

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: September 17, 2019**

***Request to Approve Second Amended and Restated Final Resolution Authorizing the Issuance of Tax-Exempt Revenue Bonds and Request to Approve a Resolution for the Dedication of Tax-Exempt Volume Cap Allocation***

*Prepared by: Kris Luoma*

<b>Applicant:</b>	SiONEER Stockton, LLC and/or its affiliates	<b>Amount Requested:</b>	\$23,000,000
<b>Project Location:</b>	City of Stockton (San Joaquin County)	<b>Allocation Amount Requested:</b>	\$6,350,000
		<b>Application No.:</b>	911(SB)
		<b>Final Resolution No.:</b>	19-01-595
		<b>Prior Actions:</b>	IR Approved on 7/18/2017 IR Amended Approved on 7/23/2018 FR 18-01-591 Approved on 9/18/2018 Cancelled by Underwriter Request on November 19, 2018 FR 19-01-595 Approved on May 21, 2019 and Allocation Extended by CDLAC on July 25, 2019

**Summary.** SiONEER Stockton, LLC and/or its affiliates (“SiONEER” or the “Company”) requests approval of a second amended and restated Final Resolution (FR) No. 19-01-595 for an amount not to exceed \$23,000,000 and Volume Cap Allocation for an amount not to exceed \$6,350,000 to finance the construction of a post-consumer waste glass recycling and processing facility.

**Background.** The original Final Resolution was approved on September 18, 2018 for an amount not to exceed \$21,000,000. CPCFA received a cancellation request from the Underwriter, Westhoff Cone & Holmstedt, on November 19, 2018. On May 15, 2019, the California Debt Limit Allocation Committee (“CDLAC”) approved Allocation Resolution No. 19-010 and transferred to CPCFA an amount not to exceed \$16,650,000 of the 2018 State Ceiling on Qualified Private Activity Bonds (“Allocation”) on a carryforward basis, with a close by date of August 13, 2019. On May 21, 2019, the CPCFA Board approved an Amended and Restated Final Resolution (“Resolution”) which authorized the issuance of Solid Waste Disposal Revenue Bonds in an amount not to exceed \$16,650,000. The Executive Director of CDLAC extended the Allocation’s expiration date until November 11, 2019.

## **Agenda Item 4.A.**

On July 23, 2019, CDLAC notified CPCFA of a hold placed on the Company's Performance Deposit of \$83,250 received on February 19, 2019 for the Amended and Restated CDLAC application in the amount of \$16,650,000. A Performance Deposit in the amount of \$16,750 was received with the Second Amended and Restated CDLAC application. The two performance deposits (\$83,250 and \$16,750) combined total the maximum allowable amount of \$100,000. The \$100,000 deposit is currently on hold with CPCFA.

The Company is a small business currently with three employees and is expected to expand to approximately 30 employees upon completion of the project. SiONEER Stockton, LLC is a newly formed entity which was formed by the parent company, Glass Processing Solutions, LLC ("GPS"). GPS has experience in commercial operations and was founded by Cynthia Andela who is also the founder of Andela Tool and Machine which has been making glass pulverizing equipment since 1991.

SiONEER has the capability to process 100% of post-consumer waste glass. The Company is leasing approximately three acres of land, from the Port of Stockton, which includes a 40,000 square foot building. The facility is designed to process 9,717 tons of waste glass per month, which equates to processing approximately 116,604 tons of waste glass per year. The initial plan, based on availability of feedstock and operational needs, is to process approximately 5,300 tons per month of waste glass.

The recycled glass finished product creates specialty sands. The sand can be ground to a fine silt and used for filtration purposes, course ground and used for media blasting or as a high quality pozzolan. Pozzolan is a material which, when combined with calcium hydroxide, exhibits cement like properties. Pozzolans are commonly used as an addition to concrete mixtures to increase the long-term strength. The use of pozzolan, in some cases, can reduce the material cost of concrete. Pozzolans are required for the creation of ultra-high strength concrete which is used for the construction of buildings and infrastructure.

Bond proceeds will be used to purchase equipment for the project such as: hoppers, conveyors, belt scales, magnets, misting systems, feeders, a cyclone system, platforms, catwalks, crushers, pulverizer, silos, ducting, fork lifts, compressors, Dynamic Air Classifier, electrical systems, computers, office equipment, offices and a laboratory.

The Underwriter, Westhoff, Cone & Holmstedt, will enter into a Distribution Agreement with Piper Jaffray to assist with the marketing and sale of the SiONEER Bonds which will be sold in a Limited Offering to Qualified Institutional Buyer(s) ("QIBs") as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. The Limited Offering to the QIBs will have the following features: (i) non-credit enhanced obligations; (ii) fixed interest rates; (iii) a term not to exceed 23 years; (iv) sale(s) subject to an Investor Letter; (v) bonds issued in minimum denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof; and (vi) restrictions allowing transfers to QIBs only.

A draft Preliminary Limited Offering Memorandum (PLOM) has been prepared and is also being presented to the Authority for approval. A link to the PLOM can be found here:

<https://orrick.box.com/s/ck4wgzboazwpc37vrehc3yiw6ssxfv80>

## Agenda Item 4.A.

Other than the increase in the aggregate principal amount of tax-exempt bonds to be issued (increase of \$6,350,000), the Project has not changed since the Authority's approval of the Final Resolution and CDLAC's approval of the Allocation Resolution. (Please see Attachment A for the previously approved staff report).

**TEFRA.** The original TEFRA Hearing was held on August 9, 2018. As recommended by Bond Counsel, a second TEFRA hearing was held on August 8, 2019. There were no comments received in support of or in opposition to this Project.

**Current Request.** The Company is requesting that CPCFA increase the aggregate principal amount of tax-exempt bonds to be issued from an amount not to exceed \$16,650,000 to an amount not to exceed \$23,000,000, an increase of \$6,350,000. The increased amount is due to a rise in costs associated with the acquisition and installation of new equipment, construction of new buildings, interest during construction and the requirement of a bond reserve fund (which was not expected with the previous anticipated purchasers of the bonds).

Description of Cost	Original Cost	Revised Cost
Acquisition and Installation of New Equipment	\$7,411,427	\$10,365,020
Construction of New Buildings	\$6,250,000	\$7,064,989
Interest during Construction	\$1,415,250	\$2,673,750
Contingency	\$1,240,323	\$136,241
Bond Issuance Expense	\$333,000	\$460,000
Bond Reserve Fund	\$0.00	\$2,300,000
<b>Total</b>	<b>\$16,650,000</b>	<b>\$23,000,000</b>

**Staff Recommendation.** Staff recommends approval of Second Amended and Restated Final Resolution No. 19-01-595 in an amount not to exceed \$23,000,000, and Volume Cap Allocation Resolution No. 19-073-02 in an amount not to exceed \$6,350,000. Together with allocation previously granted from CDLAC in the amount of \$16,650,000, the total allocation amount will equal \$23,000,000 in tax-exempt bonds for SiONEER Stockton, LLC and/or its affiliates.

Final Resolution No. 19-01-595  
Application No. 911 (SB)

**SECOND AMENDED AND RESTATED  
FINAL RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
AUTHORIZING THE ISSUANCE OF REVENUE BONDS  
FOR THE SOLID WASTE DISPOSAL/RECYCLING FACILITIES AND EQUIPMENT  
OF SIONEER STOCKTON, LLC, AND/OR ITS AFFILIATES**

**September 17, 2019**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of SiONEER Stockton, LLC, an Ohio limited liability company (the “Borrower”) for financial assistance to finance or refinance the acquisition, construction, rehabilitation, renovation, installation, improvement and/or equipping of a glass processing facility for the Borrower and/or its affiliates, all to be located at 713-A Luce Avenue, Stockton, 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**, this Amended and Restated Resolution (the “Resolution”) amends and restates in its entirety the resolution adopted by the Authority on May 21, 2019, entitled “Amended and Restated Final Resolution of the California Pollution Control Financing Authority Authorizing the Issuance of Revenue Bonds for the Solid Waste Disposal/Recycling Facilities and Equipment of SiONEER Stockton, LLC, and/or its Affiliates,” authorizing the issuance of revenue bonds in an amount not to exceed \$16,650,000; and

**WHEREAS**, the Borrower has requested additional financing in the amount of \$6,350,000, for the Authority to issue its revenue bonds from time to time in an amount not to exceed \$23,000,000 to assist in the financing or refinancing of the Project; and

**WHEREAS**, the Authority previously applied for a portion of the carryforward 2018 State Ceiling on Qualified Private Activity Bonds (“Allocation”) from the California Debt Limit Allocation Committee (“CDLAC”) in the amount of \$16,650,000 for bonds issued in tax-exempt mode for the Project as described in CDLAC Application No. 18-020, as amended by CDLAC Application No. 19-010, and as described in supplemental CDLAC Application No. 19-027, to finance or refinance certain costs of the Project and to pay certain costs of issuance of the Bonds (defined below), so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Bonds, and such allocation was awarded by CDLAC on May 15, 2019 in CDLAC Resolution No. 19-046 (“CDLAC Resolution”); and

**WHEREAS**, the Borrower has applied for a portion of the Allocation from the Authority for the additional \$6,350,000 in financing (“Supplemental Allocation”); and

**WHEREAS**, the proceeds of the Bonds will be loaned to the Borrower under the hereinafter referred loan agreement with the Authority; and

**WHEREAS**, final approval of the terms of the Bonds and certain documents relating to the Bonds is now sought; and

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

**NOW, THEREFORE, BE IT RESOLVED** by the California Pollution Control Financing Authority, as follows:

**Section 1.** The Project constitutes a “project” and the Borrower is a “participating party” within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

**Section 2.** Pursuant to the Act, revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (SiONEER Stockton, LLC Project), Series 2019” (the “Bonds”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$23,000,000, are hereby authorized to be issued. The Bonds may be issued at one time, or from time to time, in one or more series 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 Bonds 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 Bonds), to pay certain costs of issuance of the Bonds, and to fund a reserve fund, if desired by the Borrower, and capitalized interest for the Bonds.

**Section 3.** The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Bonds, at one time or from time to time on or before December 31, 2019, 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 Bonds 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 Bonds (the “Loan Agreement”) between the Authority and the Borrower;

(ii) an indenture relating to the Bonds (the “Indenture”) between the Authority and the trustee named in the Term Sheet (the “Trustee”);

(iii) a bond purchase contract relating to the Bonds (the “Purchase Contract”) among the Authority, the Treasurer of the State of California, as agent for sale, and the underwriter named in the Term Sheet (the “Underwriter”), and as approved by the Borrower; and

(iv) a limited offering memorandum (in the form of either the “Preliminary Limited Offering Memorandum” or the final “Limited Offering Memorandum”) to be used in connection with the offering and sale of the Bonds;

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture, the Purchase Contract, and the Limited Offering Memorandum, and by delivery thereof in the case of the Preliminary Limited Offering Memorandum, and subject to the approval by the Authority of the Supplemental Allocation for the Project in the amount of \$6,350,000 and prior to the expiration of the CDLAC Resolution on November 11, 2019. The Underwriter is hereby authorized to distribute the Preliminary Offering Memorandum to persons who may be interested in the purchase of the Bonds. The Underwriter is hereby directed to deliver a final Limited Offering Memorandum to all actual purchasers of the Bonds.

**Section 5.** Any modification to the Project made prior to the issuance of the Bonds shall be reported to the Executive Director of the Authority, and such modification shall be subject to further approval by the Authority.

**Section 6.** Any material changes to the bond sale structure prior to the issuance of the Bonds are subject to further approval by the Authority.

**Section 7.** 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 8.** 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 Bonds shall be as provided in the Indenture, as finally executed.

**Section 9.** The Bonds shall be executed by the manual or facsimile signature of the Chair or any Deputy to the Chair and the seal of the Authority shall be affixed thereon (or a facsimile reproduced thereon) in the form set forth in and otherwise in accordance with the Indenture. The Bonds, when executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Bonds or to the Underwriter upon payment of the purchase price thereof.

**Section 10.** The Authority hereby dedicates and confirms its allocation to the Bonds of \$6,350,000 of a portion of its private activity bond limit, as previously received, carried forward or to be received from CDLAC, to finance or refinance certain costs of the Project and to pay certain costs of issuance of the Bonds, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Bonds. The Allocation shall automatically revert to the Authority unless the Authority has executed Bonds on behalf of the Borrower by the close of business ninety (90) days from the date of the approval of the Allocation by the Authority. In a case of extreme hardship, the Executive Director of CDLAC may extend this date by up to five (5) business days. In addition, the Executive Director of CDLAC may also approve a maximum of two (2) extensions of up to ninety (90) days each, which approval shall not be unreasonably withheld. Any extension beyond the original deadline to issue will result in a forfeiture of the Project's performance deposit to the extent that the performance deposit has not previously been forfeited, unless waiver of forfeiture is approved by the CDLAC Board consistent with Section 5052 of CDLAC's regulations.

**Section 11.** 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 Bonds, 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 12.** The provisions of Resolution No. 19-01-001 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 15, 2019 (the "Delegation Resolution"), apply to the documents and actions approved in this Resolution, and the provisions of Resolution No. 19-01-001 are incorporated herein by reference. This Section 12 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.

**Section 13.** The provisions of the Initial Resolution No. 17-11, adopted by the Authority on July 18, 2017, as amended by the amendment to Initial Resolution No. 17-11, approved by the Executive Director of the Authority on July 23, 2018 pursuant to Resolution No. 18-01-002, entitled "Resolution of the California Pollution Control Financing Authority Delegating to the Executive Director the Authority to Approve Initial Resolutions Related to Bond Financings," adopted by the Authority on March 12, 2018, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

**Section 14.** The Certification of Compliance II or equivalent form must be submitted by the Borrower to the Authority by February 1<sup>st</sup> annually, until the project's Certificate of Completion has been submitted to the Authority, as provided in the Loan Agreement. 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 demonstrate compliance may result in disqualification from future program participation.

## **Agenda Item 4.A.**

**Section 15.** As required by the CDLAC Resolution and the Authority’s resolution dedicating the Supplemental Allocation (“Supplemental Resolution”), the Loan Agreement, Indenture and Purchase Contract expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in the CDLAC Resolution and Supplemental Resolution. Once the Bonds are issued and delivered, the terms and conditions set forth in the CDLAC Resolution and Supplemental Resolution shall be enforceable by CDLAC through an action for specific performance or any other available remedy.

**Section 16.** 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 17.** 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

<b>Name of Issue:</b>	California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (SiONEER Stockton, LLC Project), Series 2019 (the “Bonds”)
<b>Maximum Amount of Issue:</b>	\$23,000,000
<b>Issuer:</b>	California Pollution Control Financing Authority (the “Authority”) Sacramento, CA
<b>Borrower:</b>	SiONEER Stockton, LLC, an Ohio limited liability company
<b>Guarantor:</b>	Glass Processing Solutions, LLC, a New York limited liability company
<b>Purchaser:</b>	See “Underwriter”
<b>Bond Counsel:</b>	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
<b>Trustee:</b>	UMB Bank, N.A.
<b>Underwriter:</b>	Westhoff, Cone & Holmstedt
<b>Remarketing Agent:</b>	Not applicable
<b>Project:</b>	Bond proceeds will finance the acquisition, construction, rehabilitation, renovation, installation, improvement and/or equipping of land, buildings, facilities and/or equipment for a glass processing facilities to be constructed on land to be leased by the Borrower from the Port of Stockton, and to be located at 713-A Luce Avenue, Stockton, California 95203
<b>Maximum Bond Term:</b>	Not to exceed 23 years
<b>Type of Sale:</b>	Limited offering

**Agenda Item 4.A.**

<b>Description of Minimum Denominations:</b>	\$250,000 or any integral multiple of \$5,000 in excess thereof
<b>Financing Structure:</b>	Fixed Rate
<b>Maximum Interest Rate:</b>	Lesser of 12% or the maximum rate permitted by law exclusive of any redemption premium and subject to any higher rates determined in accordance with the Indenture, including the default rate
<b>Letter of Credit:</b>	Not applicable
<b>Other Credit Enhancement:</b>	Not applicable
<b>Anticipated Bond Rating:</b>	Unrated
<b>Type of Financing:</b>	Solid waste disposal revenue bonds
<b>Prepared by:</b>	Mark Holmstedt, (925) 472-8747

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**RESOLUTION NO. 19-073-02**

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2018 STATE  
CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN  
EXEMPT FACILITY PROJECT**

**WHEREAS**, the California Pollution Control Financing Authority (“CPCFA” or the “Authority”) has received an application (“Application”) from SiONEER Stockton, LLC (“Project Sponsor”) for approval of the issuance of tax-exempt revenue bonds; and

**WHEREAS**, the Project Sponsor originally requested financing in the amount of \$16,650,000 in revenue bonds; and

**WHEREAS**, the Authority previously applied for a portion of the carryforward 2018 State Ceiling on Qualified Private Activity Bonds (“Allocation”) from the California Debt Limit Allocation Committee (“CDLAC”) in the amount of \$16,650,000 for bonds issued in tax-exempt mode for the Project as described in CDLAC Application No. 18-020, as amended by CDLAC Application No. 19-010, and as described in supplemental CDLAC Application No. 19-027, to finance or refinance certain costs of the Project and to pay certain costs of issuance of the Bonds (defined below), so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Bonds, and such allocation was awarded by CDLAC on May 15, 2019 in CDLAC Resolution No. 19-046 (“CDLAC Resolution”); and

**WHEREAS**, the Project Sponsor has requested additional financing in the amount of \$6,350,000, for the Authority to issue its revenue bonds from time to time in an amount not to exceed \$23,000,000 to assist in the financing or refinancing of the Project; and

**WHEREAS**, on September 17, 2019 the Authority approved Second Restated and Amended Final Resolution No. 19-01-595 (“Final Resolution”) authorizing the issuance of up to \$23,000,000 of its Solid Waste Disposal Revenue Bonds (SiONEER Stockton, LLC Project) Series 2019 (“Bonds”); and

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

**WHEREAS**, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to the Authority a portion of the 2018 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by the Authority to issue bonds or other obligations in a manner consistent with CDLAC’s policies and regulations. Accordingly, capitalized terms (with the exception of “Executive Director” which shall mean the Executive Director of CPCFA) not otherwise defined shall have the meanings ascribed to them in the “Regulations of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Regulations”); and

**WHEREAS**, it is appropriate for the Authority to confirm the use of a portion of the 2018 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Bonds as set forth in the Final Resolution;

**NOW, THEREFORE**, CPCFA resolves as follows:

**Section 1.** CPCFA Allocation in the amount of \$6,350,000 is hereby dedicated to the issuance of the Bonds. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Bonds for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively “Resolution”).

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

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

**Section 4.** The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Bonds for the Project have been issued by CPCFA by the close of business ninety (90) days from the date hereof. In a case of extreme hardship, the CDLAC Executive Director may extend this date by up to five (5) business days. In addition, the CDLAC Executive Director may also approve a maximum of two (2) extensions of up to ninety (90) days each, which approval shall not be unreasonably withheld. Any extension beyond the original deadline to issue will result in a forfeiture of the Project’s performance deposit to the extent that the performance deposit has not previously been forfeited, unless waiver of forfeiture is approved by the CDLAC Board consistent with section 5052 of CDLAC’s Regulations.

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

**Section 6.** Any differences between the amount of Bonds issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 4 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

**Section 7.** In consideration of the CPCFA Allocation dedicated in Section 1 of this Resolution, the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other

## **Agenda Item 4.A.**

available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, CPCFA shall ensure that the Bond documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

**Section 8.** CPCFA will not approve the issuance of any Bonds in connection with this Allocation until the Project Sponsor has demonstrated to CPCFA's satisfaction that all environmental permits and other state and local approvals are in place.

**Section 9.** In accordance with California Code of Regulations, title 4, section 5145, subdivision (b), the Project Sponsor or its successor in interest shall submit to CPCFA each year by February 1, an annual Certification of Compliance II until the Project Sponsor has completed the Project and submitted a Certificate of Completion. CPCFA shall confirm receipt of the certificates to CDLAC by March 1 annually via the online compliance certification system until project completion. Copies of the certification forms may be found at <http://www.treasurer.ca.gov/cdlac>. Failure to submit the required certifications may result in disqualification from future dedications of the State Ceiling on Qualified Private Activity Bonds.

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

**RESOLUTION NO. 19-073-02**  
**(AN EXEMPT FACILITY PROJECT)**  
**EXHIBIT A**

1. Project Sponsor: SiONEER Stockton, LLC and/or its affiliates
2. Application #: 911 (SB)
3. Project User: Same as Project Sponsor
4. Project Name: SiONEER Stockton, LLC Project
5. Location: 713-A Luce Avenue  
Stockton, California 95203  
San Joaquin
6. Amount of Allocation: \$6,350,000
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.

Attachment A

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
 BOND FINANCING PROGRAM

Meeting Date: May 21, 2019

*Request to Approve Amended and Restated Final Resolution Authorizing the  
 Issuance of Tax-Exempt Revenue Bonds*

Prepared by: Kris Luoma

<b>Applicant:</b>	SiONEER Stockton, LLC and/or its affiliates	<b>Amount Requested:</b>	\$16,650,000
<b>Project Location:</b>	City of Stockton (San Joaquin County)	<b>Application No.:</b>	911(SB)
		<b>Final Resolution No.:</b>	19-01-595
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**Summary.** SiONEER Stockton, LLC and/or its affiliates (“SiONEER” or the “Company”) requests approval of a Final Resolution (FR) No. 19-01-595 for an amount not to exceed \$16,650,000 to finance the construction of a post-consumer waste glass recycling and processing facility.

**Borrower.** SiONEER Stockton, LLC is a newly formed entity which was formed by the parent company, Glass Processing Solutions, LLC (“GPS”). GPS has experience in commercial operations and was founded by Cynthia Andela who is also the founder of Andela Tool and Machine which has been making glass pulverizing equipment since 1991. GPS’s initial plant was built in Richfield Springs, NY in 2009 which was a small 6,000 ton per year operation. GPS began selling processed glass into the abrasive market in 2010. The patent for the clean glass process was awarded in 2012. In 2013 GPS licensed the technology to Momentum Recycling in Salt Lake City, Utah and in 2014 licensed the technology to Tricentris in Lachute (Montreal) Quebec, Canada. GPS was instrumental in the building, training and initial operation of both plants. The plants in Salt Lake City, Utah & Lachute, Canada are both 10 ton per hour facilities that are fully operational and profitable.

The Company has developed and deployed a new technology that has the capability to process 100% of the post-consumer waste glass. The Company is a small business currently with three employees and is expected to have approximately 30 employees upon completion of the project.

The Company initially applied for financing from CPCFA on August 10, 2018. The Authority approved the financing in the amount of \$21 million on September 19, 2018. The Company was awarded allocation from the California Debt Limit Allocation Committee (CDLAC) for \$21 million on October 17, 2018. On November 20, 2018 the underwriter cancelled the sale of the bonds.

The Company submitted a new application on February 15, 2019, seeking allocation and an amended Final Resolution for \$16,650,000.

The principal stockholders of the Company are as follows:

Cynthia Andela	42%
Douglas L. Jackson	42%
Wendy J. Wright	4%
Brett Wilhelm	4%
David Selover	4%
Various (Less than 3%)	4%
<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 August 9, 2018. There were no comments received in support of or in opposition to this Project.

**Fees.** The Company has paid an application fee of \$4,900.00 and will pay an administrative fee of \$28,400.00 at closing. The Company has also been invoiced for certain out of pocket costs incurred by the Authority associated with the August 10, 2018 application per California Code of Regulations, Title 4, Section 8034 (c). The Actual Costs Invoice for \$15,836.00 was mailed to the Company on March 19, 2019 and as of the date of this staff report, CPCFA has not received payment.

**SBAF Assistance.** The Company is a small business, but it is not eligible for assistance from the Small Business Assistance Fund (SBAF) due to the par amount of the bond issue.

**Prior Financings.** None

**Project Description.** SiONEER has developed a new technology that has the capability to process 100% of post-consumer waste glass. The Company is leasing approximately three acres of land, from the Port of Stockton, which includes a 40,000 square foot building. The facility is designed to process 9,717 tons of waste glass per month, which equates to processing approximately 116,604 tons of waste glass per year. The initial plan, based on availability of feedstock and operational needs, is to process approximately 5,300 tons per month of waste glass.

The recycled glass finished product creates specialty sands. The sand can be ground to a fine silt and used for filtration purposes, coarse ground and used for media blasting, or as a high quality pozzolan. Pozzolan is a material which, when combined with calcium hydroxide, exhibits cement-like properties. Pozzolans are commonly used as an addition to concrete mixtures to increase the long-term strength. The use of pozzolan, in some cases, can reduce the material cost of concrete. Pozzolans are required for the creation of ultra-high strength concrete which is used for the construction of buildings and infrastructure.



## Agenda Item 4.A.

Bond proceeds will be used to purchase equipment for the project such as: hoppers, conveyors, belt scales, magnets, misting systems, feeders, a cyclone system, platforms, catwalks, crushers, pulverizer, silos, ducting, fork lifts, compressors, Dynamic Air Classifier, electrical systems, computers, office equipment, offices, and a laboratory.

The anticipated project and issuance costs are listed below:

<b>Project Costs</b>	<b>To Be Paid from Bond Proceeds</b>	<b>To be Paid From All Other Sources</b>
Acquisition and Installation of New Equipment	\$7,547,263	\$4,728,659
Construction of New Buildings	\$6,250,000	
Interest During Construction	\$1,415,250	
Engineering/Architecture		\$1,400,200
Bond Reserve (Contingency to Cover Potential Cost Overruns or Additions)	\$1,104,487	
Lapis Expenses		\$120,000
Bond Issuance Expense	\$333,000	\$540,864
<b>Total</b>	<b>\$16,650,000</b>	<b>\$6,789,723</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 note documents, that all assets purchased with note proceeds will qualify for tax exempt financing, that they will be used to complete the project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.*

**Anticipated Project Timeline.** The Company is currently in the process of replacing the flooring in the main building at the Project site and has put down deposits for recycling systems, an air classifier, sheet metal, industrial automation equipment and electrical installation. SiONEER has also spent approximately \$1.4 million for permitting and engineering design. The Project described is expected to take 12-14 months to complete and is expected to be placed into service by the third quarter of 2020.

**CDLAC Allocation.** The Company has applied to the California Debt Limit Allocation Committee (CDLAC), application number 19-010, and was approved for Allocation at its May 15, 2019 Board Meeting for an amount not to exceed \$16,650,000.

**Local Government.** The Company has received a letter of support from Richard Aschieris, Port Director, for the Port of Stockton. (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 SiONEER Project process reduces greenhouse gas emissions (“GHG”) by diverting glass from being landfilled, thus helping to reduce the size of the landfill itself. Every ton of glass recycled that is used as pozzolan is equivalent to a reduction .834 metric tons of CO<sub>2</sub>. If the Company’s future sales of pozzolan is 72,000 tons of glass per year it would have a reduction of 60,048 metric tons of GHG.

**Water Quality.** The Company is not in close proximity to environmentally sensitive wetlands or coastal areas. The Project site will operate on concrete surfaces and in enclosed buildings, all of which prevents water seepage.

**Recycling of Commodities.** The Project will collect post-consumer glass from local landfills, diverting as much as 72,000 tons per year.

**Safety and Compliance.** The Project is in compliance with all State and Federal environmental regulations for safely disposing of waste glass. The California Integrated Waste Management Act of 1989 (AB 939) and the federal Resource Conservation and Recovery Act (RCRA) have mandated the need to reduce materials landfilled and to maximize opportunities to recycle landfilled materials, of which this Project accomplishes both objectives.

**Jobs.** The Company anticipates creating up to 30 new full-time jobs, upon completion of the Project.

**Permitting and Environmental Approvals.** The Company has received the following California Environmental Quality Act (CEQA) documentation and San Joaquin Valley Air Pollution Control District (SJVAPCD) permits:

CEQA SCH 2002032048	NOD Mitigated
Notice of Determination (NOD)	Received 11/30/2017
SJVAPCD Authority to Construct Permit (Air)	Approved 7/19/2018
Port of Stockton CEQA Addendum	Received September 2017
Port of Stockton Port Director EIR Approval	June 24, 2004
NOD - Construction of 70 x 100 Paved Tipping Area	Received 2/13/2018
NOD – Construction of a Driveway Through a Riparian Habitat	Received 3/1/2018

The Authority to construct permits are only for the construction of the project and are in effect for two years. At the end of the two years from the date of issuance, SiONEER is responsible for ordering an inspection of the project site to verify completion of the construction. Once inspected and verified the SJVAPCD will issue a Permit to Operate.

**Financing Details.** The Underwriter, Westhoff, Cone & Holmstedt, will initially purchase the bonds and will sell to the sole purchaser, Lapis Advisors, LP. Lapis Advisors, LP will purchase the bonds through a Limited Public Offering to Qualified Institutional Buyers (QIBs) as defined in SEC Rule 144A under the Securities Act of 1933, non-credit enhanced obligations, subject to an investor letter, minimum denominations of \$250,000, and restrictions on transfers to QIBs. The

Bonds will be a fixed-rate at 8.5%, have a term of approximately 23 years, subject to a five year put, and be tax-exempt Solid Waste Disposal Revenue Bonds.

## Agenda Item 4.A.

The Bonds will be secured by a pledge of all gross revenues of the Company, a leasehold deed of trust, a first lien on all assets of the Company, a pledge on all shares or interests of the Company, and a guaranty from the Guarantor. In addition, the Company will agree not to incur additional indebtedness unless authorized by the Loan Agreement, and will agree to certain financial covenants, including a debt service coverage ratio requirement, a day's cash on hand requirement, and a capital maintenance fund requirement.

To assist with the marketing and sale of the Bonds, Westhoff, Cone & Holmstedt will enter into a distribution agreement with Piper Jaffray.

A revised PLOM which reflects the correct date and year (June 2019), bond amount (\$16,650,000) and a CUSIP number (130536RE7) has been provided. The SiONEER PLOM will not be presented to the public as Lapis Advisers, LP will be the only purchaser of the bonds, however a CUSIP number has been provided at Lapis Advisers, LP (Lapis) request, should Lapis choose to sell the bonds at a future date.

A conference call was held with the Public Finance Division (PFD), Orrick, Herrington & Sutcliffe LLP (Bond Counsel) and CPCFA to discuss the necessity of having a pricing call. PFD is in agreement that a Pricing Call would not be necessary since this is not going public and there is a single buyer. As part of this effort, a draft revised Limited Offering Memorandum (LOM) to the PLOM has been prepared and is also being presented to the Authority for approval. The financing is anticipated to take place on June 26, 2019. The PLOM for the 2019 SiONEER bond sale can be found here: <https://orrick.box.com/s/zlu3xe3l5l5nncr778l10248wnq73g1h>.

### **Financing Team.**

<b>Underwriter: Bond</b>	Westhoff, Cone & Holmstedt
<b>Purchaser:</b>	Lapis Advisers, LP
<b>Bond Counsel:</b>	Orrick, Herrington & Sutcliffe LLP
<b>Issuer's Counsel:</b>	Office of the Attorney General `
<b>Trustee:</b>	UMB Bank

**Staff Recommendation.** Staff recommends approval of Amended and Restated Final Resolution No. 19-01-595 in an amount not to exceed \$16,650,000 for SiONEER Stockton, LLC and/or its affiliates.

Attachment A

PORT OF STOCKTON

Phone: (209) 948-0246



Fax: (209) 465-7244

June 26, 2018

Ms. Laura Whittall-Scherfee  
Executive Director  
California Debt Limit Allocation Committee  
915 Capitol Mall, Room 311  
Sacramento, CA 95814

RE: California Debt Limit Allocation Committee, Exempt Facility Approvals  
SiONEER Stockton LLC Project

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Dear Ms. Whittall-Scherfee:

I write to you today on behalf of SiONEER Stockton LLC relating to their environmental project for which approval will be requested at the next California Debt Limit Allocation Committee ("CDLAC") meeting.

My staff and I have worked with the management of SiONEER Stockton LLC over the last few years in their development and permitting of the proposed project and they now are ready for final approval of the financing. 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.

On behalf of the Port of Stockton I would appreciate it if you would approve the SiONEER Stockton LLC Project at your next meeting. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Aschieris".

Richard Aschieris  
Port Director

**Final Resolution No. 19-01-595  
Application No. 911 (SB)**

**AMENDED AND RESTATED FINAL RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR THE SOLID  
WASTE DISPOSAL/RECYCLING FACILITIES AND EQUIPMENT  
OF SIONEER STOCKTON, LLC, AND/OR ITS AFFILIATES**

**May 21, 2019**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of SiONEER Stockton, LLC, an Ohio limited liability company (the “Borrower”) for financial assistance to finance or refinance the acquisition, construction, rehabilitation, renovation, installation, improvement and/or equipping of a glass processing facility for the Borrower and/or its affiliates, all to be located at 713-A Luce Avenue, Stockton, 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**, this Amended and Restated Resolution (the “Resolution”) amends and restates in its entirety the resolution adopted by the Authority on September 19, 2018, entitled “Final Resolution of the California Pollution Control Financing Authority Authorizing the Issuance of Revenue Bonds for the Solid Waste Disposal/Recycling Facilities and Equipment of SiONEER Stockton, LLC and/or its Affiliates” (the “Original Resolution”); and

**WHEREAS**, the Borrower has requested the Authority to issue its revenue bonds from time to time in an amount not to exceed \$16,650,000 to assist in the financing or refinancing of the Project; and

**WHEREAS**, the Authority has applied for a portion of the carryforward 2018 State Ceiling on Qualified Private Activity Bonds (“Allocation”) from the California Debt Limit Allocation Committee (“CDLAC”) for bonds issued in tax-exempt mode for the Project as described in CDLAC Application No. 18-020, as amended by CDLAC Application No. 19-010, to finance or refinance certain costs of the Project and to pay certain costs of issuance of the Bonds (defined below), so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Bonds; and

**WHEREAS**, the proceeds of the Bonds will be loaned to the Borrower under the hereinafter referred loan agreement with the Authority; and

**WHEREAS**, final approval of the terms of the Bonds and certain documents relating to the Bonds is now sought; and

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

**NOW, THEREFORE, BE IT RESOLVED** by the California Pollution Control Financing Authority, as follows:

**Section 1.** The Project constitutes a “project” and the Borrower is a “participating party” within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

**Section 2.** Pursuant to the Act, revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (SiONEER Stockton, LLC Project), Series 2019” (the “Bonds”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$16,650,000, are hereby authorized to be issued. The Bonds may be issued at one time, or from time to time, in one or more series 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 Bonds 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 Bonds), to pay certain costs of issuance of the Bonds, and to fund a reserve fund, if desired by the Borrower, and capitalized interest for the Bonds.

**Section 3.** The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Bonds, at one time or from time to time on or before December 31, 2019, 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 Bonds 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 Bonds (the “Loan Agreement”) between the Authority and the Borrower;

(ii) an indenture relating to the Bonds (the “Indenture”) between the Authority and the trustee named in the Term Sheet (the “Trustee”);

(iii) a bond purchase contract relating to the Bonds (the “Purchase Contract”) among the Authority, the Treasurer of the State of California, as agent for sale, and the underwriter named in the Term Sheet (the “Underwriter”), and as approved by the Borrower; and

(iv) a limited offering memorandum (in the form of either the “Preliminary Limited Offering Memorandum” or the final “Limited Offering Memorandum”) to be used in connection with the offering and sale of the Bonds;

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein in substantial conformance with the Term Sheet as

the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture, the Purchase Contract, and the Limited Offering Memorandum, and by delivery thereof in the case of the Preliminary Limited Offering Memorandum, and subject to the approval by CDLAC of Allocation for the Project, such approval to be conclusively evidenced by execution and delivery of a resolution by CDLAC (the “CDLAC Resolution”). The Underwriter is hereby authorized to distribute the Preliminary Offering Memorandum to persons who may be interested in the purchase of the Bonds. The Underwriter is hereby directed to deliver a final Limited Offering Memorandum to all actual purchasers of the Bonds.

**Section 5.** Any modification to the Project made prior to the issuance of the Bonds shall be reported to the Executive Director of the Authority, and such modification shall be subject to further approval by the Authority. If such modification is approved by the Authority, the Executive Director of the Authority shall immediately report to the Executive Director of CDLAC. If the Executive Director of CDLAC determines such modification to be material in accordance with CDLAC’s regulations, CDLAC shall reconsider the modification to the Project before the Allocation may be used.

**Section 6.** Any material changes to the bond sale structure prior to the issuance of the Bonds are subject to further approval by the Authority. If material changes are approved by the Authority, the Executive Director of the Authority shall immediately report any material changes to the Executive Director of CDLAC. CDLAC may require approval of the material change by the Committee Chair or the Executive Director of CDLAC before the Allocation may be used.

**Section 7.** 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 8.** 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 Bonds shall be as provided in the Indenture, as finally executed.

**Section 9.** The Bonds shall be executed by the manual or facsimile signature of the Chair or any Deputy to the Chair and the seal of the Authority shall be affixed thereon (or a facsimile reproduced thereon) in the form set forth in and otherwise in accordance with the Indenture. The Bonds, when executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Bonds or to the Underwriter upon payment of the purchase price thereof.

**Section 10.** The Allocation requested by the Authority, if approved by CDLAC, shall automatically revert to CDLAC unless the Authority has executed Bonds on behalf of the Borrower within ninety (90) days of the transfer of the Allocation. In a case of extreme hardship, the Executive Director of CDLAC may extend this date by up to five (5) business days. In addition, the Executive Director of CDLAC may also grant an additional extension of up to ninety (90) days. This extension will result in a forfeiture of the Project's performance deposit to the extent that the performance deposit has not previously been forfeited. The Authority shall return any unused Allocation to CDLAC.

**Section 11.** 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 Bonds, 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 12.** The provisions of Resolution No. 19-01-001 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 15, 2019 (the "Delegation Resolution"), apply to the documents and actions approved in this Resolution, and the provisions of Resolution No. 19-01-001 are incorporated herein by reference. This Section 12 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.

**Section 13.** The provisions of the Initial Resolution No. 17-11, adopted by the Authority on July 18, 2017, as amended by the amendment to Initial Resolution No. 17-11, approved by the Executive Director of the Authority on July 23, 2018 pursuant to Resolution No. 18-01-002, entitled "Resolution of the California Pollution Control Financing Authority Delegating to the Executive Director the Authority to Approve Initial Resolutions Related to Bond Financings," adopted by the Authority on March 12, 2018, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

**Section 14.** The Certification of Compliance II or equivalent form must be submitted by the Borrower to the Authority by February 1<sup>st</sup> annually, until the project's Certificate of Completion has been submitted to the Authority, as provided in the Loan Agreement. 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 demonstrate compliance may result in disqualification from future program participation.

**Section 15.** As required by the CDLAC Resolution, the Loan Agreement, Indenture and Purchase Contract expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in CDLAC's Resolution. Once the Bonds are issued and delivered, the terms and conditions set forth in CDLAC's Resolution shall be enforceable by CDLAC through an action for specific performance or any other available remedy.



**Section 16.** 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 17.** 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 Bonds (SiONEER Stockton, LLC Project), Series 2019 (the “Bonds”)

**Maximum Amount of Issue:** \$16,650,000

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

**Borrower:** SiONEER Stockton, LLC, an Ohio limited liability company

**Guarantor:** Glass Processing Solutions, LLC, a New York limited liability company

**Purchaser:** See “Underwriter”

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

**Trustee:** UMB Bank, N.A.

**Underwriter:** Westhoff, Cone & Holmstedt

**Remarketing Agent:** Not applicable

**Project:** Bond proceeds will finance the acquisition, construction, rehabilitation, renovation, installation, improvement and/or equipping of land, buildings, facilities and/or equipment for a glass processing facilities to be constructed on land to be leased by the Borrower from the Port of Stockton, and to be located at 713-A Luce Avenue, Stockton, California 95203

**Agenda Item 4.A.**

<b>Maximum Bond Term:</b>	Not to exceed 23 years
<b>Type of Sale:</b>	Limited offering
<b>Description of Minimum Denominations:</b>	\$250,000 or any integral multiple of \$5,000 in excess thereof
<b>Financing Structure:</b>	Fixed Rate
<b>Maximum Interest Rate:</b>	Lesser of 12% or the maximum rate permitted by law exclusive of any redemption premium and subject to any higher rates determined in accordance with the Indenture, including the default rate
<b>Letter of Credit:</b>	Not applicable
<b>Other Credit Enhancement:</b>	Not applicable
<b>Anticipated Bond Rating:</b>	Unrated
<b>Type of Financing:</b>	Solid waste disposal revenue bonds
<b>Prepared by:</b>	Mark Holmstedt, (925) 472-8747