

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: December 12, 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: Andrea Gonzalez

<b>Applicant:</b>	Mottra Corporation dba Calmet Services, Inc. and/or its Affiliates	<b>Amount Requested:</b>	\$6,125,000
<b>Project Location:</b>	Cities of Los Angeles, Paramount and Cerritos (Los Angeles County)	<b>Application No.:</b>	907(SB)
		<b>Final Resolution No.:</b>	17-01-583
		<b>SBAF Resolution No.:</b>	17-01-005
		<b>Prior Actions:</b>	17-06 approved 4/18/17

**Summary.** Mottra Corporation dba Calmet Services, Inc. and/or its affiliates (the “Company” or the “Applicant” or “Mottra”) requests approval of a Final Resolution and Volume Cap Allocation for an amount not to exceed \$6,125,000 to finance the acquisition of equipment to support the Applicant’s waste collection and transfer activities.

**Borrower.** Mottra Corporation provides collection and disposal of solid waste to multiple cities throughout Los Angeles County. The Company has numerous affiliated relationships, and together employ 366 employees. The Company was organized in August of 1992 for the purposes of solid waste collection and qualifies as a small business.

The principal stockholders of the Company are as follows:

Arthur Kazarian	50%
The Thomas K. Blackman Trust, Jennifer D’Souza and Briana Knabe, Co-Trustees	<u>50%</u>
<b>Total:</b>	<b><u>100%</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 [December 7, 2017]. There were no comments received in support of or in opposition to this project.

**Fees.** The Company has paid an application fee of \$3,062.50 and will pay an administrative fee of \$9,187.50 at closing.

**SBAF Assistance.** The Company is a small business eligible for assistance from the SBAF in an amount not to exceed \$183,000.

**Prior Financings.** Prior financings are listed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of 11/15/2017
Mottra Corporation Series 2016	5/04/2016	\$8,250,000	\$8,250,000
<b>TOTALS:</b>		<b><u>\$8,250,000</u></b>	<b><u>\$8,250,000</u></b>

**Project Description.** Mottra was awarded a new waste zone under the City of Los Angeles’ collection franchising plan as part of the City’s movement to privatize its waste collection franchise. This project will allow the Company to fulfill its new franchise agreement by financing necessary new equipment, including compressed natural gas (CNG) trucks, bins and carts, and updating its existing Material Recovery Facility (MRF) to meet recycling requirements. The existing MRF is located in the City of Paramount. Additionally, Mottra, has also been awarded the street sweeping contract as part of a contract extension with the City of Cerritos. This contract has no requirement to provision an office or that the equipment be housed in the City of Cerritos therefore a physical address is not considered necessary. This project will allow the Company to finance the street sweepers. Such equipment for both contracts will be located at 7202 and 7230 Petterson Lane, and 14001 Garfield Ave. in the City of Paramount, and 1955 E. Cesar Chavez Ave, in the City of Los Angeles.

The anticipated project and issuance costs are listed below:

Acquisition and Installation of New Equipment	\$5,230,000
Rehabilitation of Existing Building	770,000
Bond Issuance Expenses	122,500
Contingency	<u>2,500</u>
<b>Total:</b>	<b><u>\$6,125,000</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 completed by December 31, 2018.

**Local Government.** The Company received a letter of support from John Moreno, City Manager of the City of Paramount (Attachment A) and staff has received letters from Calmet Services, Inc. regarding services provided to the City of Los Angeles and the City of Cerritos (Attachment B and C).

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

**Air Quality.** As part of its compliance with South Coast Air Quality mandates and its commitment to the City of Downey, the Company is replacing its diesel fueled collection vehicles with CNG fueled collection vehicles, thereby removing particulate matter associated with diesel fueled particles from the air.

**Water Quality.** The CNG fueled vehicles will create less particulate matter as compared to a diesel fueled vehicle which will reduce the particulate pollution that may end up in the ocean and other area creek beds and streams.

**Energy Efficiency.** CNG is primarily a domestically produced product that will reduce our reliance on foreign oil.

**Safety and Compliance.** The project will be compliant with all State and local mandates.

**Consumer Cost Savings and Efficiencies.** Cost of capital is an integral part of the Company's rate structure and this financing will allow the Company to minimize future rate increases.

**Other benefits to the public.** The use of CNG fueled vehicles will assist our Country in minimizing its reliance on foreign oil and CNG is a cleaner burning fuel as compared to diesel.

**Permitting and Environmental Approvals.** The Company included a letter, signed by Anthony F. Serge, the Chief Financial Officer, stating that the project does not require a new California Environmental Quality Act (CEQA) process and does not require any discretionary permits. The project consists primarily on the acquisition of solid waste equipment and is consistent with existing zoning and permits.

**Financing Details.** The Company anticipates a direct bank purchase of negotiated tax-exempt notes with MUFG Union 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. Subsequent transfer is restricted to the transfer of the notes in whole. The target date for financing is December 20, 2017.

**Financing Team.**

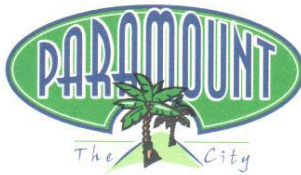
**Municipal Advisor to the Borrower:** Westhoff, Cone & Holmstedt  
**Note Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Issuer's Counsel:** Office of the Attorney General  
**Trustee:** The Bank of New York Mellon Trust Company, N.A.

**Staff Recommendation.** Staff recommends approval of Final Resolution No. 17-01-583 and Volume Cap Allocation Resolution No. 14-147-19 for an amount not to exceed \$6,125,000, and a

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SBAF Resolution No. 17-01-005 in an amount not to exceed \$183,000 for Mottra Corporation and/or its affiliates.

**Attachment A**



City Manager  
(562) 220-2222

PEGGY LEMONS  
Mayor  
DIANE J. MARTINEZ  
Vice Mayor  
LAURIE GUILLEN  
Councilmember  
TOM HANSEN  
Councilmember  
DARYL HOFMEYER  
Councilmember

November 10, 2017

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

RE: California Debt Limit Allocation Committee (CDLAC), Exempt Facility Approvals  
Mottra Corporation Project

Dear Ms. Webster-Hawkins:

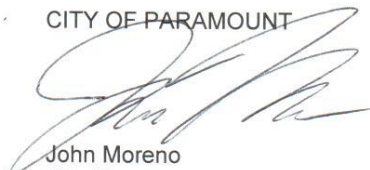
I write to you today on behalf of Mottra Corporation relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting on December 12, 2017.

I understand that in order to receive approval for the issuance of tax exempt bonds, on whose lower interest rates the "project" economics have been based, that CDLAC must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

The City of Paramount agrees with Mottra Corporation that the implementation of this project is a cost effective addition to our overall program, taking into account cost, technology and expected waste diversion.

On behalf of the City of Paramount, I would appreciate it if you would approve the Mottra Corporation Project at your meeting on December 12, 2017. Thank you.

CITY OF PARAMOUNT



John Moreno  
City Manager

16400 Colorado Avenue • Paramount, CA 90723-5012 • Ph: 562-220-2000 • Fax: 562-630-6731  
facebook.com/CityofParamount | paramountcity.com | instagram.com/paramount\_posts



## *CALMET SERVICES, INC.*

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December 1, 2017

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

RE: California Debt Limit Allocation Committee (CDLAC), Exempt Facility Approvals  
Mottra Corporation Project

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Dear Ms. Webster-Hawkins:

I write to you today on behalf of Mottra Corporation relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting on December 12<sup>th</sup>.

CalMet Services, Inc. a wholly owned subsidiary of MOTTRA Corporation entered into an exclusive franchise agreement with the City of Los Angeles, Ca in January, 2017. This is a ten year agreement with two (2) five (5) year options. The company began providing hauling services under the contract on July 1, 2017.

As this was the commencement of a brand new program within the City of Los Angeles, CalMet like others awarded franchise territories was required to purchase all necessary assets to perform under the contract terms, in addition to staff increases.

In order to support this program the company needed more than \$1,000,000 of new bins and carts to be distributed throughout the franchise operating area for all the new customers acquired. There was a need to purchase ten natural gas trucks to handle the waste collection with each truck costing approximately \$300,000 in order to service the bins and carts distributed.

The purchase of this equipment was solely in support of the contract requirement and as such we would appreciate your consideration for the inclusion of these assets in the project proposal at your meeting on December 12<sup>th</sup>. Thank you.

Sincerely,



JB D'SOUZA  
VICE PRESIDENT

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7202 Petterson Lane/ PO Box 2137, Paramount, CA 90723 (P) 562-259-1239, (F) 562-529-7958

**Attachment C**

## *CALMET SERVICES, INC.*

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December 1, 2017

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

RE: California Debt Limit Allocation Committee (CDLAC), Exempt Facility Approvals  
Motra Corporation Project

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Dear Ms. Webster-Hawkins:

I write to you today on behalf of Mottra Corporation relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting on December 12<sup>th</sup>.

CalMet Services, Inc. a wholly owned subsidiary of MOTTRA Corporation renewed the Integrated Solid Waste Agreement with the City of Cerritos in April of this year. The performance period for the agreement commenced July 1 and concludes December 31, 2027.

Unlike prior agreements with this municipality which only addressed waste collection, the present agreement included language for CalMet to provide street sweeping services. In order to fulfill this requirement, CalMet had ordered and just recently took delivery of three street sweepers, each at an approximate cost of \$300,000.

The purchase of this equipment was solely in support of the contract requirement and as such we would appreciate your consideration for the inclusion of these assets in the project proposal at your meeting on December 12<sup>th</sup>. Thank you.

Sincerely,



JB D'SOUZA

VICE PRESIDENT

Final Resolution No. 17-01-583  
Application No. 907(SB)

**FINAL NOTE RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO FINANCING AND REFINANCING OF SOLID WASTE DISPOSAL  
FACILITIES AND EQUIPMENT  
FOR MOTTRA CORPORATION D/B/A CALMET SERVICES, INC.  
AND/OR ITS AFFILIATES**

**December 12, 2017**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of Mottra Corporation d/b/a CalMet Services, Inc., a California corporation (and together with any successor, assignee or related party, the “Borrower”), for financial assistance in paying or reimbursing the costs to finance certain improvements to various solid waste disposal facilities and related vehicles and equipment for the processing, recycling and disposal of solid waste in sites in the State of California which are owned and/or operated by the Borrower, all as more particularly described in Application No. 907(B) of the Borrower and in the Summary of Bond Terms (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 notes from time to time in an amount not to exceed \$6,125,000 to assist in the financing of the Project; and

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

**WHEREAS**, the notes will be purchased on a private placement basis by MUFG Union Bank, N.A. as lender; 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 or will provide prior to the bond sale 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; 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 Solid Waste Disposal Revenue Notes (Mottra Corporation Project), Series 2017” (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 \$6,125,000 are hereby authorized to be issued, subject to the limitations stated in the Term Sheet and **Exhibit B.** 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 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, 2017, 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 the Borrower (the “Loan Agreement”);
- ii. an Trust Indenture relating to the Notes (the “Indenture”), between the Authority and the trustee named in the Term Sheet attached hereto (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 which 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 Purchaser 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 Purchaser, upon payment of the purchase price thereof.

**Section 8.** Issuance of the Bonds shall be contingent upon a separate action by the Authority to dedicate to the Bonds a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, in an amount up to the applicable principal amount of Bonds to be issued and delivered to finance certain costs of the Project.

**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 19, 2016 (the "Delegation Resolution"), apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference. This Section 10 shall be deemed to refer to and incorporate any resolution of a similar nature adopted hereafter by the Authority which replaces or supersedes the Delegation Resolution. Without limiting the foregoing, the Executive Director of the Authority is delegated the authority to deliver on behalf of the Authority such instrument(s) as may be contemplated or permitted by the Indenture to eliminate any restrictions on transfer of the Bonds as contemplated or permitted in the Indenture.

**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

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the Project or in any application for any required permission or authority to construct or operate the Project.

**EXHIBIT A**

**SUMMARY OF BOND TERMS**

<b>Name of Issue:</b>	California Pollution Control Financing Authority Solid Waste Disposal Revenue Notes (Mottra Corporation Project), Series 2017 (the “Notes”)
<b>Maximum Amount of Issue:</b>	\$6,125,000
<b>Issuer:</b>	California Pollution Control Financing Authority (the “Authority”), Sacramento, CA
<b>Borrower:</b>	Mottra Corporation d/b/a CalMet Services, Inc.
<b>Trustee:</b>	The Bank of New York Mellon Trust Company, N.A.
<b>Underwriter:</b>	Not applicable
<b>Purchaser:</b>	MUFG Union Bank, N.A.
<b>Note Counsel:</b>	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
<b>Remarketing Agent:</b>	Not applicable
<b>Project:</b>	Improvement, renovation and rehabilitation of a material recycling facility including the acquisition and/or installation of equipment, including trucks, bins, and street sweepers to be located at 7202 and 7230 Petterson Lane, Paramount CA 90723, 14001 Garfield Avenue, Paramount CA 90723, and 1955 E Cesar Chavez Avenue, Los Angeles CA 90049. In addition, the Project includes acquisition of residential carts to be located at the sites of the Company’s customers in Los Angeles County, and financing of street sweeping equipment to service a contract in the City of Cerritos.
<b>Maximum Note Term:</b>	Not to exceed 20 years
<b>Type of Sale:</b>	Negotiated sale; private placement

<b>Description of Minimum Denominations:</b>	Initially \$250,000 and any integral multiple of \$5,000 above that amount
<b>Financing Structure:</b>	Initially variable rate notes based upon LIBOR index, convertible to other variable or fixed rate modes. Notes will be transferable by Purchaser to either an affiliate of the Purchaser or, upon delivery of a purchaser letter, a “Qualified Institutional Buyer”, as defined in Rule 144A of the Securities Act of 1933.
<b>Maximum Interest Rate:</b>	12%
<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>	Robert Martz (925) 472-8746

SBAF Resolution No. 17-01-005  
Application No. 907(SB)

**RESOLUTION OF THE CALIFORNIA  
POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO ASSISTANCE FROM THE SMALL  
BUSINESS ASSISTANCE FUND FOR  
MOTTRA CORPORATION D/B/A CALMET SERVICES, INC. AND/OR ITS  
AFFILIATES**

**December 12, 2017**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has reviewed the application of Mottra Corporation d/b/a CalMet Services, 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 and equipment (including without limitation reimbursing to the Borrower certain costs incurred for the Project as described in Application No. 907(SB) of the Borrower (the “Project”) and has adopted its Resolution No. 17-01-583 (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 \$183,000 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.

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**RESOLUTION NO. 14-147-19**

**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 Mottra Corporation d/b/a CalMet Services, Inc. and/or its affiliates (“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 **\$6,125,000** (“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 by December 31, 2017.

**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. 14-147-19**  
**(EXEMPT FACILITY PROJECT)**  
**EXHIBIT A**

1. Application No.: 907(SB)
2. Project Sponsor Mottra Corporation dba Calmet Services, Inc.  
and/or its affiliates
3. Project User: Same as Project Sponsor
4. Project Name: Mottra Corporation
5. Location: 7202 Petterson Lane  
Paramount, CA 90723  
  
7203 Petterson Lane  
Paramount, CA 90723  
  
14001 Garfield Avenue  
Paramount, CA 90723  
  
1955 E. Cesar Chavez Avenue  
Los Angeles, CA 90049
6. Amount of Allocation: \$6,125,000
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.