

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY (CPCFA)
BOND FINANCING PROGRAM
Meeting Date: February 18, 2025**

Request to Approve a Final Resolution Authorizing the Issuance of Tax-Exempt Revenue Notes for New Money Purposes and Request to Approve a Resolution for Small Business Assistance Fund Costs of Issuance Assistance

Prepared by: *Yoerina Handojo*

Applicant:	BLT Enterprises of Fremont, LLC
Project Location:	City of Fremont
New Money Amount Requested	\$12,000,000
SBAF Resolution Amount Requested	\$42,000
Application No.:	968 (SB)
Final Resolution No.:	25-01-624
SBAF Resolution No.:	25-01-001
Prior Actions:	IR approved on 10/11/2024

Summary: BLT Enterprises of Fremont, LLC and/or its affiliates (the “Borrower”) requests approval of a Final Resolution for an amount not to exceed \$12,000,000 in tax-exempt notes. The Borrower is also requesting the approval of a Small Business Assistance Fund (SBAF) Resolution for assistance in an amount not to exceed \$42,000. The note proceeds will be used for the purchase of new sorting equipment to be installed and upgrades to the Borrower’s existing recycling facility (as further described below, the “Project”).

Borrower: The Borrower, organized in California on May 19, 2005, provides solid waste disposal, hazardous waste disposal, recycling, and solid waste sorting and transfer services for the city of Fremont. The Borrower employs approximately 78 employees, qualifying as a small business.

The members of the Borrower are:

BLT Enterprises of Fremont, LLC Members	
Shawn Guttersen, trustee of the Guttersen Family Trust	17.5%
Steve Perry, trustee of the Steven T. Perry Trust	17.5%
Daniel Rosenthal, trustee of the Daniel Bruce Rosenthal Living Trust	32.5%
Lukas Ian Huberman, Nikolette Huberman Jacob, and Erik Austin Huberman, co-trustees of the Bernard Huberman Administrative Trust	32.5%
Total:	100.00%

Legal Questionnaire: CPCFA staff has reviewed the Borrower’s responses to the questions contained in the Legal Status Questionnaire portion of the application. The Borrower stated that it had nothing to disclose regarding any legal, regulatory, or

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investigative action that would materially impact the financial viability of the intended projects or applicant or that involved fraud, corruption, or health and safety issues. Staff also conducted an online search and found a recent lawsuit (*Dimas v. BLT Enterprises of Fremont, LLC*) accusing the Borrower of labor law violations; however, the Borrower reached a settlement with the plaintiff on August 25, 2023. State Treasurer’s Office attorney Theodore Ballmer reviewed the lawsuit and saw no cause for concern. Staff found no other items of note.

Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing: The TEFRA hearing was held on January 16, 2025. There were no comments received in support of or in opposition to the Project at the hearing or in writing.

Fees: The Borrower paid an application fee of \$5,000 and will pay an administrative fee of up to \$19,000 ($\$12,000,000 \times .002$) - \$5,000.00) at closing.

Small Business Assistance Fund (SBAF) Eligibility: CPCFA funds the SBAF, established in California Code of Regulations, title 4, section 8041, through fees collected from large business borrowers with more than 500 employees. CPCFA uses the SBAF to assist small business borrowers in offsetting the costs of issuance. The SBAF assistance is available on a sliding scale for new money issuances to small business borrowers, defined in part, in California Code of Regulations, title 4, section 8020, subdivision (l), as those who employ no more than 500 employees, unless the par amount of the bond issue is above \$13,750,000.

The Borrower has 78 total employees, and the par amount is less than the \$13,750,000 maximum; therefore, the Borrower is eligible for SBAF assistance for this new money issuance.

SBAF Assistance. CPCFA determines the SBAF assistance subsidy on a sliding scale based on the par amount. CPCFA staff have determined the Borrower meets the small business requirements with a new money amount of \$12,000,000 that is eligible for SBAF assistance in an amount not to exceed \$42,000.

Prior Financings: Previous financings by the Borrower and/or its affiliates through CPCFA are listed below.

Previous BLT Enterprises of Fremont, LLC Financings			
Description	Date of Bond Issue	Original Amount	Amount Outstanding As of 1/30/2025
BLT Enterprises of Fremont, LLC, Series 2005A	06/10/2005	\$29,125,000	\$0
BLT Enterprises of Fremont, LLC, Series 2010(R)	05/05/2010	\$27,415,000	\$0
BLT Enterprises of Fremont, LLC, Series 2016(R)	10/05/2016	\$23,765,000	\$18,699,463

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Totals:		<u>\$80,305,000</u>	<u>\$18,699,463</u>
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Project Description: The note proceeds will be used to finance and/or refinance a portion of the costs and expenses related to the acquisition, construction, improvement, installation and/or equipping of a solid waste transfer station and materials recovery facility, including improvements to the solar power generation system, the fire protection system, roofing, paving, and other related facilities improvements, and the acquisition and improvement of generators, scales, conveyors, storage bunkers, paper screens, glass screens, cardboard screens, cross-belt magnets for metals, eddy current separators for aluminum, five high-speed Pellenc optical sorters for mixed paper and plastic, a drum feeder, and other related equipment, to be located at 41149 Boyce Road, Fremont, California 94538; and payment of associated costs of the financing and/or refinancing.

The anticipated project costs are listed below:

Project and Issuance Costs	To Be Paid from Note Proceeds
Materials Recovery Facility (MRF) Improvements	\$3,760,000
Equipment	\$8,000,000
Financing Costs	\$ 240,000
Total:	<u>\$12,000,000</u>

Note: The Project costs reported in the Borrower’s application and shown here in the Authority’s staff report are estimated costs and subject to change; the ultimate amounts and dates can be affected by legal, market, and other factors. At the time this financing closes, the estimated Project costs will be finalized and stated in the Tax Certificate. In addition, those costs may vary after closing due also to increased materials and labor costs, as well as design and equipment modifications during construction, differences in equipment due to future changes in statutes and regulations, or for other reasons. However, the Borrower confirms, through the 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, they will be used to complete the Project as described, and 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 of multiple sources of financing for a given project.

Anticipated Project Timeline: The Project has commenced, and all note proceeds are expected to be expended by March 2028.

California Debt Limit Allocation Committee (CDLAC) Volume Cap Allocation: The Authority has applied on the Borrower’s behalf to CDLAC for an exempt facility allocation in an amount not to exceed \$12,000,000 to be considered at its March 4, 2025, board meeting.

Local Government: The Borrower received a letter of support from Kathy Cote, Environmental Services Manager for the City of Fremont (see Attachment A).

Pollution Control and/or Environmental Benefits: The Borrower represents that the Project will generate the pollution control and environmental benefits described below:

- **Air Quality** – The Borrower states, “Part of the proposed Project includes SB 1383 improvements which will help establish the methane emission reduction targets issued by the state.”
- **Water Quality** – The Borrower states, “The facility operates on a concrete surface, not on exposed ground areas. This prevents any seepage of undesirable materials into the ground water. The facility is in close proximity to the San Francisco Bay and the new paving and landscaping will assist in mitigating water pollution.”
- **Energy Efficiency** – The Borrower states, “A portion of the project will include the upgrade of the facility's solar energy system and improved energy efficiency of its equipment compared to older equipment.”
- **Recycling of Commodities** – The Borrower states, “Upgrades and improvements to the Project Sponsor's MRF should increase the amount of material that is recycled and thus increase waste diversion from the landfill.”
- **Safety and Compliance** – The Borrower states, “The Project will be compliant with all State and local mandates. It is in direct response to the State's regulatory mandates of California Public Resources Code as required by AB 939, AB 32 and SB 1383.”
- **Consumer Cost Savings and Efficiencies** – The Borrower states, “In determining the Project Sponsor's proposed rate structure for its Franchise Cities its capital cost considered the use of tax-exempt financing. The lower cost of tax-exempt financing and the increase in operating efficiency of the new MRF equipment will provide greater flexibility as far as future rate structures.”

Permitting and Environmental Approvals: The Project is consistent with its existing zoning and permit requirements. The Borrower represents that the Project neither requires a new California Environmental Quality Act (Public Resources Code, Section 2100 et seq.) process nor does it require any additional discretionary permits.

Financing Details: The Borrower anticipates a direct bank purchase of negotiated tax-exempt notes with US Bancorp, which is a Qualified Institutional Buyer (QIB) as defined in Rule 144A under the Securities Act of 1933, in minimum denominations of \$250,000 or any integral multiple of \$1.00 in excess thereof during an index interest rate period (the initial period). The target date for financing is anticipated to be in March of 2025.

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Structurally, the notes will be delivered (“drawn down”) incrementally. For federal tax law purposes, since at least \$250,000 of the notes will be delivered on the initial closing date, the entire \$12,000,000 will be deemed issued at closing. This structure will provide significant cost savings to the Borrower.

Financing Team	
Municipal Advisor to the Borrower:	Piper Sandler & Company
Note Counsel:	Orrick, Herrington & Sutcliffe, LP
Issuer’s Counsel:	Office of the Attorney General
Direct Bank Purchaser:	U.S. Bancorp
Trustee:	The Bank of New York Mellon Trust Company, N.A.

Staff Recommendation: Staff recommends the approval of Final Resolution No. 25-01-624 for BLT Enterprises of Fremont, LLC and/or its affiliates for an amount not to exceed \$12,000,000 in new money tax-exempt notes and SBAF Resolution No. 25-01-001 in an amount not to exceed \$42,000 for BLT Enterprises of Fremont, LLC, and/ or its affiliates.

Note: Any information related to the Borrower, including any data or analysis related to the Borrower’s financial condition or ability to repay the financing, described in this staff report was prepared solely for members of the CPCFA Board and to satisfy certain provisions of Health and Safety Code sections 44500 - 44563.

Prospective investors should not rely on information in this staff report and must conduct their own diligence to obtain information essential to the making of an informed investment decision with respect to the financing.

Attachment A



Community Development Department
39550 Liberty Street | P.O. Box 5006, Fremont, CA 94537-5006
www.fremont.gov

October 28, 2024

Ms. Ricki Hammett
Deputy Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814

RE: California Debt Limit Allocation Committee, Exempt Facility Approvals
Fremont Recycling and Transfer Station

Dear Ms. Hammett:

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

BLT Enterprises will be upgrading and improving the existing Fremont Recycling and Transfer Station to support compliance with AB 32 and SB 1383 regulations. The company will purchase new equipment to complete the upgrades and improvements. I understand that in order to receive approval for the issuance of tax-exempt bonds that will fund these costs and, on whose lower interest rates the "project" economics have been based, CDLAC must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

The City and BLT Enterprises of Fremont, LLC agree that the implementation of this project is a cost-effective addition to our overall program.

The City of Fremont is recommending you would approve the BLT Enterprises of Fremont, LLC Project at your next meeting. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Kathy Cote".

Kathy Cote
Environmental Services Manager

Planning
510 494-4440 ph

Plans and Permits
510 494-4460 ph

Building Inspection
510 494-4400 ph

Code Enforcement
510 494-4430 ph

Environmental Services
510 494-4570 ph

Housing
510 494-4500 ph

**FINAL RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
AUTHORIZING THE ISSUANCE OF REVENUE NOTES
FOR THE SOLID WASTE DISPOSAL/RECYCLING FACILITIES AND EQUIPMENT
OF BLT ENTERPRISES OF FREMONT, LLC, AND/OR ITS AFFILIATES**

February 18, 2025

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California (the “State”), is authorized and empowered by the provisions of the California Pollution Control Financing Authority Act (Division 27 (commencing with Section 44500) of the Health and Safety Code) (the “Act”) to issue bonds, notes, or other obligations for the purpose of defraying the cost of facilities and equipment for the disposal of waste products to prevent, reduce, or eliminate environmental pollution, remediate contamination, enable alternative and renewable sources of energy, and encourage beneficial reuse; and

WHEREAS, the Authority has received the application of BLT Enterprises of Fremont, LLC, a California limited liability company (the “Borrower”) for financial assistance to finance and/or refinance a portion of the costs and expenses related to the acquisition, construction, improvement, installation and/or equipping of a solid waste transfer station and materials recovery facility to be located in Fremont, California; all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue its revenue notes from time to time in an amount not to exceed \$12,000,000 to assist in the financing and/or refinancing of the Project; and

WHEREAS, the Authority has applied for an allocation to finance and/or refinance certain costs of the Project and to pay certain costs of issuance of such revenue notes in the aggregate amount of \$12,000,000 from the California Debt Limit Allocation Committee (“CDLAC”) (the “Allocation”); and

WHEREAS, the Borrower has requested that such revenue notes be delivered in installments as described in the hereinafter referred indenture; and

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

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

WHEREAS, to the extent required, the Borrower has provided documentation to the Authority demonstrating that the Project has complied with the California Environmental

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Quality Act (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 Act.

Section 2. Pursuant to the Act, revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (BLT Enterprises of Fremont, LLC Project), Series 2025” (the “Notes”), or such alternate designation as may be approved by the Executive Director or Deputy Executive Director of the Authority, in an aggregate principal amount not to exceed \$12,000,000, are hereby authorized to be issued. The Notes may be issued at one time, or from time to time, in one or more series or sub-series separately or differently identified, and may be issued in a tax-exempt or taxable mode, all in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Notes shall be used to make a loan to the Borrower to finance and/or refinance the Project (including without limitation, reimbursing the Borrower for qualifying costs incurred for the Project prior to the issuance of the Notes) and to pay certain costs of issuance of the Notes. The Notes may be issued as a single issue for federal tax purposes with delivery of the Notes against proceeds in periodic installments under a draw down mechanism.

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, 2025, by negotiated sale, at such price and at such interest rate or rates as the Treasurer may determine, such determination to be as set forth in the hereinafter referred to note purchase contract. Delivery of the Notes at such times pursuant to documents approved in Section 4 hereof, is hereby approved.

Section 4. The following documents:

(i) a loan agreement relating to the Notes (the “Loan Agreement”) between the Authority and the Borrower;

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

(iii) a note purchase contract relating to the Notes (the “Purchase Contract”) among the Authority, the Treasurer, as agent for sale, and the purchaser named in the Term Sheet, as purchaser (the “Purchaser”), and as approved by the Borrower;

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

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with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof.

Section 5. Any modification to the Project made prior to the issuance of the Notes 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 note sale structure prior to the issuance of the Notes 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 Notes shall be as provided in the Indenture, as finally executed.

Section 9. The Notes 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 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 10. The Authority hereby dedicates and confirms the Allocation to the Notes of \$12,000,000 from the Allocation to be received from CDLAC, if approved, to finance and/or refinance certain costs of the Project and to pay certain costs of issuance of the Notes, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Notes. The Allocation shall automatically revert to CDLAC unless the Authority has executed Notes on behalf of the Borrower within one hundred eighty (180) days of the transfer of the Allocation. The Executive Director of CDLAC may approve an extension of up to ninety (90) days, which approval shall not be unreasonably withheld. This extension will result in a forfeiture of the Project's

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performance deposit to the extent that the performance deposit has not been previously 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 Notes, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement and the Purchase Contract. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any certifications, including, a tax certificate in the form required by bond counsel to the Authority.

Section 12. The provisions of the resolution of the Authority entitled “Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings” adopted by the Authority on January 21, 2025, (the “Delegation Resolution”) apply to the documents and actions approved in this Resolution, and the provisions of the Delegation Resolution 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 that replaces or supersedes the Delegation Resolution.

Section 13. The provisions of the Initial Resolution No. 24-08, approved by the Executive Director of the Authority, on behalf of the Authority, on October 11, 2024, pursuant to the Executive Director’s delegation authority, 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 annually, until the Certificate of Completion has been submitted to the Authority, as provided in the Loan Agreement. These forms may be found at this website location: www.treasurer.ca.gov/cdlac. Failure to demonstrate compliance may result in the disqualification from future allocations of the State Ceiling on Qualified Private Activity Bonds.

Section 15. 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 Notes are executed 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 Resolution for the Borrower shall not be referred to in

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any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

EXHIBIT A

TERM SHEET

Name of Issue:	California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (BLT Enterprises of Fremont, LLC Project), Series 2025 (the "Notes")
Maximum Amount of Issue:	\$12,000,000 (tax-exempt)
Issuer:	California Pollution Control Financing Authority (the "Authority"), Sacramento, CA
Borrower:	BLT Enterprises of Fremont, LLC
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Underwriter:	Not applicable
Purchaser:	U.S. Bancorp
Note Counsel:	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
Remarketing Agent:	Not applicable
Project:	The Project consists of the financing and/or refinancing of a portion of the costs and expenses related to the acquisition, construction, improvement, installation and/or equipping of a solid waste transfer station and materials recovery facility, including improvements to the solar power generation system, the fire protection system, roofing, paving and other related facilities improvements, and the acquisition and improvement of generators, scales, conveyors, storage bunkers, paper screens, glass screens, cardboard screens, cross-belt magnets for metals, eddy current separators for aluminum, five high-speed Pellenc optical sorters for mixed paper and plastic, a drum feeder, and other related equipment, to be

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located at 41149 Boyce Road, Fremont, California 94538; and paying associated costs of the financing and/or refinancing.

Maximum Note Term:	Not to exceed 30 years
Type of Sale:	Negotiated sale; direct purchase by Purchaser
Description of Minimum Denominations:	Initially \$250,000 and any integral multiple of \$1.00 above that amount
Financing Structure:	Index interest rate notes; convertible to term interest rate, or weekly variable rate with tender option pursuant to the Indenture; 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, as amended
Maximum Interest Rate:	Lesser of 12% or the maximum rate permitted by law
Letter of Credit:	Not applicable
Other Credit Enhancement:	Not applicable
Anticipated Note Rating:	Unrated
Type of Financing:	Solid waste disposal revenue notes
Prepared by:	Joel A. Nielsen (925) 472-8746

**RESOLUTION OF THE CALIFORNIA
POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO ASSISTANCE FROM THE SMALL
BUSINESS ASSISTANCE FUND FOR
BLT ENTERPRISES OF FREMONT, LLC AND/OR ITS AFFILIATES**

February 18, 2025

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has reviewed the application of BLT Enterprises of Fremont, LLC (the “Borrower”) for financial assistance to finance and/or refinance the acquisition, construction, rehabilitation, renovation, installation, improvement and/or 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. 968(SB) of the Borrower (the “Project”) and has adopted its Resolution No. 25-01-624 (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 (Division 27 (commencing with Section 44500) of the Health and Safety Code) .

Section 3. The Authority hereby authorizes and approves up to \$42,000 of assistance from the Fund to the Borrower to be used for payment of certain costs of

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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 the Executive Director of the Authority 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.