Issue:	\$8,865,000
Issuer:	California Pollution Control Financing Authority (the “Authority”), Sacramento, CA
Borrower:	Recycling Industries, Inc.
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Underwriter:	Not applicable
Purchaser:	JPMorgan Chase Bank, N.A.
Note Counsel:	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
Remarketing Agent:	Not applicable
New Project:	<p>A portion of the CPCFA Note proceeds will finance or refinance the acquisition, construction, improvement, renovation, rehabilitation and/or installation of buildings, facilities and equipment for the handling, processing and/or recycling of solid wastes at the sites listed above in connection with the Prior Bonds, including construction of a new transfer station at or adjacent to Site #2 listed above. In addition to the two sites listed above, bond proceeds may be expended for similar improvements or equipment at two other sites owned or leased by the Company at:</p> <p>(3) 3300 Power Inn Road, Sacramento, California 95826; and</p> <p>(4) 389 Wilbur Avenue, Yuba City, California 95991</p> <p>Proceeds of the CPCFA Notes may be expended to</p>

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acquire rolling stock and related equipment, including but not limited to, wheel loaders, forklifts, balers and a crane loader, which may be located at any of the four sites listed above.

Prior Project:

A portion of such Note proceeds will refund a prior series of the Authority's revenue bonds issued in November, 2011 (the "Prior Bonds").

The Prior Bonds were used to finance the following projects:

(1) Acquisition of land and buildings and necessary modifications to provide a solid waste transfer and recycling facility, and acquisition, construction, improvement, renovation, rehabilitation and/or installation of related facilities, vehicles, forklifts, loaders and other equipment, all to be located at 4741 Watt Avenue, North Highlands, California 95660.

(2) Renovation and expansion of an existing building and related site improvements for an existing solid waste processing facility located at 140 Epley Drive, Yuba City, California 95991 and the acquisition and installation at that location of conveyors, loaders, balers, forklifts, maintenance vehicles and related equipment.

Maximum Note Term:

Not to exceed 30 years

Type of Sale:

Negotiated sale; private placement

Description of Minimum Denominations:

\$250,000 or any integral multiple of \$5,000 in excess thereof while in index interest rate mode

Financing Structure:

Index interest rate notes; convertible to term interest rate, or weekly variable rate with tender option pursuant to the Indenture; transferable in whole by Purchasers to either an affiliate of the Purchasers or, upon delivery of a purchaser letter, a "Qualified Institutional Buyer", as defined in Rule 144A of the Securities Act of 1933.

Maximum Interest Rate:

12% except after Event of Default or Event of Taxability while in Index Interest Rate Period

Letter of Credit:	Not applicable
Other Credit Enhancement:	Not applicable
Anticipated Note Rating:	Unrated
Type of Financing:	Solid waste disposal revenue notes
Prepared by:	Tony Cone, (925) 472-8750

THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

RESOLUTION NO. 12-141-06

**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 Recycling Industries, Inc. (“Project Sponsor”) for approval of the issuance of revenue notes; and

WHEREAS, on December 15, 2015, CPCFA approved Final Resolution No. 549 (“Final Resolution”) authorizing the issuance of up to \$2,650,000 of its solid waste disposal revenue notes (Recycling Industries, Inc. Project) 2015 Series A (“Notes”); 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 Notes as set forth in the Final Resolution;

NOW, THEREFORE, CPCFA resolves as follows:

Section 1. CPCFA Allocation in the amount of \$2,650,000 is hereby dedicated to the issuance of the Notes. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Notes 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 Notes, 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 Notes 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 Notes 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 Notes, CPCFA shall notify CDLAC via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Notes have been issued. This notice shall identify the Project Sponsor, the project or program, the date and amount of the Notes issued.

Section 6. Within fifteen (15) calendar days of the Notes closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Notes 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 Notes 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 Notes. 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 Notes 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. 12-141-06
(AN EXEMPT FACILITY PROJECT)
EXHIBIT A

1. Project Sponsor: Recycling Industries, Inc. and/or its Affiliates
2. Application #: 881(SB)
3. Project User: Recycling Industries, Inc. and/or its Affiliates
4. Project Name: Recycling Industries, Inc.
5. Location(s):
 - (a) Sacramento County:
 1. 4741 Watt Avenue, North Highlands, CA 95660,
 2. 3300 Power Inn Road, Sacramento, CA 95826;
 - (b) Sutter County:
 1. 140 Epley Drive, Yuba City, CA 95991,
 2. 389 Wilbur Avenue, Yuba City, CA 95991
6. Private Placement Purchaser: J.P. Morgan Chase Bank, N.A.
7. Private Placement Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$2,650,000

**RESOLUTION OF THE CALIFORNIA
POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO ASSISTANCE FROM THE SMALL
BUSINESS ASSISTANCE FUND FOR
RECYCLING INDUSTRIES, INC. AND/OR ITS AFFILIATES**

December 15, 2015

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has reviewed the application of Recycling Industries, Inc. (the “Borrower”) for financial assistance to finance and/or refinance the acquisition, construction, rehabilitation, renovation, installation, improvement and equipping of solid waste disposal facilities equipment (including without limitation reimbursing to the Borrower certain costs incurred for the Project as described in Application No. 881 (SB) of the Borrower (the “Project”) and has adopted its Resolution No. 549 (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”) to assist small businesses to obtain pollution control financing through the issuance of tax-exempt revenue notes (the “Notes”); 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 \$172,400 of assistance from the Fund to the Borrower to be used for payment of certain costs of issuance of the Notes. 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 Notes.

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.