Summary. Arakelian Enterprises, Inc. dba Athens Services (the “Company”) requests approval of an Initial Resolution for an amount not to exceed $35,000,000 to finance the purchase of equipment for various sites and site improvements in San Bernardino County; as well as improvements to three additional locations in Los Angeles County. The Company anticipates that the project will provide waste diversion and recycling benefits.

Borrower. The Company is owned by the Arakelian family and was incorporated on February 28, 1991 in California. The Company provides residential and commercial solid waste collection, transfer and materials recovery, special waste transportation, organic waste composting, hauling and disposal services throughout Southern California.

The principal stockholders of the Company are as follows:

<table>
<thead>
<tr>
<th>Stockholder</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ron Arakelian Jr.</td>
<td>36%</td>
</tr>
<tr>
<td>Michael Arakelian</td>
<td>50%</td>
</tr>
<tr>
<td>Ron Arakelian III.</td>
<td>11%</td>
</tr>
<tr>
<td>Various (less than 3% each)</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

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 in the Legal Status portion of the Application that raises question concerning the financial viability or legal integrity of this applicant.

Project Description. The Company has accepted a contract to equip fourteen waste processing sites located in San Bernardino County that consist of both landfills and transfer stations. Beginning July 1, 2013, the Company plans to purchase rolling stock and “yellow iron” to be used at the various waste processing sites. The Project will also include the purchase of equipment such as loaders, bulldozers, tractors and transfer trailers, earth moving and compacting machinery and various related equipment utilized to process waste.

The Company also plans to improve an additional three sites located in Los Angeles County. These improvements include MRF upgrades, CNG fueling stations, site and building improvements, various related equipment and potential infrastructure improvements necessary to comply with permitting requirements.
**Volume Cap Allocation.** The Company anticipates applying to the Authority for volume cap allocation in the 3rd quarter of 2013.

**Financing Details.** The Company anticipates the issuance of negotiated tax exempt bonds.

**Financing Team.**
- **Underwriter:** Westhoff, Cone & Holmstedt
- **Bond Counsel:** Orrick, Herrington & Sutcliffe
- **Issuer’s Counsel:** Office of the Attorney General

**Staff Recommendation.** Staff recommends approval of Initial Resolution No. 13-05 for Arakelian Enterprises, Inc. dba Athens Services and/or its Affiliates for an amount not to exceed $35,000,000.

*Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.*
RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS TO
FINANCE SOLID WASTE DISPOSAL FACILITIES FOR
ARAKELIAN ENTERPRISES, INC. DBA ATHENS SERVICES AND/OR ITS
AFFILIATES

July 16, 2013

WHEREAS, the California Pollution Control Financing Authority (“Authority”), a public instrumentality, is authorized and empowered by the provisions of the California Pollution Control Financing Authority Act (“Act”) to issue bonds for the purpose of defraying the cost of facilities for the disposal of solid and liquid waste products, including refuse collection and disposal services; and

WHEREAS, Arakelian Enterprises, Inc. DBA Athens Services, a California corporation (the “Applicant”), and/or its affiliates (collectively, the “Company”) has submitted an application (the “Application”) requesting that the Authority assist in financing the acquisition and/or construction of solid waste disposal facilities, vehicles, rolling stock and equipment as more fully described in the Application (collectively, the “Project”) to be owned and operated by the Company, and have presented an estimate of the maximum cost of such Project as shown in Exhibit “A” attached hereto; and

WHEREAS, the Authority desires to encourage the Company to provide solid waste disposal facilities and equipment which will serve the public of the State; and

WHEREAS, the Authority deems it necessary and advisable to further the purposes of the Act that the Project be acquired at the earliest practicable date, but the Company requires satisfactory assurances from the Authority that the proceeds of the sale of bonds of the Authority will be made available to finance such Project; and

WHEREAS, the Company expects to incur or pay from its own funds certain expenditures in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, subject to meeting all the conditions set forth in this resolution the Authority reasonably expects that debt obligations in an amount not expected to exceed $35,000,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Company for its prior expenditures for the Project; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;
NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority as follows:

Section 1. The Authority finds and determines that the foregoing recitals are true and correct. For purposes of this Resolution, an “Affiliate” of the Applicant means any person or entity which controls, is controlled by, or is under common control with, the Applicant, 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. An Affiliate shall also be a “participating party” as defined in the Act.

Section 2. The Authority declares its official intent to issue, at one time or from time to time, an aggregate of up to $35,000,000 principal amount of bonds of the Authority for the Project; including for the purpose of reimbursing to the Company costs incurred for the Project prior to the issuance of the bonds.

Section 3. The bonds will be payable solely from the revenues to be received by the Authority pursuant to a loan agreement or other agreements to be entered into between the Authority and the Company in connection with the Project. Each bond shall contain a statement to the following effect:

“Neither the faith and credit nor the taxing power of the State of California or any political subdivision thereof or local agency is pledged to the payment of the principal of, premium, if any, or any interest on this bond.”

Section 4. The bonds shall be issued subject to the conditions that (i) the Authority and the Company shall have first agreed to mutually acceptable terms for the bonds and of the sale and delivery thereof, and mutually acceptable terms and conditions of the loan of the bond proceeds to finance the Project; (ii) all requisite governmental approvals shall have first been obtained; (iii) a Final Resolution shall have been received from the Authority; and (iv) an allocation shall have been received from the California Debt Limit Allocation Committee for any portion of the bonds which are to be sold as exempt from federal income tax.

Section 5. The Executive Director of the Authority is hereby authorized to indicate the willingness of the Authority to proceed with and effect such financing in order to assist the Company by defraying the cost of the Project, subject to due compliance with all requirements of the law and the obtaining of all necessary consents and approvals and to meeting all other requirements of the Authority.

Section 6. It is intended that this Resolution shall constitute “some other similar official action” towards the issuance of bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations and “official intent” within the meaning of Section 1.150-2 of the Treasury Regulations, each as applicable under Section 103 of the Internal Revenue Code of 1986, as amended. It is also intended that this statement of “official action” or “official intent” by the Authority shall continue in full force and effect even if this Resolution ceases to be effective for other purposes.
Section 7. This Resolution shall take effect immediately upon its passage and remain in full force and effect thereafter; provided that, subject to Section 6 above, this Resolution shall cease to be effective on July 16, 2016 unless the Authority specifically adopts a further resolution extending the effective date of this Initial Resolution. The Authority will consider such extension upon receiving a specific request for such action from the Company, accompanied by any additional information requested by the Authority to supplement the Company’s application, and an explanation of the status of the Project.
EXHIBIT A

NUMBER: 13-05

LOCATIONS:

Barstow Landfill  
32553 Barstow Road  
Barstow, CA 92311  
Baker Transfer Station South  
Side of Kelbaker Road  
Baker, CA 92309  
Newberry Springs  
Transfer Station  
30550 Poniente Drive  
Newberry Springs, CA 92365

Landers Landfill  
59200 Winter Road  
Landers, CA 92285  
Big Bear Transfer Station  
38550 Holcomb Valley Road  
Big Bear, CA 92314  
Phelan Transfer  
Station (Sheep Creek)  
10130 Buckwheat Road  
Phelan, CA 92371

Mid-Valley Landfill  
2390 North Alder Avenue  
Rialto, CA 92377  
Heaps Peak Transfer Station  
29898 State Highway 18  
Running Springs, CA 92382  
Trona-Argus  
Transfer Station  
83000 First Street  
Trona, CA 93562

San Timoteo Landfill  
31 Refuse Road  
Redlands, CA 92373  
Camp Rock Transfer Station  
29805 Squaw Bush Road  
Lucerne Valley, CA 92356  
29 Palm Transfer Station  
7501 Pinto Mountain Road  
Twentynine Palms, CA 92278

Victorville Landfill  
18600 Stoddard Wells Road  
Victorville, CA 92394  
Morongo Valley Transfer Station  
(Trails End)  
10780 Malibu Trail  
Morongo Valley, CA 92256  
Colton Sanitary Landfill  
850 Tropica Rancho Road  
City of Industry, CA 91746

15019 and 15045  
Salt Lake Avenue  
(Corporate Yard)  
City of Industry, CA  
91746  
5355 North Vincent Avenue  
(Corporate Yard)  
Irwindale, CA 91706  
Colton Sanitary Landfill  
850 Tropica Rancho Road  
Colton, CA 92324

11121 Pendleton Street  
(MRF)  
Los Angeles, CA 91352

TYPE: Solid Waste Disposal

AMOUNT: Up to $35,000,000