CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: September 22, 2010  
Request for Final and Refunding Resolution to Issue Revenue Bonds and  
Request for Tax-Exempt Bond Allocation Approval

Prepared by: Doreen Smith

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Amount Requested:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arakelian Enterprises, Inc. dba Athens Services</td>
<td>$60,715,000</td>
</tr>
<tr>
<td></td>
<td>$60,565,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Application No.:</th>
<th>00757</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Resolution No.:</td>
<td>509</td>
</tr>
<tr>
<td>Prior Actions:</td>
<td>IR 04-15 approved</td>
</tr>
<tr>
<td></td>
<td>10/26/04, amended</td>
</tr>
<tr>
<td></td>
<td>07/23/08 and 07/28/10</td>
</tr>
</tbody>
</table>

Summary. Arakelian Enterprises, Inc. dba Athens Services (the “Company”) requests approval of a Final Resolution to issue revenue bonds for an amount not to exceed $60,715,000 and an Allocation Resolution in an amount not to exceed $40,150,000-$40,000,000 to:

1) refund the CPCFA’s Variable Rate Demand Solid Waste Disposal Revenue Bonds (Athens Services Project) Series 2006A (the “Prior Bonds”) of which $20,565,000 remains outstanding
2) finance the expansion and improvement of its material recovery facilities in the City of Industry, Los Angeles and Victorville, the purchase and development of corporate yard sites in the City of Industry and Irwindale, equipment replacement, and the acquisition of trucks and containers, and
3) pay certain costs of issuance.

Borrower. The Company was incorporated on February 28, 1991 in California. The Company provides residential and commercial solid waste collection, hauling and disposal services in portions of Los Angeles, Riverside and San Bernardino Counties.

The principal stockholders of the Company are as follows:
Ron Arakelian Jr. 47%
Michael Arakelian 50%
Various 3%
Total 100%

Legal Questionnaire. The 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. The TEFRA hearings were held on April 23, 2009 and September 16, 2010. There were no comments received in support of or in opposition to this Project.

SBAF Contribution. The Company is a large business and may contribute up to $607,150 to the CPCFA Small Business Assistance Fund.
Prior Actions and Financings. Prior financings are listed below.

<table>
<thead>
<tr>
<th>Description</th>
<th>Date of Bond Issue</th>
<th>Original Amount</th>
<th>Amount Outstanding as of September 22, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athens Disposal Company, Inc.</td>
<td>11/17/95</td>
<td>$25,000,000</td>
<td>$ 7,500,000</td>
</tr>
<tr>
<td>Athens Disposal Company, Inc.</td>
<td>08/31/99</td>
<td>13,500,000</td>
<td>6,220,000</td>
</tr>
<tr>
<td>Athens Services</td>
<td>05/10/01</td>
<td>15,780,000</td>
<td>9,240,000</td>
</tr>
<tr>
<td>Athens Services</td>
<td>07/27/06</td>
<td>22,400,000</td>
<td>20,565,000</td>
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<tr>
<td>TOTALS:</td>
<td></td>
<td>$76,680,000</td>
<td>$43,525,000</td>
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</table>

Project Description. The Company is currently requesting: (1) to refund the $20,565,000 outstanding principal on the prior bonds; (2) allocation of a portion of the 2008 State Ceiling on qualified private activity bonds and (3) final approval of bonds to finance a new project and pay certain costs of issuance.

The new project includes financing a combination of ongoing and current capital requirements. The ongoing and current capital requirements are: (1) continuing capital costs for equipment replacement and additions of trucks and containers; (2) the expansion and improvement of its material recovery facilities in the City of Industry, Los Angeles and Victorville, and (3) the purchase and development of its corporate yard sites in the City of Industry, Irwindale and Commerce.

The anticipated new project and issuance costs are listed below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of Land</td>
<td>$ 6,900,000</td>
</tr>
<tr>
<td>Acquisition of Existing Buildings</td>
<td>5,400,000</td>
</tr>
<tr>
<td>Rehabilitation of Existing Buildings</td>
<td>5,200,000</td>
</tr>
<tr>
<td>Construction of New Buildings</td>
<td>9,700,000</td>
</tr>
<tr>
<td>Acquisition and Installation of New Equipment</td>
<td>11,817,633</td>
</tr>
<tr>
<td></td>
<td>11,667,633</td>
</tr>
<tr>
<td>Bond Issuance Expenses – New Project</td>
<td>800,000</td>
</tr>
<tr>
<td></td>
<td>950,000</td>
</tr>
<tr>
<td>Bond Issuance Expenses – Refunding</td>
<td>150,000</td>
</tr>
<tr>
<td>Letter of Credit</td>
<td>182,367</td>
</tr>
<tr>
<td>Total Allocation Requested:</td>
<td><strong>$40,150,000</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$40,000,000</strong></td>
</tr>
</tbody>
</table>

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. Construction and renovation began in January 2005 and is scheduled to be completed by December 2011. Equipment purchases commenced in March 2009 and will be completed by December 2011. Land was purchased in October 2005, May 2008, October 2009 and additional land will be purchased in September 2010.

Local Government. A letter of support was received from Louie Aguinaga, Mayor, City of South El Monte (Attachment A).

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

Waste Diversion. The MRF expansion will increase throughput which will allow increased diversion from landfills in compliance with AB 939.

Air Quality. The Company intends to purchase new California Air Resources Board (CARB) compliant collection vehicles which are designed to reduce fossil fuel consumption as well as the emissions associated with older trucks.

The MRF improvements will reduce dust and odor emissions.

Water Quality. 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 not in close proximity to environmentally sensitive wetland and coastal areas that could be affected by pollution.

Energy Efficiency. The truck units purchased in conjunction with this project are designed to significantly increase fuel efficiencies over previous older models currently in use. As a result of using newer automated collection vehicles, the Company has been able to reduce the number of collection vehicles and the number of collection trips necessary to cover its service area, and fuel and maintenance costs have decreased.

Permitting and Environmental Approvals. The Company currently has Conditional Use Permits, Solid Waste Facilities Permits and Notices of Determination where appropriate for the project sites where required.

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 an irrevocable, direct pay Letter of Credit issued by Wells Fargo Bank that is rated at least “A-” by Fitch Rating Agency or equivalent. The target date for financing is September 2010.
Financing Team.

Underwriter: Westhoff, Cone & Holmstedt
Bond Counsel: Orrick, Herrington & Sutcliffe
Financial Advisor: Andrew S. Rose
Issuer’s Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of Final Resolution No. 509 for an amount not to exceed $60,715,000, $60,565,000 and Volume Cap Allocation Resolution No. 08-242-11 for an amount not to exceed $40,150,000, $40,000,000 for Arakelian Enterprises, Inc. dba Athens Services and/or its Affiliates.
FINAL BOND RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING AND REFINANCING OF SOLID WASTE DISPOSAL
FACILITIES AND EQUIPMENT
FOR ARAKELIAN ENTERPRISES, INC. d.b.a. ATHENS SERVICES
AND/OR ITS AFFILIATES

September 22, 2010

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of Arakelian Enterprises, Inc. d.b.a. Athens Services, a California corporation (the “Borrower”), for financial assistance to finance or refinance the acquisition, construction, renovation and/or installation of various solid waste disposal facilities and related vehicles and equipment for the processing and disposal of solid waste, located in Los Angeles, San Bernadino and Riverside Counties, and all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (the “New Project”); and

WHEREAS, the Authority has previously issued its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Athens Services Project) Series 2006A (the “Prior Bonds”); and

WHEREAS, the Borrower now wishes to refund the Prior Bonds; which were used to finance or refinance the acquisition, construction, renovation, and/or installation of various solid waste disposal facility and related vehicles and equipment for the processing and disposal of solid waste, as more particularly described in the Term Sheet (the “Prior Project,” and together with the New Project, the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue its revenue bonds from time to time in an amount not to exceed $60,715,000 to assist in the financing of the Project and the refunding of the Prior Bonds; and

WHEREAS, the proceeds of such revenue bonds will be loaned to Athens Services (the “Borrower”), under a loan agreement with the Authority; and

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

WHEREAS, the Borrower has provided documentation to the Authority demonstrating that the New 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 the financial institution named in the Term Sheet to secure the bonds through the issuance of its direct-pay irrevocable letter 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 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 Variable Rate Demand Solid Waste Disposal Revenue Bonds (Athens Services Project), Series 2010” (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 $60,715,000 $60,565,000 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, in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Bonds shall be used to finance or refinance the Project and to pay a portion of the costs of issuance of 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, 2010, by negotiated sale, at such price, at such interest rate or rates and in such mode (taxable or tax-exempt) as he may determine, such determination to be as set forth in the herinafter referred to Purchase Agreement.

Section 4. The following documents:

i. a Loan Agreement relating to the Bonds between the Authority and the Borrower (the “Loan Agreement”);

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 agreement relating to the Bonds among the Authority, the Treasurer of the State of California and the underwriter named in the Term Sheet (the “Underwriter”), and approved by the Borrower, (the “Purchase Agreement”); and

iv. the official statement relating to the Bonds (in the form of either the “Preliminary Official Statement” or the final “Official Statement”).

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture and the Purchase Agreement and by delivery thereof in the case of the Preliminary Official Statement or the Official Statement.

Section 5. The Authority understands and agrees that pursuant to the terms of the Loan Agreement the obligations of the Borrower may, under some circumstances, be carried out or assumed by a successor or assignee entity or by Affiliates of such Borrower. For purposes of this Resolution, an “Affiliate” of the Borrower means any person or entity which meets the definition of “Participating Party” in the Act and controls, is controlled by, or is under common control with, the Borrower, as shown by the possession, directly or indirectly, of the power to direct or cause the
direction of its management or policies, whether through majority equity ownership, contract or otherwise.

**Section 6.** The dates, maturity dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of each series of the Bonds shall be as provided in the Indenture, as finally executed.

**Section 7.** The Underwriter is hereby authorized to distribute the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds. The Underwriter is hereby directed to deliver a copy of the final Official Statement to all actual purchasers of the Bonds.

**Section 8.** The Bonds shall be executed by the manual or facsimile signature of the Chairman or any Deputy to the Chairman and the seal of the Authority shall be affixed thereon (or a facsimile reproduced thereon) in the form set forth in and otherwise in accordance with the Indenture. The 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 Depository Trust Company, New York, New York, on behalf of 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 to The Depository Trust Company, on behalf of the Underwriter thereof, upon payment of the purchase price thereof.

**Section 9.** The Authority hereby dedicates and confirms its allocation to the Bonds of $41,500,000, $40,000,000, of a portion of the 2008 State Ceiling on qualified private activity bond as previously received from the California Debt Limit Allocation Committee and carried forward by the Authority, to finance certain costs of the New 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.

**Section 10.** Each officer of the Authority, acting alone, is hereby authorized and directed to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Bonds, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement, the Purchase Agreement and the Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including, without limitation, any certifications and one or more tax certificates.

**Section 11.** 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 May 26, 2010, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

**Section 12.** 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 13.** This Resolution shall take effect immediately upon its passage. The adoption by the Authority of this Resolution for the Borrowers 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**

<table>
<thead>
<tr>
<th>Name of Issue:</th>
<th>California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Athens Services Project), Series 2010 (the “Bonds”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Amount of Issue:</td>
<td>$60,715,000, $60,565,000</td>
</tr>
<tr>
<td>Issuer:</td>
<td>California Pollution Control Financing Authority (the “Authority”), Sacramento, CA</td>
</tr>
<tr>
<td>Borrower:</td>
<td>Arakelian Enterprises, Inc. d.b.a. Athens Services</td>
</tr>
<tr>
<td>Trustee:</td>
<td>The Bank of New York Mellon Trust Company, N.A. or Comerica Bank</td>
</tr>
<tr>
<td>Senior Underwriter or Placement Agent:</td>
<td>Westhoff, Cone &amp; Holmstedt</td>
</tr>
<tr>
<td>Bond Counsel:</td>
<td>Orrick, Herrington &amp; Sutcliffe LLP, San Francisco, CA</td>
</tr>
<tr>
<td>Remarketing Agent:</td>
<td>Westhoff, Cone &amp; Holmstedt</td>
</tr>
<tr>
<td>New Project:</td>
<td>A portion of such Bond proceeds is intended to finance the following projects in the County of Los Angeles:</td>
</tr>
<tr>
<td></td>
<td>(1) expansion, improvements to and equipping of a solid waste processing facility, including traffic mitigation measures, located at 14048 Valley Boulevard, City of Industry and adjacent parcels at 14037 - 14131 Proctor Avenue, City of Industry.</td>
</tr>
<tr>
<td></td>
<td>(2) land acquisition and/or construction, improvement, renovation, rehabilitation and/or installation of buildings, facilities and equipment for the storage and maintenance of solid waste collection vehicles and related equipment, to be located at: (a) 15019 Salt Lake Avenue, City of Industry, and</td>
</tr>
</tbody>
</table>
Agenda Item – 4.C.1.

(b) 5355 North Vincent Avenue, Irwindale.

(3) construction, improvement, renovation, rehabilitation and/or installation of buildings, facilities and equipment for the processing of solid waste and the storage and maintenance of solid waste collection vehicles and related equipment, to be located at 11121 Pendleton Street, Los Angeles.

(4) acquisition of trucks and other solid waste vehicles and equipment, which may be located from time to time at the locations listed in items (1) and (2) above and at: (a) 15045 Salt Lake Avenue, City of Industry, (b) 900 South Maple Avenue, Montebello, (c) 127 Van Norman Avenue, Montebello, (d) 12221 Lopez Canyon, Sylmar, (e) 11266 Peoria Street, Los Angeles, and (f) 113 South 5th Street, City of Industry.

(5) acquisition of solid waste carts, bins and containers.

Prior Project:

A portion of such Refunding Bond proceeds will refund a prior series of the Authority’s revenue bonds issued in July 2006 (the “Prior Bonds”).

The Prior Bonds were used to finance the following projects in the County of Los Angeles: (1) expansion, improvements to and equipping of a solid waste processing facility together with the purchase and/or installation of conveyors, balers and scales and related equipment and the construction of traffic mitigation measures, all to be located at or near 14048 Valley Boulevard, City of Industry and adjacent parcels at 14037, 14045, 14051, 14055, 14103, 14121 and 14131 Proctor Avenue, City of Industry; (2) land acquisition and/or construction, improvement, renovation,
rehabilitation and/or installation of buildings, facilities and equipment for storage and maintenance of solid waste collection vehicles and related equipment, to be located at: (a) 15019 and 15045 Salt Lake Avenue, City of Industry (b) 900 South Maple Avenue, Montebello, (c) 127 Van Norman Avenue, Montebello, and (d) 12221 Lopez Canyon, Sylmar; (3) acquisition of trucks and other solid waste vehicles and equipment, which may be located from time to time at the locations listed in items (1) and (2) above; and (4) acquisition of solid waste carts, bins and containers.

A portion of such Bond proceeds is intended to finance the following projects in the County of Riverside:

(1) the acquisition of solid waste vehicles, carts, bins, containers and other equipment to be located at 687 Iowa Avenue, Riverside in Riverside County.

A portion of the Refunding Bond proceeds will refund a prior series of the Authority’s revenue bonds issued in July 2006 (the “Prior Bonds”). The Prior Bonds were used to finance the following projects in the County of Riverside: (1) acquisition of solid waste vehicles and other equipment to be located at 687 Iowa Avenue, Riverside; and (2) the acquisition of solid waste carts, bins and containers.

A portion of such Bond proceeds is intended to finance the following projects in the County of San Bernardino:

(1) construction, improvement, renovation, rehabilitation and/or installation of buildings, facilities and equipment for the processing of solid waste and the storage and maintenance of solid waste collection vehicles and related equipment, to be located at
Agenda Item – 4.C.1.

20055 Shay Road, Victorville.

(2) acquisition of trucks and other solid waste vehicles and equipment, which may be located from time to time at the location listed in item (1) above.

(3) acquisition of solid waste carts, bins and containers.

**Maximum Bond Term:** Not to exceed 30 years

**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 Wells Fargo Bank, N.A.

**Other Credit Enhancement:** Not applicable

**Anticipated Bond Rating:** Minimum “A”

**Type of Financing:** Solid waste disposal revenue bonds

**Prepared by:** Tony Cone, (925) 472-8750
WHEREAS, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from Arakelian Enterprises, Inc. dba Athens Services (“Project Sponsor”) for approval of the issuance of revenue bonds; and

WHEREAS, on September 22, 2010, CPCFA approved Final Resolution No. 509 (“Final Resolution”) authorizing the issuance of up to $40,150,000 of its solid waste disposal revenue bonds (Athens Services Project) Series 2010 (“Bonds”) to finance a New Project, as specifically described in Exhibit A (“New Project”); and

WHEREAS, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the New 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 $40,150,000 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 New 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 New Project made prior to the issuance of the Bonds must be reported to the Executive Director and shall require reconsideration by CPCFA before the CPCFA Allocation may be used for the New Project.

Section 4. The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Bonds for the New Project have been issued by CPCFA by the close of business on December 22, 2010. In a case of extreme hardship, the Deputy Executive Director or 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 via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Bonds have been issued. This notice shall identify the Project Sponsor, the New 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 the appropriate 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 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 New 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. 08-242-11  
(AN EXEMPT FACILITY PROJECT)  
EXHIBIT A

1. Project Sponsor: Arakelian Enterprises Inc. dba Athens Services
2. Application #: 757
3. Project User: Athens Services
4. Project Name: Athens Services
5. Location: Los Angeles County
6. Credit Enhancement or Private Placement Purchaser: Wells Fargo 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: $40,150,000 $40,000,000
June 21, 2010

Mr. Michael Paparian  
Executive Director  
California Pollution Control Financing Authority  
915 Capitol Mall, Room 457  
Sacramento, CA 95814

RE: California Debt Limit Allocation Committee Cap Allocation Request  
Athens Services

Dear Mr. Paparian:

I write to you today on behalf of Athens Services relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting in August.

City staff and I have worked with the management of Athens Services 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 CPCFA must grant part of the State’s allocation for "private activity" bonds as defined by the federal government to the Project. I further understand that the demand for such allocation is greater than ever, and far exceeds the available allocation.

While I can imagine that your job in apportioning the available allocation among competing and equally beneficial projects is difficult, I want to let you know that to the City of South El Monte, this project is important. It is a project which is a part of, and crucial to our overall plan of compliance with AB 939. In addition, we and Athens Services agree that the implementation of this project is a cost effective addition to our overall program, taking into account cost, technology and expected waste diversion.
On behalf of the City of South El Monte I would therefore strongly urge that you approve the Athens Services Project at your meeting in August. Thank you.

Sincerely

Louie Aglinaga
Mayor of South El Monte