

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

Meeting Date: March 20, 2007

Executive Summary

Request for Final Resolution Approval

Prepared by: *Deana Carrillo*

Applicant: GreenWaste Recovery, Inc. and/or its Affiliates	Amount Requested: \$38,305,000
	Application No: 789
Project San Jose (Santa Clara County) and Watsonville	Final Resolution No.: 461
Location: (Santa Cruz County), CA	Prior Actions: IR 06-11
	Approved 10/ 24/06

Type of Business: GreenWaste Recovery Inc. (the “Company” or “GreenWaste”) was incorporated in San Jose in May 1991 and also does business as \$99 Debris Box Company. Affiliated companies include 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 (MRF’s) and transfer stations in the San Jose area.

Project Description: The Company anticipates using bond proceeds to finance project components located in two cities—City of San Jose and City of Watsonville.

City of San Jose. The Company intends to purchase collection vehicles and containers to fulfill its new residential greenwaste hauling contract with the City of San Jose. The Company also intends to reorganize and expand its existing materials recovery facility (MRF) in San Jose, located at 625 & 645 Charles Street. Because of the MRF expansion the Company intends to purchase land to create a new vehicle maintenance facility which will serve as a corporate yard at 565 Charles Street in the City of San Jose. The Company also intends to purchase additional collection vehicles and containers to be used in various incorporated and unincorporated areas of Santa Clara County and with customers throughout its service area. The Authority has received a letter in support for the Project from the City of San Jose (see Attachment A).

City of Watsonville. The Company anticipates the purchase of collection vehicles, containers and other equipment to support a new commercial waste collection contract with Santa Cruz County. The collection vehicles and other equipment will be located on leased land at 375 Industrial Road in the City of Watsonville. The land is leased from Watson Pre-Cool; if a termination of the lease occurs, the vehicles and equipment will be stored at another location. The collection containers will be located with the Company’s customers throughout its Santa Cruz County service area.

Public Benefits: The Company represents that the Project will provide public benefits indicated below.

Waste Diversion. The Project will assist the communities served in meeting AB 939 requirements.

Ratepayer benefits. GreenWaste was awarded the solid waste disposal contracts with the City of San Jose and Santa Cruz County. The rates used in the Company’s bid were based on receiving tax-exempt financing, which will benefit the ratepayers through reduced financing costs.

SBAF Contribution. The Company is a large business and will contribute up to \$383,050 to CPCFA’s Small Business Assistance Fund (SBAF).

Pollution Control: The Company represents that the Project will provide environmental benefits indicated below.

Air Quality. The new low-emission, California Air Resources Board (CARB) compliant trucks will emit less particulate matter and NOx emissions, which will in turn reduce the amount of air pollution created by the vehicles. Some, if not all, of the collection vehicles to be acquired may be bio-diesel powered and will emit noticeably less pollutants than the current conventionally powered diesel fleet in use.

Energy Efficiency. The use of split body trucks in conjunction with residential service will reduce the number of truck routes currently being used to collect solid waste, as these trucks are capable of picking up two types of waste at once. Use of these split body trucks will reduce traffic congestion, fuel consumption, and the resulting air pollution that would otherwise occur.

Water Quality. The proposed facility will be operating on concrete or asphalt paved surfaces and will not operate on exposed ground areas, preventing any seepage of undesirable materials into the ground water. The facility applicant intends to comply with storm water management regulations.

Permits: The Company represents it has obtained and provided Staff with copies of all discretionary permits required for the expansion of the San Jose MRF. The other proposed projects entail the purchase of land, equipment and development of corporate yards which do not require discretionary permits.

Anticipated Financing Details: The Company anticipates a negotiated tax-exempt, weekly reset, variable rate bond issue with a term not to exceed 30 years. The Company plans to secure the bonds with an irrevocable, direct pay Letter of Credit that is rated at least “A-” by Fitch Rating Agency or equivalent. The target date for financing is first quarter of 2007.

Financing Team:

- Underwriter:** Westhoff, Cone & Holmstedt
- Bond Counsel:** Law Offices of Leslie M. Lava
- Financial Advisor:** Andrew S. Rose
- Issuer’s Counsel:** Alexis Chiu

Legal Questionnaire: The Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the application. The Company disclosed a lawsuit that was filed against it by the City of San Jose in 1997. The issue, a contract dispute, was previously disclosed to the Authority in February 2001 and has been resolved.

Staff also discovered enforcement actions at the City of San Jose, violations at the Sunnyvale MRF, and a cease and desist order for an unpermitted (Construction & Demolition) C&D facility in San Jose. These issues have been resolved to the satisfaction of the Local Enforcement Agency (LEA).

Staff does not believe that the disclosed issues affect the Company’s ongoing financial viability.

Staff Recommendation: Staff recommends approval of Final Resolution No. 461 for an amount not to exceed \$38,305,000 for GreenWaste Recovery, Inc. and/or its Affiliates.

**GREENWASTE RECOVERY, INC.
AND/OR ITS AFFILIATES**

Bond Amount: \$38,305,000

San Jose (Santa Clara County), CA

Watsonville (Santa Cruz County), CA

Application No. 789

March 20, 2007

STAFF SUMMARY – CPCFA

Prepared by: *Deana Carrillo*

ISSUE:

GreenWaste Recovery, Inc. and/or its Affiliates (the “Company” or “GreenWaste”) requests approval of Final Resolution No. 461 for an amount not to exceed \$38,305,000 to finance: (1) the purchase of land, construction of a building and development of purchased land for a vehicle maintenance facility, expansion of the Company’s existing Material Recovery Facility (MRF), and purchase of collection vehicles, containers and other equipment in San Jose; and (2) the purchase of collection vehicles, equipment, rolling stock and containers located in Watsonville to service the Santa Cruz County contract (together, the “Project”).

CDLAC Allocation. The Company anticipates receiving an allocation of up to \$38,305,000 from CDLAC at the March 21, 2007 meeting.

TEFRA. The TEFRA hearing was held on November 28, 2006. There were no comments received in support of or in opposition to this Project.

BORROWER:

The Company was incorporated in San Jose in May 1991 and also does business as \$99 Debris Box Company. Affiliated companies include Zanker Road Resources 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. The Company provides residential and commercial collection of garbage, recyclables and yard trimmings as well as street sweeping and debris box services. The Company has contracts to service the cities of Portola Valley and Woodside (San Mateo County), San Juan Bautista (San Benito County), Petaluma (Sonoma County) and unincorporated areas of Santa Clara County and the City of San Jose.

GreenWaste Recovery, Inc. is affiliated with Zanker Road Resource Management, Ltd. and GreenTeam/Zanker of Sunnyvale. The ownership and structure is provided on Attachment B.

Legal Questionnaire. The Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the application. The Company disclosed a lawsuit that was filed against it by the City of San Jose in 1997. The issue, a contract dispute, was previously disclosed to the Authority in February 2001 and has been resolved.

Staff also discovered enforcement actions at the City of San Jose, violations at the Sunnyvale MRF and a cease and desist order for an unpermitted (Construction & Demolition) C&D facility in San Jose. These issues have been resolved to the satisfaction of the Local Enforcement Agency (LEA).

Staff does not believe that the disclosed issues affect the Company’s ongoing financial viability.

Prior Actions and Financings. Prior actions and financings are detailed below.

Project	Issue Date	Amt. Issued	Bond Amt. Outstanding as of 3/1/07	Debt Amt. Outstanding as of 3/1/07
GreenWaste of Tehama*	06/03/1999	\$ 3,435,000	\$ 700,000	\$ 0
GreenWaste Recovery, Inc.	06/03/1999	3,625,000	1,880,000	1,880,000
Zanker Road Landfill	06/03/1999	6,370,000	4,540,000	4,540,000
Zanker Road Landfill	06/03/1999	2,960,000	0	0
GreenWaste Recovery, Inc.	10/10/2001	8,305,000	2,005,000	2,005,000
GreenWaste Recovery, Inc.	01/06/2006	<u>12,315,000</u>	<u>12,315,000</u>	<u>12,315,000</u>
Totals:		<u>\$37,010,000</u>	<u>\$21,440,000</u>	<u>\$20,740,000</u>

* This bond was assumed by Waste Connections in 2003

PROJECT INFORMATION:

The Company anticipates using bond proceeds to finance project components located in two cities—City of San Jose and City of Watsonville.

City of San Jose. The Company intends to purchase collection vehicles and containers to fulfill its new residential greenwaste hauling contract with the City of San Jose. The Company also intends to reorganize and expand its existing Materials Recovery Facility (MRF) in San Jose, located at 625 & 645 Charles Street in the City San Jose. Because of the MRF expansion the Company intends to purchase land to create a new vehicle maintenance facility which will serve as a corporate yard at 565 Charles Street in the City of San Jose. The Company also intends to purchase additional collection vehicles and containers to be used in various incorporated and unincorporated areas of Santa Clara County and with customers throughout its service area. The Authority has received a letter in support for the Project from the City of San Jose (see Attachment A).

City of Watsonville. The Company anticipates the purchase of collection vehicles, containers and other equipment to support a new commercial waste collection contract with Santa Cruz County. The collection vehicles and other equipment will be located on leased land at 375 Industrial Road in the City of Watsonville. The land is leased from Watson Pre-Cool; if a termination of the lease occurs, the vehicles and equipment will be stored at another location. The collection containers will be located with the Company’s customers throughout its Santa Cruz County service area.

Costs associated with the projects include:

	San Jose	Watsonville	Total
Land	\$ 1,500,000		\$ 1,500,000
Building & Site Improvements	2,700,000		2,700,000
Collection Vehicles	4,655,000	\$ 9,490,000	14,145,000
Sorting Line & Conveyors	8,500,000		8,500,000
Containers, Rolling Stock & Street Sweepers	1,435,000	7,215,000	8,650,000
Office Equipment	30,000	40,000	70,000
Shop Equipment & Grinder	875,000	125,000	1,000,000
Letter of Credit Fees			242,948
Bond Issuance Expenses			542,800
SBAF Contribution			223,300
Contingencies	<u>0</u>	<u>0</u>	<u>730,952</u>
Totals:	<u>\$19,695,000</u>	<u>\$16,870,000</u>	<u>\$38,305,000</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, determination by bond counsel that certain costs do not qualify for tax-exempt financing, 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.*

PUBLIC BENEFITS:

The Company represents that the Project will result in public benefits noted below.

Waste Diversion. The Project will assist the communities served in meeting AB 939 requirements.

Ratepayer benefits. GreenWaste was awarded the solid waste disposal contracts with the City of San Jose and the County of Santa Cruz. The rates used in the Company's bids were based on receiving tax-exempt financing which will benefit the ratepayers through reduced financing costs.

SBAF Contribution. The Company is a large business and will contribute up to \$383,050 to CPCFA's Small Business Assistance Fund (SBAF).

POLLUTION CONTROL:

The Company represents that the Project will result in pollution control benefits as noted below.

Air Quality. The new low-emission, California Air Resources Board (CARB) compliant trucks will emit less particulate matter and NOx emissions, which will in turn reduce the amount of air pollution created by the vehicles. Some, if not all, of the collection vehicles to be acquired may be bio-diesel powered and will emit noticeably less pollutants than the current conventionally powered diesel fleet in use.

Energy Efficiency. The use of split body trucks in conjunction with residential service will reduce the number of truck routes currently being used to collect solid waste, as these trucks are capable of picking up two types of waste at once. Use of these split body trucks will reduce traffic congestion, fuel consumption, and the resulting air pollution that would otherwise occur.

Improved Water Quality. The proposed facility will be operating on concrete or asphalt paved surfaces and will not operate on exposed ground areas, preventing any seepage of undesirable materials into the ground water. The applicant intends to comply with storm water management regulations.

PERMITTING & ENVIRONMENTAL APPROVALS:

The Company represents it has obtained and provided staff with copies of all discretionary permits required for the expansion of the San Jose MRF. The other proposed Projects entail the purchase of land, equipment and development of corporate yards which do not require discretionary permits.

ANTICIPATED TIMELINE:

The Company anticipates purchasing the land in the first quarter of 2007. Construction and renovations will likely begin in September 2007. Equipment purchases began in October 2006 and are scheduled to be completed by June 2009.

FINANCING DETAILS:

The Company anticipates a negotiated tax-exempt, weekly reset, variable rate bond issue with a term not to exceed 30 years. The Company plans to secure the bonds with an irrevocable, direct pay Letter of Credit from Comerica that is rated at least “A-” by Fitch Rating Agency or equivalent. The target date for financing is first quarter of 2007.

FINANCING TEAM:

Underwriter: Westhoff, Cone & Holmstedt
Bond Counsel: Law Offices of Leslie M. Lava
Financial Advisor: Andrew S. Rose
Issuer’s Counsel: Alexis Chiu

RECOMMENDATION:

Staff recommends approval of Final Resolution No. 461 for an amount not to exceed \$38,305,000 for GreenWaste Recovery, Inc. and/or its Affiliates.

Attachment B

GreenWaste Recovery, Inc.*		Zanker Road Resource Management, Ltd**		GreenTeam/Zanker of Sunnyvale			
		General Partners	Limited Partners				
		Zanker Road Resource Recovery, Inc.	30.0000		Zanker Road Resource Management, Ltd.**	50.00	
Richard Cristina	19.790			Richard Cristina	1.7647	GreenTeam of San Jose***	50.00
Murray Hall	17.290			Shilling & Kenyon Profit Sharing Trust	1.7637		100.00
Jesse Weigel	16.670			Jesse Weigel	2.6471		
Robert Dubcich	8.540					Green Team of San Jose	
Frank Weigel	4.170			Gene Carter	7.0588	GreenValley Disposal & Recycling	50.00
Gary Giannini	4.170			Phyllis Wilks	0.8824	GreenWaste Recovery, Inc.*	50.00
Gene & Patricia Carter	4.170			Shilling & Kenyon, Inc.	1.7647		100.00
Herbert L. Sweatt	4.170	H.L. Sweatt, Inc.	10.0000	Herbert L. Sweatt	0.8824		
Nancy Sweatt	4.170			Nancy Sweatt	0.8824		
Patricia Sheehan	4.170			John D. Couch	18.0088		
Giannini Trust	3.130			Sportsell L.P. #4	10.5882		
Clayton & Sandra Feldman	2.080			Neal Family Revocable Trust	5.2941		
Gary Madden	2.075			Kenneth W. Zerbe	7.0588		
Mary Jane Filice	2.075			Mary Lou Couch	0.4820		
Cristina Irrevocable Trust 1993	1.665			Cristina 1993 Irrevocable Trust	0.8824		
William & Linda Giannini	1.665			James & Mary Lou Couch Family Trust	0.0395		
	100.000		40.0000		60.0000		
				Total			
				100.00			

Note: * GreenWaste Recovery, Inc. is a portion of GreenTeam of San Jose, which in turn is a part owner of GreenTeam/Zanker of Sunnyvale.

** Zanker Road Resource Management, LTD owns 50% of GreenTeam/Zanker of Sunnyvale.

*** GreenTeam of San Jose is made up of GreenWaste Recovery, Inc and Green Valley Disposal & Recycling.

The officers of GreenWaste Recovery, Inc. are:

Richard Cristina	President
Murray Hall	Vice President
Jesse Weigel	Secretary/Treasurer

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

March 20, 2007

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has heretofore approved the application of GreenWaste Recovery, Inc., a California corporation (the “Applicant”), for financial assistance to finance acquisition, construction, rehabilitation or improvements to certain solid waste disposal facilities and acquisition of solid waste collection trucks, carts, bins, containers and other vehicles and equipment, all of which will be used to serve the Borrower’s customers throughout its service territory in the Counties of Santa Clara and Santa Cruz, California, and all as more particularly described in Application No. 789 of the Applicant and 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 \$38,305,000 to assist in the financing of the Project; and

WHEREAS, the proceeds of such revenue bonds will be loaned to the Borrower (as defined in the Term Sheet) 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 is now sought; and

WHEREAS, the Applicant 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 Applicant has arranged for a financial institution, as 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 Applicant and the Borrower are each 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 2007A” (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 \$38,305,000, 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.

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, 2007, by negotiated sale, at such price and at such interest rate or rates as he may determine.

Section 4. The proposed form of a generic loan agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower, as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Chairman and the Executive Director of the Authority are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Borrower the Loan Agreement in

substantially the form filed with or approved by 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 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 5. The proposed form of a generic indenture relating to 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 Chairman and the Executive Director of the Authority 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 or approved by 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, 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 the Bonds shall be as provided in the Indenture, as finally executed.

Section 6. The proposed form of a generic bond purchase contract (the “Purchase Contract”) among the underwriter or underwriters named in the Term Sheet (the “Underwriters”), the Treasurer and the Authority, as approved by the Borrower, as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Authority hereby authorizes and approves the execution and delivery of the Purchase Contract, in substantially the form filed with or approved by the Authority, by the Chairman or the Executive Director of the Authority, for and on behalf and in the name of the Authority, with such insertions, deletions or changes therein 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.

Section 7. The proposed form of a generic official statement (the “Official Statement”) as filed with the Authority prior to this meeting or as provided in Section 8, is hereby approved. The Chairman or the Executive Director of the Authority 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. The Chairman or the Executive Director of the Authority 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, the Purchase Contract and the Official Statement described in Sections 4, 5, 6 and 7 hereof, respectively, shall, if not on file with the Authority, be substantially similar to the Loan Agreement, the Indenture, the Purchase Contract and the Official Statement executed in connection with the issuance of the California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Garden City Sanitation, 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 \$38,305,000, 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 the Chairman or the Executive Director of the Authority, 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.

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. The Chairman or the Executive Director of the Authority are each hereby authorized and directed, acting alone, to do any and all ministerial acts, including (without limitation) to execute and deliver 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. Whenever in this resolution, an officer is authorized to make insertions, deletions or changes to a document with the advice of the Attorney General, that officer may take such actions with the advice of other counsel retained by the Authority as issuer's counsel, if the retention of such counsel has been approved by the Attorney General. Such counsel may also approve or require changes to the Official Statement pursuant to the terms of Section 7 hereof.

Section 15. This resolution shall take effect immediately upon its passage. The adoption by the Authority of this final resolution for the Applicant 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 2007A (the “Bonds”)
Maximum Amount of Issue:	\$38,305,000 (tax-exempt)
Issuer:	California Pollution Control Financing Authority (the “Authority”), Sacramento, CA
Applicant	GreenWaste Recovery, Inc.
Borrower:	GreenWaste Recovery, Inc.
Affiliate	“Affiliate” of the Applicant means any person or entity which meets the definition of “Participating Party” under the Act and 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.
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 (i) improvements to a materials recovery facility and the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment and facilities functionally related thereto, all to be located at 625 and 645 Charles Street, San Jose, California 95112, (ii) the acquisition of land,

the acquisition and renovation of buildings thereon to house offices and truck maintenance, washing and storage, and the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment and facilities functionally related thereto, all to be located at 565 Charles Street, San Jose, California 95112, (iii) the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment and facilities functionally related thereto, all to be located at 375 Industrial Road, Watsonville, California 95076, and (iv) the acquisition of drop boxes, bins, carts and containers to be located with customers in the City of San Jose, California and in various incorporated and unincorporated portions of Santa Clara and Santa Cruz Counties, California.

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 Comerica Bank, or another bank approved by the Chairman or the Executive Director that is rated at least "A-".
Other Credit Enhancement:	Not applicable
Anticipated Bond Rating:	"A+/F1" (minimum "A-")
Type of Financing:	Solid waste disposal revenue bonds
Prepared by:	Leslie M. Lava, Esq. (415) 331-6464 February 27, 2007