

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: October 17, 2017**

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

Prepared by: Dmitri Godamunne

<b>Applicant:</b> ABEC Holdco I LLC and/or its affiliates	<b>Amount Requested:</b> \$1,929,000
<b>Location:</b> City of Buttonwillow (Kern County)	<b>Application No.:</b> 891(SB)
	<b>Final Resolution No.:</b> 17-01-563
	<b>SBAF Resolution No.:</b> 17-01-003
	<b>Prior Actions:</b> IR Approved June 22, 2016

**Summary.** ABEC Holdco I LLC and/or its affiliates (the “Company”) requests approval of a Final Resolution and Volume Cap Allocation for an amount not exceed \$1,929,000 and a Small Business Assistance Fund Resolution not to exceed \$160,864 to finance the construction of a covered lagoon digester and a one-megawatt power generation system located in Buttonwillow, CA. The Company anticipates that the project will provide waste diversion, air quality, water quality and recycling benefits.

**Borrower.** ABEC #2 LLC is a special purpose entity owned by California Bioenergy LLC. The Company has entered into the “Lease and Feed Stock Supply Agreement” with West-Star Dairy, a California General Partnership and owner of West-Star North Dairy. The lease allows ABEC #2 LLC to build, own and operate an anaerobic digester facility on the West-Star North Dairy to utilize the biogas for renewable electricity generation and export excess electricity (after internal use in the digester) to Pacific Gas & Electric Company (PG&E). The lease requires West-Star North Dairy to supply its manure to the anaerobic digester and to receive back and dispose of the processed manure effluent from the digester. The Company is a small business and has approximately three employees.

The principal stockholders of the Company are as follows:

California Bioenergy LLC	<u>100.00%</u>
<b>Total:</b>	<b><u>100.00%</u></b>

The owners of California Bioenergy LLC are as follows:

John Bidart	32.29%
Unigy Holdings LLC (N. Ross Buckenham)	26.79%
GO Ventures, LLC	25.54%
Neil Black	1.25%
MT-Energie USA, Inc.	9.16%
Others	<u>4.97%</u>
<b>Total:</b>	<b><u>100.00%</u></b>

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

**TEFRA.** The TEFRA hearing was held on April 13, 2017. There were no comments received in support of or in opposition to this Project.

**Fees.** The Company has paid an application fee of \$2,000 and will pay an administrative fee of \$1,858 at closing.

**SBAF Assistance.** The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$160,864.

**Prior Financings.** No prior financings.

**Project Description.** The Company will utilize note proceeds to build a Covered Lagoon Digester and one-megawatt generation system located at West-Star North Dairy in Buttonwillow, CA. The biogas produced will be stored under an inflatable cover located over lagoons and converted into renewable electricity that will be exported and sold to PG&E. In the future, the biogas may be upgraded to bio-methane and used as a fuel or for pipeline injection.

The anticipated project and issuance costs are listed below:

Construction of Digester	\$1,821,420
Engineering/Architecture	\$69,000
Note Issuance Expenses	\$38,580
<b>TOTALS</b>	<b><u>\$1,929,000</u></b>

*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. 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 project is expected to be operational by December 1, 2017.

**Local Government.** The Company received letters of support from Rudy Salas, Jr., Assemblymember, Thirty-Second District and Jean Fuller, Senator, Sixteenth District (see Attachment A).

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

**Air Quality.** The digester facility improvements are designed to reduce hydrogen sulfide and odor emissions. In addition, the facility will reduce methane (VOC) emissions.

**Water Quality.** The digester is Regional Water Quality Control Board (RWQCB) Tier 1 double lined containment system that is engineered to prevent leakage of manure water.

**Energy Efficiency.** The captured methane will be used to generate electricity to power the project (station load) and for export to the local utility as renewable electricity.

**Recycling of Commodities.** The Company will recycle 100% of the digested manure water back to the dairy for use as fertilizer or dairy feed crops.

**Jobs.** The facility will require three new employees and 12 jobs during the construction period.

**Taxes.** The Company anticipates that the following approximate tax revenues will be generated by the Project:

Payroll Taxes, State and Federal	\$27,000 annually
Personal & Property Taxes	\$50,000 annually
Sales Tax	\$150,000 one time

**Permitting and Environmental Approvals.** The Company will be financing building and site improvements and purchasing equipment for its existing locations. The Company represents that no additional discretionary permits or approvals are required for the development of this project. The project is consistent with existing zoning and permits.

- The Planning and Community Development Department of Kern County has completed its review and has determined that the proposed project design is consistent with the criteria specified in the County’s ordinance, zoning approval for building permits to implement such a development under Sections 19.12.020.E and 12.12.130.G.
- The San Joaquin Valley Air Pollution Control District has performed engineering evaluations for the project. Based upon its review, the project involves negligible expansion of the existing use, and the activity is not expected to have a significant impact on the environment. Therefore, the activity is categorically exempt from the provisions of California Environmental Quality Act of 1970 (CEQA) pursuant to CEQA Guideline 15031 (Existing Facilities).
- The San Joaquin Valley Air Pollution Control District has issued to ABEC #2 LLC dba West Star North Dairy Biogas an “Authority to Construct” an anaerobic digester system with covered lagoon and two 1,468 bhp digester gas-fired internal combustion engines.

**Financing Details.** The Company anticipates a direct purchase of negotiated, fixed rate tax-exempt notes by Caterpillar Financial Services Corporation which is an Institutional Accredited Investor as defined in paragraph (1), (2) or (3) of subsection (a) of Section 501 of Regulation D promulgated under the Securities Act of 1933, as amended (an “Institutional Accredited Investor”). Subsequent to the initial issuance of such notes, such notes may only be redeemed or otherwise transferred, in minimum denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof. Additionally, such notes will have a restriction on transfer to QIBs or other Institutional Accredited Investors and require an investor letter. The target date of financing is December 1, 2017.

**Financing Team.**

**Placement Agent:** The Frazer Lanier Company  
**Note Counsel:** Law Offices of Leslie M. Lava  
**Issuer’s Counsel:** Office of the Attorney General  
**Trustee:** The Bank of New York Mellon Trust Company, N.A.  
**Note Purchaser:** Caterpillar Financial Services Corporation

**Staff Recommendation.** Staff recommends approval of Final Resolution No. 17-01-563 and Volume Cap Allocation Resolution No.14-147-12 for an amount not to exceed \$1,929,000, and a SBAF Resolution No. 17-01-003 in an amount not to exceed \$160,864 for ABEC Holdco I LLC and/or its affiliates.

Attachment A

STATE CAPITOL  
P.O. BOX 842849  
SACRAMENTO, CA 94249-0062  
(916) 319-2032  
FAX (916) 319-2132



**RUDY SALAS, Jr.**  
ASSEMBLYMEMBER, THIRTY-SECOND DISTRICT

COMMITTEES  
CHAIR: ACCOUNTABILITY AND ADMINISTRATIVE REVIEW  
AGRICULTURE  
GOVERNMENTAL ORGANIZATION  
VETERANS AFFAIRS  
  
SELECT COMMITTEES  
CHAIR: REGIONAL APPROACHES TO ADDRESSING THE STATE'S WATER CRISIS  
CHAIR: WORKFORCE AND VOCATIONAL DEVELOPMENT IN CALIFORNIA  
CYBERSECURITY  
DIGITAL DIVIDE IN RURAL CALIFORNIA  
EXPANDING ACCESS TO CALIFORNIA'S NATURAL RESOURCES  
LOCAL EMERGENCY PREPAREDNESS  
RAIL  
WASTE REDUCTION AND RECYCLING IN THE 21<sup>ST</sup> CENTURY CALIFORNIA

September 29, 2016

Ms. Renee Webster-Hawkins  
Executive Director  
California Pollution Control Financing Authority  
801 Capitol Mall, room 150  
Sacramento, CA 95814

**RE: CDFA Dairy Digester Research and Development Program**

Dear Ms. Webster-Hawkins,

I am writing to express my support for California Bioenergy LLC (CalBio) in its role as project developer on multiple submissions to the California Pollution Control Financing Authority. CalBio, a dairy biogas developer, has built partnerships with a number of the largest and most innovative dairy farms in the 32<sup>nd</sup> Assembly district, which I represent. CalBio has assembled a team proven in developing California dairy digesters bringing together each of the following projects to enhance industry knowledge:

- Carlos Echevarria & Sons Dairy Biogas Project
- Lakeview Farms Dairy Biogas
- West Star North Dairy Biogas Project

These projects are CEQA and shovel-ready and will support economic development and job creation in some of California's most disadvantaged communities. CalBio deploys a proven team and, as a result of the concentrated geography, the projects will bring economies of scale to their operations and management.

For all of the foregoing reasons, I strongly support the proposed projects. This groundbreaking effort is a unique opportunity to dramatically accelerate the commercialization of dairy digester technology in California. If you have any questions regarding my support, please do not hesitate to contact me at (916) 319-2032.

Sincerely,

RUDY SALAS  
Assemblymember, 32<sup>nd</sup> AD

RS/m

DISTRICT OFFICE: KERN COUNTY DISTRICT 1490 TRUXTON AVENUE, SUITE 803 • BAKERSFIELD, CA 93301 • (661) 895-0302 • FAX (661) 835-0361  
KINGS COUNTY DISTRICT 113 COURT STREET, SUITE 201 • HANFORD, CA 93230 • (559) 685-7170 • FAX (559) 685-7176

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 OUTDOOR SPORTING CAUCUS  
 CO-CHAIR  
 INLAND SOUTHERN  
 CALIFORNIA CAUCUS  
 RURAL CAUCUS  
 VALLEY CAUCUS  
 WOMEN'S CAUCUS  
 BOARDS:  
 WILDLIFE CONSERVATION  
 BOARD  
 STATE ALLOCATION BOARD

California State Senate



JEAN FULLER  
 SENATOR, SIXTEENTH DISTRICT

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 STANDING COMMITTEES  
 RULES  
 VICE CHAIR  
 ENERGY, UTILITIES &  
 COMMUNICATIONS  
 VICE CHAIR  
 PUBLIC EMPLOYMENT  
 RETIREMENT SYSTEM  
 NATURAL RESOURCES &  
 WATER  
 SELECT COMMITTEES-  
 AUTISM & RELATED  
 DISORDERS  
 CALIFORNIA PORTS &  
 GOODS MOVEMENT  
 CLIMATE CHANGE & AB 32  
 IMPLEMENTATION  
 DEFENSE & AEROSPACE  
 EMERGING TECHNOLOGY  
 BIOTECHNOLOGY & GREEN  
 ENERGY JOBS  
 THE SACRAMENTO-  
 SAN JOAQUIN DELTA  
 SUBCOMMITTEES  
 ENERGY, UTILITIES &  
 COMMUNICATIONS-  
 SUBCOMMITTEES ON GAS &  
 ELECTRIC INFRASTRUCTURE  
 SAFETY  
 JOINT COMMITTEES-  
 LEGISLATIVE AUDIT  
 RULES  
 BUDGET

February 17<sup>th</sup>, 2015

Honorable Karen Ross  
 Secretary, California Department of Food and Agriculture  
 1220 N Street  
 Sacramento, CA 95814

RE: CDFA Dairy Digester Research and Development Program

Dear Secretary Ross:

As the California Department of Food and Agriculture continues its review of Dairy Digester Research and Development Program, I wanted to communicate my support of California Bioenergy LLC (CalBio) in its role as a project developer. CalBio, a dairy biogas developer, has built partnerships with a number of the largest and most innovative dairy farms in my district. Together, these project teams are seeking grant funding to construct four shovel-ready, double-lined lagoon digester projects in California's Central Valley. CalBio has assembled a team proven in developing California dairy digesters and each project will also enhance industry knowledge:

**Carlos Echevarria & Sons Dairy Biogas Project**, in Bakersfield, will produce approximately 7.6 million kWh per year of electricity with planned export to PG&E. In addition, the project will demonstrate a Combined Heat and Power (CHP) system that will use engine waste heat, via an absorption chiller, to cool milk.

**Lakeview Farms Dairy Biogas**, in Bakersfield, located roughly eight miles from the Carlos Echevarria & Sons Dairy, will convert an estimated 785,120 pounds of manure per day into approximately 6.7 million kWh per year of electricity exported to PG&E. It will also help anchor a planned centralized Renewable Compressed Natural Gas (RCNG) facility that will serve a cluster of Bakersfield dairies, integrating electricity generation and fuel production into a stronger financial and environmental offering.

**Stockdale Dairy Biogas** is a defunct dairy digester facility in Bakersfield, California that currently vents 60,000 scf per day of renewable biogas. This project will restore functionality to the digester by replacing the failed generator with a 600-kW engine to export 1.1 to 1.6 million kWh of renewable electricity per year to PG&E. This facility is a "super peaker" plant that will store

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biogas under its expandable digester cover. It will then concentrate electricity production based on when it is needed by the grid, reflecting the Time of Delivery schedule.

**West Star North Dairy Biogas Project**, in nearby Buttonwillow, will export an estimated 7.6 million kWh per year of electricity to PG&E. The facility will demonstrate a double-cell lagoon digester specially designed to prepare the facility for co-digestion. In addition, the project is being designed to compete in the utilities' 2016 AB2514 energy storage solicitations, turning dairy biogas into an asset to complement intermittent solar and wind.

These projects are CEQA- and shovel-ready and will support economic development and job creation in some of California's most disadvantaged communities. CalBio deploys a proven team and, as a result of the concentrated geography, the projects will bring economies of scale to the operations and management. The four projects additionally provide nutrient-rich irrigation water in an improved plant-adsorbable form and virtually eliminate methane emissions, converting waste to renewable energy.

I strongly encourage CDFA's support of CalBio and these proposed projects. This groundbreaking effort is a unique opportunity to dramatically accelerate the commercialization of dairy digester technology in California. If you have any questions at all about my support for this project, please contact me.

Sincerely,



Jean Fuller  
California State Senate  
16<sup>th</sup> District

JF:jaf

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STATE CAPITOL  
P.O. BOX 942849  
SACRAMENTO, CA 94249-0032  
(916) 319-2032  
FAX (916) 319-2132

Assembly  
California Legislature



RUDY SALAS, Jr.  
ASSEMBLY MEMBER, THIRTY-SECOND DISTRICT

February 17, 2015

Honorable Karen Ross  
Secretary, California Department of Food and Agriculture  
1220 N Street  
Sacramento, CA 95814

**RE: CDFA Dairy Digester Research and Development Program**

Dear Secretary Ross:

I am writing to express my support for California Bioenergy LLC (CalBio) in its role as project developer on multiple submissions to the California Department of Food and Agriculture's *Dairy Digester Research and Development Program*. CalBio, a dairy biogas developer, has built partnerships with a number of the largest and most innovative dairy farms in the 32<sup>nd</sup> Assembly district, which I represent. Together, these project teams are seeking grant funding to construct four double-lined lagoon digester projects in California's Central Valley. CalBio has assembled a team proven in developing California dairy digesters bringing together each of the following projects to enhance industry knowledge:

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These projects are CEQA and shovel-ready and will support economic development and job creation in some of California's most disadvantaged communities. CalBio deploys a proven team and, as a result of the concentrated geography, the projects will bring economies of scale to their operations and management.

For all of the foregoing reasons, I strongly support the proposed projects. This groundbreaking effort is a unique opportunity to dramatically accelerate the commercialization of dairy digester technology in California. If you have any questions regarding my support, please do not hesitate to contact me at (916) 329-3032.

Sincerely,

RUDY SALAS  
Assemblymember, 32<sup>nd</sup> AD

RS/tm

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ADMINISTRATIVE REVIEW  
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CALIFORNIA'S HIGH TECHNOLOGY  
COMMUNITY COLLEGES  
PRIVACY

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Final Resolution No. 17-01-563  
Application No. 891(SB)

**FINAL RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
AUTHORIZING THE ISSUANCE OF REVENUE NOTES FOR  
NEW MONEY PURPOSES FOR THE  
SOLID WASTE DISPOSAL FACILITIES AND EQUIPMENT  
OF ABEC HOLDCO I LLC AND/OR ITS AFFILIATES**

**October 17, 2017**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of ABEC Holdco I LLC (the “Borrower”) for financial assistance to finance or refinance the acquisition, construction and/or installation of facilities and equipment for a dairy manure digester and renewable energy facility, located at 26953 Riverside Street, Buttonwillow, Kern County, 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 \$1,929,000 to assist in the financing or refinancing of the Project; 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 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 (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 Notes (ABEC #2 LLC Project) Series 2017B” (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 \$1,929,000, 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.

**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, 2017, by negotiated sale, at such price and at such interest rate or rates as he 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;

(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 of the State of California, as agent for sale, and the lender 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.** 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 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 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 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 8.** The Authority hereby dedicates and confirms its allocation to the Notes of \$1,929,000 of a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, 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.

**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 or delivery of the Notes, and otherwise to effectuate the 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 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 19, 2016, 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 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 Solid Waste Disposal Revenue Notes (ABEC #2 LLC Project) Series 2017B (the “Notes”)

**Maximum Amount of Issue:** \$1,929,000 (tax-exempt)

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

**Borrower:** ABEC Holdco I LLC  
Visalia, California

**Purchaser:** Caterpillar Financial Services Corporation  
Nashville, Tennessee

**Note Counsel:** Leslie M. Lava, Esq.  
Tiburon, California

**Trustee:** The Bank of New York Mellon Trust Company, N.A.  
Birmingham, Alabama

**Underwriter:** Not applicable

**Remarketing Agent:** Not applicable

**Project:** Finance or refinance the acquisition, construction and/or installation of facilities and equipment for a dairy manure digester and renewable energy facility, located at 26953 Riverside Street, Buttonwillow, Kern County, California.

**Maximum Note Term:** Not to exceed 20 years

**Type of Sale:** Negotiated sale; direct purchase by Purchaser

**Description of Minimum Denominations:** \$250,000 or any integral multiple of \$5,000 in excess thereof

<b>Financing Structure:</b>	Fixed rate notes; transferrable by Purchaser to either an affiliate of the Purchaser or, upon delivery of a letter of representation, a “Qualified Institutional Buyer”, as defined in Rule 144A of the Securities Act of 1933, as amended (the “Securities Act”), or an “accredited investor” as defined in paragraphs (1) through (3) of subsection (a) of Section 501 of Regulation D promulgated under the Securities Act
<b>Maximum Interest Rate:</b>	Lesser of 12% or the maximum rate permitted by law
<b>Letter of Credit:</b>	Not applicable
<b>Other Credit Enhancement:</b>	Not applicable
<b>Anticipated Note Rating:</b>	Unrated
<b>Type of Financing:</b>	Solid waste disposal revenue notes
<b>Prepared by:</b>	Leslie M. Lava, Esq. Law Offices of Leslie M. Lava (415) 331-6464

SBAF Resolution No. 17-01-003  
Application No. 891(SB)

**RESOLUTION OF THE CALIFORNIA  
POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO ASSISTANCE FROM THE SMALL  
BUSINESS ASSISTANCE FUND FOR  
ABEC HOLDCO I LLC  
AND/OR ITS AFFILIATES**

**October 17, 2017**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has approved the application of ABEC Holdco I LLC (the “Borrower”), for financial assistance to finance or refinance the acquisition, construction and/or installation of facilities and equipment for a dairy manure digester and renewable energy facility, located at 26953 Riverside Street, Buttonwillow, Kern County, California, as more particularly described in Application No. 891(SB) of the Borrower (the “Project”) and has adopted its Resolution No. 17-01-563 (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 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 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; and

**WHEREAS**, the Project constitutes a “project” within the meaning of the California Pollution Control Financing Authority Act; 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 \$160,864 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 and based on the financing amount eligible for allocation of volume cap pursuant to California Code of Regulations, Title 4, Section 8042(c).

**Section 2.** The 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 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 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.

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**RESOLUTION NO. 14-147-12**

**A RESOLUTION TRANSFERRING A PORTION OF THE 2014 STATE CEILING  
ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN  
EXEMPT FACILITY PROJECT**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received an application (“Application”) from the ABEC Holdco I LLC (“Project Sponsor”) for the dedication of a portion of the 2014 State Ceiling on Qualified Private Activity Bonds under Section 146 of the Internal Revenue Code of 1986, as amended, to finance a Project through the issuance of bonds or other obligations as specifically described in Exhibit A (“Project”) (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Regulations of the California Debt Limit Allocation Committee (the “Committee”) implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds);

**WHEREAS**, the Project Sponsor has represented and confirmed in its Application certain facts and information concerning the Project;

**WHEREAS**, in evaluating the Project and dedicating a portion of the State Ceiling on Qualified Private Activity Bonds to the Project Sponsor for the benefit of the Project, the Authority has relied upon the written facts and information represented in the Application by the Project Sponsor; and

**WHEREAS**, it is appropriate for the Authority to dedicate a portion of the 2014 State Ceiling on Qualified Private Activity Bonds in order to benefit such Project described in the Application;

**NOW, THEREFORE**, the California Pollution Control Financing Authority resolves as follows:

**Section 1.** There is hereby dedicated to the Project Sponsor an amount of the 2014 State Ceiling on Qualified Private Activity Bonds equal to **\$1,929,000** (“Allocation”). Such Allocation may be used only in connection with the issuance of bonds or other obligations to finance the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated herein as though set forth in full (this resolution, together with Exhibit A are hereafter referred to collectively as this “Resolution”).

**Section 2.** The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds. The Project Sponsor, and all of its respective successors and assignees, will be bound by such terms and conditions. The Project shall be subject to the monitoring provisions of section 5144 of the Committee’s Regulations.

**Section 3.** The Allocation must be used within ninety (90) days from the date of this Resolution. The Committee may grant an extension of up to ninety (90) days. However, the extension will result in a forfeiture of the Project’s performance deposit.



**Section 4.** Within twenty-four (24) hours of using the Allocation to issue Qualified Private Activity Bonds to finance the Project, the Authority shall notify the Committee at CDLAC@treasurer.ca.gov that the Allocation has been used. This notice shall identify the Project Sponsor, the project, the date the Allocation was used, and the Allocation amount.

**Section 5.** Within fifteen (15) calendar days of the Bond closing, the Authority shall formally transmit to the Committee information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by the Committee.

**Section 6.** Any differences between the amount of Bonds issued and the amount of the Allocation in Section 1 of this Resolution shall automatically revert to the Authority.

**Section 7.** Authority staff is authorized and directed to transmit a copy of this Resolution to the Project Sponsor together with a request that the Project Sponsor retain a copy of this Resolution for the term of the Bonds. Authority staff is further directed to retain a copy of this Resolution in the files of the Authority for the same period of time.

**Section 8.** In consideration of the Allocation dedicated to the Project, 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 the Authority or the Committee through an action for specific performance or any other available remedy, provided however, that the Authority and the Committee agree not to take such action or enforce any such remedy that would be materially adverse to the Bondholders. In addition, the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Committee is a third party beneficiary of the terms and conditions set forth in this Resolution. The Committee may consent to changes in the terms and conditions set forth in this Resolution as changed circumstances may dictate.

**Section 9.** The Certification of Compliance II or equivalent form must be submitted by the Project Sponsor to the Authority by February 1, but no later than March 1st annually until the project's Certificate of Completion has been submitted to the Authority. The Authority is responsible for reporting to CDLAC by March 1 annually via the Online Compliance System until project completion. A copy of the Certification of Compliance II and Certificate of Completion form may be found at this website location: <http://www.treasurer.ca.gov/cdlac>. Failure to submit compliance may result in disqualification from future program participation.

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

**RESOLUTION NO. 14-147-12**  
**(EXEMPT FACILITY PROJECT)**  
**EXHIBIT A**

1. Application No.: 891(SB)
2. Project Sponsor ABEC Holdco I LLC
3. Project User: ABEC #2 LLC dba West-Star North Dairy Biogas
4. Project Name: ABEC #2 LLC
5. Location: 26953 Riverside Street, Buttonwillow, CA 93206
6. Amount of Allocation: \$1,929,000
7. Pursuant to Section 5145(d) of the CDLAC Regulations, CDLAC must be designated in the bond documents to receive notice of changes in use and circumstances of Bond Default and Qualifying Bond Default.