

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: October 22, 2008
Request to Approve Amendment to Final Resolution to Issue Revenue Bonds

Prepared by: *Doreen Smith*

Applicant: Ecology Auto Parts, Inc. and/or its Affiliates	Amount Requested: \$9,100,000
Project: Counties of Los Angeles, San Diego, San Bernardino and Riverside	Application No.: 00808
Location: San Diego, San Bernardino and Riverside	Final Resolution No.: 00486 approved 08/27/08

Summary. CPCFA approved a final resolution for Ecology Auto Parts, Inc. and/or its Affiliates (the “Company”) in August 2008. Due to the change in the financial market since that time, the Company now requests to amend the Final Resolution to substitute a new lender, Union Bank of California (the “Bank”), to replace GE Government Finance, Inc. as the private placement bond purchaser. The Bank will also serve as the Escrow Agent for the bond financing.

Background. Final Resolution number 00486 was approved on August 27, 2008 for an amount not to exceed \$9,100,000 to finance equipment purchases. At the time of the Final Resolution request, the Company anticipated a private placement structure with GE Government Finance, Inc.

Current Request. The Company requests approval to amend the Final Resolution to substitute Union Bank of California, N.A. (the “Bank”) as the private placement bond purchaser. The Company also requests that the Bank be listed as the Escrow Agent.

All other provisions and conditions of the Final Resolution shall remain unchanged and in full force and effect.

Financing Details. The Company anticipates a private placement structure for approximately \$9,100,000. The transaction will be secured by the equipment being financed. There will be an interim financing term of approximately 180 days or until bond allocation is awarded. Upon award of bond allocation, Union Bank of California, N.A. will purchase the bonds in a variable rate private placement transaction for a maximum bond term not to exceed 5 years. The closing date is anticipated to be late October or early November.

Financing Team.

Bond Counsel: Orrick, Herrington & Sutcliffe
Private Placement Bond Purchaser: Union Bank of California, N.A.
Issuer’s Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of the amendment to Final Resolution No. 00486 to substitute a new lender, Union Bank of California, N.A. as the private placement bond purchaser and Escrow Agent for Ecology Auto Parts, Inc. and/or its Affiliates.

Final Resolution No. 00486
Application No. 00808

**AMENDMENT OF
FINAL RESOLUTION RELATING TO
FINANCING OF SOLID WASTE DISPOSAL FACILITIES FOR
ECOLOGY AUTO PARTS, INC. AND/OR ITS AFFILIATES**

October 22, 2008

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 resource recovery and energy conversion facilities; and

WHEREAS, at the request of Ecology Auto Parts, Inc., a California corporation, and/or its Affiliates (the “Company”) the Authority adopted its Final Resolution No. 00486 on August 27, 2008 (the “Final Resolution”) authorizing issuance of revenue bonds in an amount not to exceed \$9,100,000 to assist in financing solid waste disposal facilities described as the “Project” in the Final Resolution; and

WHEREAS, the Company has requested the Authority to amend the Final Resolution in order to provide for a different Lender to purchase the Bonds;

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

Section 1. Every reference in the Final Resolution to “GE Government Finance, Inc.” as the Lender or the Purchaser of the Bonds shall be modified by inserting in its place “Union Bank of California, N.A.”

Section 2. Every reference in the Final Resolution to “Marshall & Ilsley Trust Company, N.A.” as the Escrow Agent shall be modified by inserting in its place “Union Bank of California, N.A.”

Section 3. The provision of the Term Sheet attached to the Final Resolution titled “Financing Structure” shall be modified to read: “Variable rate tax-exempt bond privately placed with Union Bank of California, N.A.”

Section 4. Except as specifically amended in sections 1, 2 or 3, the Final Resolution remains in full force and effect. This Resolution shall take effect immediately upon its adoption.