



## CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

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### MEMBERS

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State Treasurer

MALIA COHEN  
State Controller

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Director of Finance

**Executive Director**  
Shela Tobias-Daniel

April 9, 2025

Rayme Mackinson, Chief Financial Officer  
Poso Creek Family Dairy, LLC  
13437 Gun Club Road  
Wasco, CA 93280

RE: Poso Creek Family Dairy, LLC and/or its affiliates  
Initial Resolution No. 25-02  
Application No. 973 (SB)

Dear Rayme Mackinson:

The California Pollution Control Financing Authority ("Authority") has received the application from Poso Creek Family Dairy, LLC and/or its affiliates ("Company") for assistance to finance the construction of solid waste disposal facilities at a dairy located at 13437 Gun Club Road in Wasco, California (the "Project").

Following its review of the application, the Authority adopted the attached Initial Resolution. Pursuant to the resolution, the Authority hereby agrees with the Company as follows:

1. Subject to the conditions set forth below, the Authority may, upon further request of the Company, issue and sell, at one time or from time to time, its bonds in an aggregate principal amount not exceeding \$3,500,000 to Poso Creek Family Dairy, LLC to pay the costs of the Project.
2. Such action may be taken if the following conditions have been satisfied:
  - a. The Authority, in its sole discretion, shall have received satisfactory information concerning the Projects, including advice from any consultants or legal counsel selected by the Authority;
  - b. The Company and the Authority shall have agreed to mutually acceptable definitive terms for the bonds and of the sale and delivery thereof, and mutually acceptable terms and conditions of a financing agreement providing for the financing of the Projects from the Authority to the Company providing for the payment by the Company of all amounts

- required to pay principal of, premium, if any, and interest on the bonds/notes and all expenses attendant thereto and including provisions to relieve the Authority from any and all costs, expenses, or liabilities from either the sale of the bonds or the construction and operation of the Projects;
- c. The Company shall have obtained all requisite governmental approvals;
  - d. The Authority shall have received an allocation from the California Debt Limit Allocation Committee (CDLAC), if required; and
  - e. All other acts, conditions, consents, approvals, and things required by law shall have been done or obtained.
3. This agreement may be terminated or suspended by the Authority, upon five (5) days written notice to the Company, upon the happening of any of the following events:
- a. Failure of any of the conditions stated in paragraph 2 above;
  - b. A banking moratorium having been declared by federal or California authorities or changes in money markets, economic conditions or applicable laws or regulations concerning taxation of interest on the bonds/notes making financing of the Projects as contemplated herein impractical;
  - c. Receipt by the Authority of an opinion from the Attorney General of the State of California or the Attorney General's deputy, or from nationally recognized bond/note counsel, that the issuance of the bonds/notes, or the execution of a financing agreement or any other instruments required in connection with the issuance of the bonds/notes would be contrary to any applicable law or regulation;
  - d. Receipt by the Authority of an opinion from the Treasurer of the State of California or the Treasurer's deputy that the issuance of the bonds/notes will adversely affect the credit of the State of California or have a materially adverse effect upon the market for its bonds; or
  - e. Adoption by the Authority of a Resolution declaring that it believes that the issuance and sale of such bonds/notes or the execution and delivery of a financing agreement is contrary to the public policies of the State of California.
4. In consideration of the Authority's agreements as set forth herein, the Company agrees to pay the Authority such filing and processing fees as may be required by the Authority, and to enter into a formal financing agreement with the Authority relating to the proposed Project.
5. The adoption by the Authority of its above-mentioned resolution or its execution and delivery of this letter shall not be binding upon any other agency of the State of California or any political subdivision of the State of California and shall not be referred to in any application for any required permission or authority to construct or operate the Projects. Any such reference will be in and of itself misleading, shall be considered to be an abuse of the Authority's procedures and process, and anything else in this agreement to the contrary notwithstanding, shall be grounds for the Authority to terminate this agreement.

Nothing herein or in the resolution shall be deemed to constitute a finding that the Project meet or comply with any applicable emission control laws, rules, or regulations, or that the Project is eligible for any Authority to Construct or Permit to Operate (or other similar entitlements).

We wish to reiterate that adoption of this Initial Resolution by the Authority only indicates that this Project appears to generally meet the Authority's criteria for eligibility, however adoption of this Initial

Resolution by the Authority does not guarantee that the Authority will ultimately approve financings, as detailed examination of final Project's plans (technical and financial) must be done in the future.

Also, issuance of tax-exempt bonds/notes now requires allocations from a statewide volume cap, for which there is strong competition, and the Authority cannot commit in any way that allocation can be obtained for this Projects.

Adoption of this Initial Resolution, however, meets federal tax requirements to assure that, if tax-exempt bonds are eventually issued, the qualified costs incurred after this date and certain prior development costs can be recovered from the bond proceeds.

If the foregoing terms meet your approval, ***please signify your acceptance of this agreement by signing and returning to the Authority a copy of this signed page***, to be effective as of the date of the Initial Resolution, April 9, 2025. The Initial Resolution will expire on April 9, 2028.

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

By Shela Tobias-Daniel  
Shela Tobias-Daniel, Executive Director  
Executive Director

Accepted and agreed to

By \_\_\_\_\_  
Rayme Mackinson, Chief Financial Officer  
Poso Creek Family Dairy, LLC

ST: th

cc: John Wang, Bond Counsel, Orrick, Herrington & Sutcliffe LLP