

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM**

**Meeting Date: August 27, 2008
Request for Final Resolution and
Tax-Exempt Bond Allocation Approval**

Prepared by: *Michael Smith*

Applicant: GreenWaste Recovery, Inc. and/or its Affiliates	Amount Requested: \$30,550,000 Application No.: 00811
Borrower: GreenWaste Recovery, Inc. (Series 2008A) and GreenWaste of Palo Alto (Series 2008B)	Final Resolution No.: 00482 Allocation Resolution No.: 08-0034-04 Prior Actions: IR 08-05 Approved 05/28/08 IR Amended 07/23/08
Project San Jose and Palo Alto	
Location: (Santa Clara County), Petaluma (Sonoma County), and Watsonville (Santa Cruz County)	

Summary: GreenWaste Recovery, Inc. and/or its Affiliates (the “Company” or “Green Waste”) requests approval of a Final Resolution and a Volume Cap Allocation Resolution for an amount not to exceed \$30,550,000 to finance facility improvements, construction, and the purchase of vehicles and equipment.

Borrower: GreenWaste Recovery, Inc. will be the borrower for one series of bonds and GreenWaste of Palo Alto will be the borrower for the other series of bonds (collectively, the “Borrower”). GreenWaste Recovery, Inc. was incorporated in San Jose in May 1991 and also does business as \$99 Debris Box Company. Affiliated companies include GreenWaste of Palo Alto (“GWPA”), Zanker Road Resource Management, Ltd., of which Z-Best Composting is a division, and GreenTeam/Zanker of Sunnyvale. The Company operates several facilities, including material recovery facilities (MRFs) and transfer stations in the San Jose area.

GWPA is a joint venture between the GreenWaste and Zanker Road Resource Management, Ltd.

The Company provides residential and commercial collection of garbage, recyclables and yard trimmings as well as street sweeping and debris box services. The Company or GWPA has contracts to service San Jose and Palo Alto (Santa Clara County), Portola Valley and Woodside (San Mateo County), Petaluma (Sonoma County), and unincorporated areas of Santa Cruz, San Mateo, and Santa Clara Counties.

The principal stockholders of the Company are listed on Attachment A.

SBAF Contribution: The Company is a large business and may contribute to the Small Business Assistance Fund (SBAF) in an amount up to \$305,500.

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

TEFRA: TEFRA hearings were held on August 26, 2008. There were no comments received in support of or in opposition to this Project.

Prior Actions and Financings: The Company’s IR 08-05 was approved by the Board on May 5, 2008 for an amount not to exceed \$17,085,000. The IR was amended on July 23, 2008 for an amount not to exceed \$30,550,000. Prior financings are detailed below.

Project	Date of Bond Issue	Original Amount	Amount Outstanding as of August 15, 2008
GreenWaste of Tehama*	06/03/1999	\$ 3,435,000	\$ 580,000
GreenWaste Recovery, Inc.	06/03/1999	3,625,000	1,465,000
Zanker Road Landfill	06/03/1999	6,370,000	3,535,000
Zanker Road Landfill	06/03/1999	2,960,000	0
GreenWaste Recovery, Inc.	10/10/2001	8,305,000	520,000
GreenWaste Recovery, Inc.	01/06/2006	12,315,000	10,255,000
GreenWaste Recovery, Inc.	05/30/2007	38,305,000	36,790,000
	Totals:	<u>\$75,315,000</u>	<u>\$53,145,000</u>

*This bond was assumed by Waste Connections in 2003.

Project Description: The Company’s many franchise operations require it to constantly add to and replace its rolling stock, bins, carts, containers etc., while also making improvements to its buildings and equipment throughout its operations. Capital expenditures required at this time are summarized below.

San Jose’s existing operations at 625, 645, & 565 Charles Street will be expanded to increase capacity due to new or renewed contracts with the cities of Woodside, Portola Valley, and Los Altos Hills. This includes building a new maintenance shop; installing paving and drainage; as well as purchases of equipment, utility vehicles, carts, bins and containers, computer system upgrades and ON-Route GPS systems. The Company anticipates computer system upgrades as well as utility vehicle purchases at the corporate yard located at 1500 Berger Drive in San Jose.

The Company may house vehicles or equipment at 1340 West Beach Street, Watsonville, and 675 and 705 Los Esteros Road, San Jose.

The Company anticipates purchasing carts, bins and containers as well as ON-Route GPS systems for the Watsonville site.

For the site in Petaluma at 1309 Dynamic Street, the Company anticipates accomplishing CARB compliant retrofits for its collection vehicles; purchasing carts, bins and containers; and constructing a wash rack and a bunker for recyclables.

Agenda Item 4.E.3.

GWPA anticipates purchasing waste collection vehicles, installing carts, bins and containers, computer system upgrades and ON-Route GPS systems, as well as paving and building improvements at the 1150 Walsh Avenue or 2755 and 2765 Lafayette Street, Santa Clara sites.

GWPA may make improvements to route management offices located at 2000 Geng Road, Palo Alto.

The collection vehicles, carts, bins and containers may be used and housed throughout the Company's service areas in the Counties of San Mateo, Santa Cruz, Sonoma and Santa Clara.

The anticipated Project and issuance costs for this request are listed below.

Project Components	San Jose	Watsonville	Petaluma	Santa Clara	Total
MRF improvements	\$ 2,640,000				\$ 2,640,000
Building & site improvements	1,700,000				1,700,000
Collection Vehicle	5,030,000		\$ 450,000	\$ 8,500,000	13,980,000
Replacement/CARB retrofits					
Carts, bins & containers	1,958,000	\$ 225,000	125,000	2,520,000	4,828,000
Equipment	750,000			195,000	945,000
Utility vehicles	460,000			980,000	1,440,000
Computer system upgrades	740,000				740,000
ON-Route GPS system	262,000	250,000		200,000	712,000
Debris box trucks		400,000			400,000
Improvements to facility		975,000		700,000	1,675,000
Wash rack			125,000		125,000
Bunker for recyclables			500,000		500,000
Project Costs:	<u>\$13,540,000</u>	<u>\$1,850,000</u>	<u>\$1,200,000</u>	<u>\$13,095,000</u>	<u>\$29,685,000</u>
Financing Costs					<u>865,000</u>
Grand Total:					<u>\$30,550,000</u>

Note: The Project costs reported in the Borrower's application and shown here in staff's report are estimated costs. At the time this financing closes, the estimated Project costs will be finalized and stated in the Tax Certificate. Variations from the costs shown in the application and in this report may occur prior to the closing due to increased costs of certain components of the Project from original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation or for other reasons. However, the Borrower confirms, through submission of a signed application and will confirm through covenants and representations in various bond documents, that all assets purchased with bond proceeds will qualify for tax exempt financing, that they will be used to complete the Project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.

Anticipated Timeline: The Company began equipment purchases in May 2008. Construction began in June 2008, with a scheduled completion date of January 2009.

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

Air Quality. All the collection vehicles to be acquired will be bio-diesel powered. These new vehicles will emit noticeably less pollutants than the current conventionally powered diesel fleet in use. All new trucks will meet the 2007 emission standards which will further reduce emission of pollutants.

Water Quality. The new maintenance shop on Charles Street will operate on concrete or asphalt paved surfaces and will not operate on exposed ground areas. The drainage system will be designed to prevent any seepage of undesirable materials into the ground water. The applicant intends to comply with storm water management regulations.

Recycling of Commodities. Compliance with all applicable state and federal environmental regulations regarding solid waste disposal will result with the implementation of the project. It is important to note that the United States Resource Conservation and Recovery Act (RCRA) and the California Integrated Waste Management Act of 1989 (AB 939) mandate the need to minimize the amount of material landfilled and maximize recycling opportunities, both of which the project will achieve.

Permitting and Environmental Approvals: The Company provided copies of discretionary permits for the proposed projects.

Financing Details: The Company anticipates issuance of negotiated tax-exempt, weekly reset, variable rate bonds with a term not to exceed 30-years for the qualifying portion of the project. The Company plans to secure the bonds with one or more irrevocable, direct pay Letters of Credit from Comerica Bank and/or Union Bank that are rated at least "A-" by Fitch Rating Agency or equivalent. The target date for financing is the third quarter of 2008.

Financing Team:

Underwriter: Westhoff, Cone & Holmstedt
Bond Counsel: Law Offices of Leslie M. Lava
Financial Advisor: Andrew S. Rose
Issuer's Counsel: Office of the Attorney General

Staff Recommendation: Staff recommends approval of Final Resolution No. 482 for an amount not to exceed \$30,550,000, and Volume Cap Allocation Resolution No. 08-0034-04 for an amount not to exceed \$30,550,000 for GreenWaste Recovery, Inc. and GreenWaste of Palo Alto and/or their respective Affiliates.

Attachment A

GreenWaste Recovery, Inc. Ownership

Stockholders	Percentage
Richard & Diane Cristina Trust	19.79%
Murray Hall Trust	17.28%
Jesse Weigel	16.67%
William & Linda Giannini Trustees.....	4.79%
Robert Dubcich.....	4.27%
Eric A. and Vivian M. Bracher Trustees.....	4.27%
Gene & Patricia Carter Trustees	4.17%
Gary Giannini	4.17%
Patricia Sheehan.....	4.17%
Herb Sweatt	4.17%
Nancy Sweatt.....	4.17%
Frank Weigel	4.17%
Gary Madden	2.08%
Mary Jane Filice	2.08%
Clayton & Sandra Feldman.....	2.08%
Antoinette Cristina Survivor's Trust.....	1.67%
Total	100.0000%

Affiliated Ownership:

Zanker Road Resource Management

General Partners:	Percentage
Zanker Road Resource Recovery, Inc.....	30.00%
H.L. Sweatt, Inc.....	10.00%
Limited Partners:	
John D. Couch	9.0044%
Dianna Couch	9.0044%
Mary Lou Couch.....	0.5205%
Kenneth W. Zerbe.....	7.0588%
Gene R. Carter	7.0588%
Neal Family Revocable Trust	5.2941%
Jesse Weigel	2.6471%
Herbert L. Sweatt.....	0.8824%
Nancy Sweatt.....	0.8824%
Cristina 1993 Irrevocable Trust	0.8824%
Phyllis Wilks.....	0.8824%
Richard A. Cristina	1.7647%
Sportsell L.P. #4	10.5882%
Shilling & Kenyon Profit Sharing Trust	1.7637%
Shilling & Kenyon, Inc.....	1.7637%
Total	100.0000%

GreenWaste of Palo Alto

GreenWaste Recovery, Inc.	50.00%
Zanker Road Resource Management.	50.00%
Total	100.0000%

GreenTeam/Zanker of Sunnyvale

General Partners	Percentage
Zanker Road Resource Management	50.00%
GreenTeam of San Jose *	50.00%
Total	100.0000%

* GreenTeam of San Jose is owned 50% each by GreenWaste Recovery and Green Valley Disposal and Recycling. Green Valley Disposal and Recycling is not otherwise related to the applicant.

Final Resolution No. 00482
Application No. 00811

FINAL BOND RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING FOR SOLID WASTE DISPOSAL
FACILITIES AND EQUIPMENT
FOR GREENWASTE RECOVERY, INC., GREENWASTE OF PALO ALTO
AND/OR THEIR RESPECTIVE AFFILIATES

August 27, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has heretofore approved the application of GreenWaste Recovery, Inc. (the “Applicant”), for financial assistance to finance or refinance (1) improvements to an existing materials recovery facility, (2) the construction of a building to house offices and truck maintenance and storage and site improvements thereon, including without limitation paving and drainage, (3) improvements to corporate yards to house offices and truck maintenance and storage and site improvements thereon, including without limitation paving, (4) improvements to solid waste route management offices, (5) improvements to a corporate yard to house recyclables storage area, (6) computer system upgrades, (7) the acquisition and/or retrofitting of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment and facilities functionally related thereto, and (8) the acquisition of drop boxes, bins, carts and containers, 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 Applicant has requested the Authority to issue its revenue bonds from time to time in an amount not to exceed \$30,550,000 to assist in the financing of the Project; and

WHEREAS, the proceeds of such revenue bonds will be loaned to the Applicant and/or GreenWaste of Palo Alto (collectively, the “Borrower”) under one or more loan agreements with the Authority; and

Agenda Item 4.E.3.

WHEREAS, final approval of the terms of such revenue bonds and certain documents relating to such revenue 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; and

WHEREAS, in order to enhance the marketability of the bonds, the Borrower has arranged for a financial institution, as named in the Term Sheet, to secure the bonds through the issuance of one or more direct-pay irrevocable letters of credit, thereby guaranteeing their repayment;

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

Section 1. The Project constitutes a “project” and each 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 Variable Rate Demand Solid Waste Disposal Revenue Bonds (GreenWaste Recovery, Inc. Project) Series 2008A” and “California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (GreenWaste of Palo Alto Project) Series 2008B” (collectively, 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 \$30,550,000, are hereby authorized to be issued. The Bonds may be issued at one time, or from time to time, in one or more series 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 Bonds shall be used to finance the Project and to pay costs of issuance of the Bonds.

Agenda Item 4.E.3.

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 before December 31, 2008, by negotiated sale, at such price and at such interest rate or rates and in such mode (taxable or tax-exempt) as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract.

Section 4. The proposed form of loan agreement relating to the Bonds (the “Loan Agreement”), between the Authority and each Borrower, as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Chairman or any Deputy to the Chairman, together with the Executive Director of the Authority (collectively, the “Authorized Signatories” and each, individually, an “Authorized Signatory”) are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to each Borrower the Loan Agreement in substantially the form filed with the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) as the officer executing the same, with the advice of the Attorney General of the State of California (the “Attorney General”), may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by execution and delivery thereof. The Authority understands and agrees that pursuant to the terms of the Loan Agreement, the obligations of each Borrower may, under some circumstances, be carried out or assumed by a successor or assignee entity, or by an Affiliate of such Borrower. For purposes of this Resolution, an “Affiliate” of the Borrower means any person or entity which meets the definition of “Participating Party” in the Act and controls, is controlled by, or is under common control with, the Borrower, as shown by the possession, directly or indirectly, of the

Agenda Item 4.E.3.

power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.

Section 5. The proposed form of indenture relating to each series of the Bonds (the “Indenture”), between the Authority and a trustee named in the Term Sheet (the “Trustee”), as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Authorized Signatories are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Trustee, the Indenture in substantially the form filed with the Authority, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for such series of the Bonds) as the officer executing the same, with the advice of the Attorney General, may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof. 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 such series of the Bonds shall be as provided in the Indenture, as finally executed.

Section 6. The proposed form of bond purchase contract (the “Purchase Contract”) among the underwriter or underwriters named in the Term Sheet (the “Underwriters”), the Treasurer and the Authority, as agreed to and accepted by the Borrower, as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Executive Director of the Authority, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Underwriters, the Purchase Contract in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as the Executive Director of the Authority, with the

Agenda Item 4.E.3.

advice of the Attorney General, may require or approve, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of official statement (the “Official Statement”) as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. Each of the Authorized Signatories, acting alone, is hereby authorized, for and on behalf and in the name of the Authority, to execute and deliver the Official Statement in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as such officer, with the advice of the Attorney General, may approve or require, and with particular information inserted therein in substantial conformance with the Term Sheet, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby authorized to distribute and deliver copies of the Official Statement to purchasers of the Bonds, with such changes therein as may be approved or required by the Attorney General. The distribution of copies of the Official Statement in preliminary form is hereby authorized and approved. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to execute and deliver any amendments or supplements to the Official Statement which include, without limitation, amendments or supplements to the Authority’s disclosure set forth in the form of Official Statement filed with or approved by the Authority, which they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds.

Section 8. The forms of the Loan Agreement, the Indenture and the Purchase Contract described in Sections 4, 5 and 6 hereof, respectively, shall, if not on file with the Authority, be substantially similar to the 2008 model loan agreement, indenture and purchase contract on file with the Authority; and the form of the Official Statement described in Section 7 hereof shall, if not on file with the Authority, be substantially similar to the Official Statement executed in connection

Agenda Item 4.E.3.

with the issuance of the California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (GreenWaste Recovery, Inc. Project) Series 2007A, with particular information inserted therein in conformance with the Term Sheet.

Section 9. The Chairman of the Authority is hereby authorized and directed to execute, by manual or facsimile signature, in the name and on behalf of the Authority and under its seal, the Bonds, in one or more series, in an aggregate principal amount not to exceed \$30,550,000, in accordance with the fully executed and delivered Indenture and the form of bond set forth therein.

Section 10. The Bonds, when so 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 Depository Trust Company, New York, New York, on behalf of the Underwriters in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Authority, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to The Depository Trust Company, on behalf of the Underwriters thereof, upon payment of the purchase price thereof.

Section 11. The Authority hereby dedicates and confirms its allocation to the Bonds issued in a tax-exempt mode (the "Tax-Exempt Bonds") of a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, in an amount up to the applicable principal amount of Tax-Exempt Bonds issued and delivered to finance certain costs of the Project, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Tax-Exempt Bonds.

Agenda Item 4.E.3.

Section 12. As requested by the Applicant, the Authority hereby waives the requirement for an in-furtherance certificate relating to the solid waste disposal facilities portion of the Project pursuant to Section 44533(a) of the Act.

Section 13. Each of the Authorized Signatories, acting alone, is hereby authorized and directed, acting alone, to do any and all ministerial acts, including (without limitation) the execution and delivery of any and all documents and certificates, including the tax certificate, they may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, and otherwise to effectuate the purpose of this resolution. The Treasurer is hereby requested and authorized to take any and all acts within his or her authority as agent for sale that he or she may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, and otherwise effectuate the purposes of this resolution.

Section 14. 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 Variable Rate Demand Solid Waste Disposal Revenue Bonds (GreenWaste Recovery, Inc. Project) Series 2008A and California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (GreenWaste of Palo Alto Project) Series 2008B (the “Bonds”)

Maximum Amount of Issue: \$30,550,000 (tax-exempt)

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

Borrower: GreenWaste Recovery, Inc. – Series 2008A
GreenWaste of Palo Alto – Series 2008B

Trustee: The Bank of New York Trust Company, N.A.

Senior Underwriter or Placement Agent: Westhoff, Cone & Holmstedt

Bond Counsel: Leslie M. Lava, Esq.
Sausalito, CA

Remarketing Agent: Westhoff, Cone & Holmstedt

Project: Finance or refinance (1) improvements to an existing materials recovery facility located at 625 and/or 645 Charles Street, San Jose, California 95112; (2) the construction of a building to house offices and truck maintenance and storage and site improvements thereon, including without limitation paving and drainage, to be located at 565 Charles Street, San Jose, California 95112; (3) improvements to corporate yards to house offices and truck maintenance and storage and site improvements thereon, including without limitation paving, to be located at (i) 275, 355 and/or 375 Industrial Road, Watsonville, California 95076, (ii) 1150 Walsh Avenue, Santa Clara, California 95050, and/or 2755 and 2765 Lafayette Street, Santa Clara, California 95050; (4) improvements to

Agenda Item 4.E.3.

solid waste route management offices to be located at 2000 Geng Road, Palo Alto, California 94303; (5) improvements to corporate yard to house recyclables storage area to be located at 1309 Dynamic Street, Petaluma, California 94954; (6) computer system upgrades to be located at 1500 Berger Drive, San Jose, California 95112; (7) the acquisition and/or retrofitting of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment and facilities functionally related thereto, to be located at (i) 565, 625 and/or 645 Charles Street, San Jose, California 95112, (ii) 1500 Berger Drive, San Jose, California 95112, (iii) 1309 Dynamic Street, Petaluma, California 94954, (iv) 1340 West Beach Street, Watsonville, California 95076, (v) 275, 355 and/or 375 Industrial Road, Watsonville, California 95076, (vi) 1150 Walsh Avenue, Santa Clara, California 95050, (vii) 2755 and 2765 Lafayette Street, Santa Clara, California 95050, and/or (viii) 675 and 705 Los Esteros Road, San Jose, California 95134; and/or (8) the acquisition of drop boxes, bins, carts and containers to be located with customers in various incorporated and/or unincorporated portions of Santa Clara, Sonoma, San Mateo and Santa Cruz Counties, California, and/or at any or all of the aforementioned sites.

Not to exceed 30 years

Maximum Bond Term:

Type of Sale:

Negotiated sale

Description of Minimum Denominations:

\$100,000 or any integral multiple of \$5,000 in excess thereof while in variable rate mode

Financing Structure:

Variable rate demand bonds; convertible to fixed rate pursuant to the Indenture

Maximum Interest Rate:

12%

Letter of Credit:

Provided by Comerica Bank and/or Union Bank

Other Credit Enhancement:

Not applicable

Agenda Item 4.E.3.

Anticipated Bond Rating:

“A+/F1” (minimum “A-”)

Type of Financing:

Solid waste disposal revenue bonds

Prepared by:

Leslie M. Lava, Esq.
(415) 331-6464

THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

RESOLUTION NO. 08-0034-04

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2008 STATE
CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN
EXEMPT FACILITY PROJECT**

WHEREAS, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from GreenWaste Recovery, Inc. (“Project Sponsor”) for approval of the issuance of revenue bonds; and

WHEREAS, on August 27, 2008, CPCFA approved Final Resolution No. 482 (“Final Resolution”) authorizing the issuance of up to \$30,550,000 of its solid waste disposal revenue bonds for the benefit of the Project Sponsor and/or its affiliates (collectively, “Bonds”); and

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

WHEREAS, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to CPCFA a portion of the 2008 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC’s policies and procedures. Accordingly, capitalized terms not otherwise defined shall have the meanings ascribed to them in the “Procedures of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Procedures”); and

WHEREAS, it is appropriate for CPCFA to confirm the use of a portion of the 2008 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 \$30,550,000 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 on **November 25, 2008**. In a case of extreme hardship, the Executive Director may extend this date by up to five (5) business days.

Section 5. Within twenty-four (24) hours of issuing the Bonds, CPCFA shall notify CDLAC by facsimile communication to the fax number listed in Section 24 of the CDLAC Procedures that the Bonds have been issued. This facsimile notice shall identify the Project Sponsor, the project or program, the date and amount of the Bonds issued.

Section 6. 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 a completed Report of Action Taken in a form prescribed by and made available by CDLAC.

Section 7. 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 7 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 8. 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 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 9. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by CDLAC or CPCFA.

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

RESOLUTION NO. 08-0034-04
(AN EXEMPT FACILITY PROJECT)
EXHIBIT A

1. Project Sponsor: GreenWaste Recovery, Inc.
2. Application #: 00811
3. Project User: GreenWaste Recovery, Inc. and/or its Affiliates
4. Project Name: GreenWaste Recovery, Inc. Project, Series 2008A and Green Waste of Palo Alto, Series 2008B
5. Location: 565, 625 and/or 645 Charles Street, San Jose, California 95112
275, 355 and/or 375 Industrial Road, Watsonville, California 95076

1500 Berger Drive, San Jose, California 95112
1309 Dynamic Street, Petaluma, California 94954
1340 West Beach Street, Watsonville, California 95076
2755 and 2765 Lafayette Street, Santa Clara, California 95050
675 and 705 Los Esteros Road, San Jose, California 95134
1150 Walsh Avenue, Santa Clara, California 95050
2000 Geng Road, Palo Alto, California 94303
6. Credit Enhancement or Private Placement Purchaser: Comerica Bank and/or Union Bank
7. The Credit Enhancement Provider/Private Placement Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$30,550,000