

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**BOND FINANCING PROGRAM**  
**Meeting Date: October 15, 2013**  
*Request for Amendment to Final Resolution and*  
*Amendment to Volume Cap Allocation Resolution*

Prepared by: *Mario Wong*

|                              |   |   |  |
|------------------------------|---|---|--|
| <b>Applicant:</b>            | GreenWaste Recovery, Inc.,<br>Zanker Road Resource<br>Management, Ltd., Zero Waste<br>Energy Development Company<br>LLC and/or their Affiliates | <b>Final Resolution<br/>Amount Requested:</b> | \$103,025,000  |
|                              |   | <b>Allocation Amount<br/>Requested:</b>       | \$38,000,000   |
| <b>Project<br/>Location:</b> | San Jose, Santa Clara, Palo Alto,<br>Gilroy (Santa Clara County)<br>Watsonville (Santa Cruz County)<br>Sacramento (Sacramento County)           | <b>Final Resolution No.:</b>                  | 532  |
|                              |   | <b>Prior Actions:</b>                         | IR 13-07 Approved<br>08/20/2013<br>FR No. 532 Approved<br>09/17/2013 |

**Summary.** GreenWaste Recovery, Inc. (GreenWaste), Zanker Road Resource Management, Ltd. (Zanker), Zero Waste Energy Development Company LLC (Zero Waste) and/or their Affiliates (collectively, the “Borrowers”) request an amendment to Final Resolution No. 532 and an amendment to Volume Cap Resolution No. 10-98-02 to modify the structure of the financing, specifically regarding the group of banks that will purchase the notes to be issued.

**Background.** On September 17, 2013 the California Pollution Control Financing Authority (the “Authority”) approved Final Resolution No. 532 for an amount not to exceed \$103,025,000 and Volume Cap Allocation Resolution No. 10-98-02 for an amount not to exceed \$38,000,000. The Final Resolution included the issuance of tax-exempt notes to fund new projects and to refund six bond issues previously issued by CPCFA for the Borrowers. At the time of the Final Resolution approval, the Borrowers anticipated a private placement financing structure with Bank of the West as lender and note purchaser, as well as the agent on behalf of a bank group comprised of Bank of the West (itself), Wells Fargo Bank, N.A. and Union Bank, N.A. (together, the “Banks”). This structure had the Authority entering into three separate loan agreements and three separate note purchase contracts. The target date for financing was October 2, 2013. The Staff Report is attached (Attachment 1).

**Current Request.** The Borrowers request approval to amend the Final Resolution to change certain terms of the revenue notes so that all three banks will now act as lenders and private placement purchasers, with Bank of the West still as administrative agent of the bank group (the “Administrative Agent”). The Authority will enter into three separate loan agreements and three note purchase contracts, as follows: GreenWaste will be the borrower on one loan agreement and its related note purchase contract; Zanker will be the borrower on a second loan agreement and its related note purchase contract; and, together, GreenWaste, Zanker and Zero Waste will be the borrowers on the third loan agreement and its related note purchase contract. The State Treasurer will act as agent for sale under each of the note purchase contracts.

**Financing Details.** The Borrowers anticipate a private placement financing structure with Bank of the West, Wells Fargo Bank, N.A. and Union Bank, N.A., each a Qualified Institutional Buyer (QIB as defined in SEC Rule 144 of the Securities Act of 1933). GreenWaste, Zanker and, together, GreenWaste, Zanker and Zero Waste, will each issue three promissory notes (for a total of nine notes) (together, the “Borrower Notes”) to the Authority (who will assign certain of its interests in the Borrower Notes to the Administrative Agent, for and on behalf of each of the Banks) and, in return, the Authority will issue three revenue notes corresponding to each of these promissory notes (for a total of nine revenue notes) (together, the “Authority Notes” and, with the Borrower Notes, the “Notes”). The Notes will be issued in the total principal amount of \$103,025,000 for an initial term of 5 years, which can be extended under the conditions set forth in each of the related loan agreements. The stated maturity date of the Notes is November 1, 2033. The Borrower(s) will be subject to certain financial covenants. The Notes will be transferrable in whole by each Bank to either an Affiliate (as defined in the Loan Agreement) of the Bank or, upon delivery of a letter of representation, a QIB. Each Bank will deliver to the Authority a sophisticated investor letter. The target date for financing is November 6, 2013.

**Financing Team.**

**Private Placement Purchasers:** Bank of the West, Union Bank, N.A.  
and Wells Fargo Bank, N.A.  
**Purchaser’s Counsel:** Kutak Rock LLP  
**Bond Counsel:** Law Offices of Leslie M. Lava  
**Issuer’s Counsel:** Office of the Attorney General

**Staff Recommendation.** Staff recommends approval of the amendment to Final Resolution No. 532 and the amendment to Volume Cap Allocation Resolution No. 10-98-02 to modify the structure of the financing for GreenWaste Recovery, Inc., Zanker Road Resource Management, Ltd., Zero Waste Energy Development Company LLC and/or their Affiliates.

**AMENDMENT TO  
FINAL RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO FINANCING OR REFINANCING OF  
SOLID WASTE DISPOSAL, RECYCLING AND/OR RESOURCE RECOVERY  
FACILITIES AND EQUIPMENT  
FOR GREENWASTE RECOVERY, INC.,  
ZANKER ROAD RESOURCE MANAGEMENT, LTD., ZERO WASTE ENERGY  
DEVELOPMENT COMPANY LLC AND/OR THEIR AFFILIATES**

**October 15, 2013**

**WHEREAS**, the California Pollution Control Financing Authority (“Authority”) by its Final Resolution No. 532 (“Final Resolution”) adopted on September 17, 2013, has heretofore given its final approval to the issuance of its revenue notes in an amount not to exceed \$103,025,000 to finance or refinance, for the benefit of GreenWaste Recovery, Inc., Zanker Road Resource Management, Ltd. and Zero Waste Energy Development Company LLC (each, the “Borrower” and, together, the “Borrowers”), (i) the construction of an anaerobic digester, (ii) the improvement of buildings to house office functions, (iii) the construction of site improvements, (iii) the acquisition of rolling stock and drop boxes, bins, carts and containers, and/or (iv) the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste and/or resource recovery equipment and other equipment functionally related thereto, including without limitation, a sort line, all to be located at one or more of the following addresses: 565, 625, 645, 651 and 653 Charles Street, San Jose, CA 95112, 1500 Berger Drive, San Jose, CA 95112, 1201 No. 15th Street, San Jose, CA 95112, 275, 355 and 375 Industrial Road, Watsonville, CA 95076, 2755 and 2765 Lafayette Street, Santa Clara, CA 95050, 2000 Geng Road, Palo Alto, CA 94303, 675, 685 and 705 Los Esteros Road, San Jose, CA 95134, 980 State Highway 25, Gilroy, CA 95020 and 4201 Florin Perkins Road, Sacramento, CA 95826, 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**, in connection with such approval, the Authority approved, among other matters, the terms of such revenue notes and certain documents relating to such revenue notes; and

**WHEREAS**, the Borrowers now desire, and have requested the Authority, to amend the Final Resolution in order to change certain terms of such revenue notes and of such documents, including without limitation, to provide that the proceeds of such revenue notes will be loaned to the Borrowers, either individually or jointly and severally (as described in the Term Sheet), under loan agreements with the Authority and Bank of the West, Union Bank, N.A. and Wells Fargo Bank, N.A., as lenders (together, the “Banks”); and

**WHEREAS**, final approval of the terms of such revenue notes and such documents is now sought;

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

**Section 1.** Pursuant to the Act, three revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (GreenWaste Recovery, Inc. Project) Series 2013”, “California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (Zanker Road Resource Management, Ltd. Project) Series 2013” and “California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (Zero Waste Energy Development Company LLC Project) Series 2013” (collectively, the “Notes”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$103,025,000, are hereby authorized to be issued. The Notes 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 mode, all in accordance with each Loan Agreement (as hereinafter defined) as finally executed and in accordance with the Term Sheet. The proceeds of the Notes shall be used to finance or refinance the Project and to pay costs of issuance of the Notes.

**Section 2.** The following documents:

(i) a loan agreement relating to each of the Notes (the “Loan Agreement”) among the Authority, the Banks, as lenders, and Bank of the West, as administrative agent (the “Administrative Agent”) and either a Borrower or the Borrowers, jointly and severally, as applicable, and as described further in the Term Sheet;

(ii) a note purchase contract relating to each of the Notes (the “Purchase Contract”) among the Authority, the Treasurer of the State of California and the Banks, and as approved by either a Borrower or the Borrowers, jointly and severally, as applicable and as described further in the Term Sheet; and

(iii) a disbursement agreement relating to each of the Notes (the “Disbursement Agreement”) among the Authority, the Borrower and the Administrative Agent;

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein 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.

**Section 3.** 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 or delivery of the Notes, and otherwise to effectuate the purposes of this Amendment to Final Resolution and the Loan Agreement, the Purchase Contract and the Disbursement Agreement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any certifications, including, a tax certificate.

**Section 4.** 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

**Agenda Item 4.C.**

January 15, 2013, apply to the documents and actions approved in this Amendment to Final Resolution, and the provisions of such resolution are incorporated herein by reference.

**Section 5.** Except as amended by Sections 1 through 4 hereof, all provisions and conditions of the Final Resolution shall remain unchanged and in full force and effect.

**Section 6.** This Amendment to Final Resolution shall take effect immediately upon its passage. The adoption by the Authority of this Amendment to Final Resolution 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**

|                                 |  |
|---------------------------------|--|
| <b>Name of Issue:</b>           | California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (GreenWaste Recovery, Inc. Project) Series 2013 (“GreenWaste Note”), California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (Zanker Road Resource Management, Ltd. Project) Series 2013 (“Zanker Note”), California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (Zero Waste Energy Development Company LLC Project) Series 2013 (“ZWEDC Note”), or such alternate designation as may be approved by the Executive Director of the Authority (collectively, the “Notes”) |
| <b>Maximum Amount of Issue:</b> | \$103,025,000 (tax-exempt)   |
| <b>Issuer:</b>                  | California Pollution Control Financing Authority (the “Authority”)<br>Sacramento, CA   |
| <b>Borrowers:</b>               | GreenWaste Note: GreenWaste Recovery, Inc.<br><br>Zanker Note: Zanker Road Resource Management, Ltd.<br><br>ZWEDC Note: GreenWaste Recovery, Inc., Zanker Road Resource Management, Ltd. and Zero Waste Energy Development Company LLC, jointly and severally  |
| <b>Banks:</b>                   | Bank of the West, Union Bank, N.A. and Wells Fargo Bank, N.A.  |
| <b>Trustee:</b>                 | Not applicable   |
| <b>Underwriters:</b>            | Not applicable   |

**Note Counsel:**

Leslie M. Lava, Esq.  
Tiburon, CA

**Project:**

Finance or refinance (i) the construction of an anaerobic digester, (ii) the improvement of buildings to house office functions, (iii) the construction of site improvements, (iii) the acquisition of rolling stock and drop boxes, bins, carts and containers, and/or (iv) the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste and/or resource recovery equipment and other equipment functionally related thereto, including without limitation, a sort line, all to be located at one or more of the following addresses: 565, 625, 645, 651 and 653 Charles Street, San Jose, CA 95112, 1500 Berger Drive, San Jose, CA 95112, 1201 No. 15th Street, San Jose, CA 95112, 275, 355 and 375 Industrial Road, Watsonville, CA 95076, 2755 and 2765 Lafayette Street, Santa Clara, CA 95050, 2000 Geng Road, Palo Alto, CA 94303, 675, 685 and 705 Los Esteros Road, San Jose, CA 95134, 980 State Highway 25, Gilroy, CA 95020 and 4201 Florin Perkins Road, Sacramento, CA 95826.

**Maximum Note Term:**

Not to exceed 20 years

**Type of Sale:**

Negotiated sale, private placement

**Description of Minimum Denominations:**

Outstanding principal amount of each Note for each Bank

**Financing Structure:**

Variable rate notes; transferrable in whole by each Bank to either an Affiliate (as defined in the Loan Agreement) of such Bank or, upon delivery of a letter of representation, a "Qualified Institutional Buyer", as defined in Rule 144A of the Securities Act of 1933, as amended

**Agenda Item 4.C.**

|                                  |   |
|----------------------------------|---|
| <b>Maximum Interest Rate:</b>    | 12% or the maximum rate permitted by law                                |
| <b>Letter of Credit:</b>         | Not applicable  |
| <b>Other Credit Enhancement:</b> | Not applicable  |
| <b>Anticipated Note Rating:</b>  | Unrated   |
| <b>Type of Financing:</b>        | Solid waste disposal revenue notes                                      |
| <b>Prepared by:</b>              | Leslie M. Lava, Esq.<br>Law Offices of Leslie M. Lava<br>(415) 331-6464 |

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**AMENDED  
RESOLUTION NO. 10-98-02**

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2010 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. and Zanker Road Resource Management, Ltd. and/or their Affiliates (“Project Sponsor”) for approval of the issuance of revenue notes; and

**WHEREAS**, on September 17, 2013, CPCFA approved Final Resolution No. 532 (“Final Resolution”) authorizing the issuance of up to \$103,025,000 of its solid waste disposal revenue notes (GreenWaste Recovery, Inc. Project) Series 2013, (Zanker Road Resource Management, Ltd. Project) Series 2013 and (Zero Waste Energy Development Company LLC Project) Series 2013 (collectively, “the Notes”); 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 2010 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 2010 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Notes as set forth in the Final Resolution;

**NOW, THEREFORE**, CPCFA resolves as follows:

**Section 1.** CPCFA Allocation in the amount of \$38,000,000 is hereby dedicated to the issuance of the Notes. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Notes 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 Notes, 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 Notes 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 Notes for the Project have been issued by CPCFA by the close of business on **December 31, 2013**. In a case of extreme hardship, the Deputy Executive Director or the Executive Director may extend this date by up to thirty (30) business days.

**Section 5.** Within twenty-four (24) hours of issuing the Notes, CPCFA shall notify CDLAC via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Notes have been issued. This notice shall identify the Project Sponsor, the project or program, the date and amount of the Notes issued.

**Section 6.** Within fifteen (15) calendar days of the Note closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Notes 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 Notes 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 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 Notes. 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 Note 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.

**AMENDED  
RESOLUTION NO. 10-98-02  
(AN EXEMPT FACILITY PROJECT)  
EXHIBIT A**

1. Project Sponsor: GreenWaste Recovery, Inc. and Zanker Road Resource Management, Ltd. and/or their Affiliates
2. Application #: 871
3. Project User: GreenWaste Recovery, Inc. and Zanker Road Resource Management, Ltd. and/or their Affiliates
4. Project Name: GreenWaste Recovery, Inc. and Zanker Road Resource Management, Ltd.
5. Location: San Jose, Santa Clara, Palo Alto, Gilroy (Santa Clara County)  
Watsonville (Santa Cruz County)  
Sacramento (Sacramento County)
6. Private Placement Purchasers:  
Bank of the West, Wells Fargo Bank, N.A. and Union Bank, N.A.
7. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$38,000,000

**Attachment 1**

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Meeting Date: September 17, 2013  
Request for Final Resolution and  
Request for Tax-Exempt Bond Allocation Approval**

Prepared by: *Mario Wong*

|                              |   |  |  |
|------------------------------|---|--|--|
| <b>Applicant:</b>            | GreenWaste Recovery, Inc.,<br>Zanker Road Resource<br>Management, Ltd., Zero Waste<br>Energy Development Company<br>LLC and/or their Affiliates | <b>Final Resolution<br/>Amount Requested:<br/>Allocation Amount<br/>Requested:</b>   | \$103,025,000<br><br>\$38,000,000      |
| <b>Project<br/>Location:</b> | San Jose, Santa Clara, Palo Alto,<br>Gilroy (Santa Clara County)<br>Watsonville (Santa Cruz County)<br>Sacramento (Sacramento County)           | <b>Final Resolution No.:</b><br><b>Prior Action for New Debt:</b><br><b>(See Prior Financings<br/>section for other actions)</b> | 532<br>IR 13-07 Approved<br>08/20/2013 |

**Summary.** GreenWaste Recovery, Inc. (GreenWaste), Zanker Road Resource Management, Ltd. (Zanker), Zero Waste Energy Development Company LLC (Zero Waste) and/or their Affiliates (collectively, the “Applicant”) request approval of a Final Resolution for an amount not to exceed \$103,025,000 and Volume Cap Allocation for an amount not to exceed \$38,000,000. The Final Resolution request includes the issuance of new debt for GreenWaste and Zanker as well as the refunding of six bond issues previously issued by CPCFA for GreenWaste, Zanker and Zero Waste, collectively, the “Borrowers”. Three revenue notes will be issued at closing to include the new money and the refunding of the prior bonds under a private placement structure, with Bank of the West as the lender and as the purchaser of the notes.

**Borrowers.** GreenWaste Recovery, Inc. and Zanker Road Resource Management, Ltd. were incorporated in San Jose, California in 1991 and 1984, respectively. GreenWaste and Zanker are each 50 percent shareholders in Zero Waste which was formed in 2009. GreenWaste and Zanker provide refuse collection, recycling and disposal services in Santa Clara, Santa Cruz, and Sacramento Counties. Zero Waste provides waste to energy and composting services in Santa Clara County.

The principal stockholders of GreenWaste Recovery, Inc. are as follows:

|   |                       |
|---|-----------------------|
| Richard A. Cristina & Diane L. Cristina, Trustees | 19.79%                |
| Murray B. Hall, Trustee                           | 17.29%                |
| Frank C. Weigel, Trustee                          | 10.42%                |
| Juan & Cindy Pena, Trustees                       | 10.42%                |
| Eric A. Bracher & Vivian M. Bracher, Trustees     | 8.54%                 |
| William H. Giannini & Linda D. Giannini, Trustees | 4.79%                 |
| Gene P. Carter & Patricia J. Carter, Trustees     | 4.17%                 |
| Gary V. Giannini & Susan M. Giannini, Trustees    | 4.17%                 |
| Patricia L. Sheehan, Trustee                      | 4.17%                 |
| Herbert Sweatt, Trustee                           | 4.17%                 |
| Various (less than 3% each)                       | <u>12.07%</u>         |
| <b>Total:</b>                                     | <b><u>100.00%</u></b> |

## Attachment 1

The General and Limited Partners of Zanker Road Resource Management, Ltd. are as follows:

**General Partners**

|  |          |
|--|----------|
| Zanker Road Resource Recovery, Inc.<br>(50% each Richard A. Cristina & Murray B. Hall) | 30.0000% |
| H.L. Sweatt, Inc. (50% each Herbert & Nancy Sweatt)                                    | 10.0000% |

**Limited Partners**

|                             |                 |
|-----------------------------|-----------------|
| Sportsell L.P. #4           | 10.5882%        |
| John D. Couch               | 9.0044%         |
| Diana L. Couch              | 9.0044%         |
| Kenneth W. Zerbe            | 7.0588%         |
| Gene R. Carter              | 7.0588%         |
| William F. Neal             | 5.2941%         |
| Various (less than 3% each) | <u>11.9913%</u> |

**Total:** 100.0000%

**Legal Questionnaire.** The Staff has reviewed the Applicant’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 questions concerning the financial viability or legal integrity of this applicant.

**TEFRA.** The TEFRA hearing was held on September 12, 2013. There were no comments received in support of or in opposition to this Project.

**Fees.** The Applicant has paid an Application Fee of \$5,000 and will pay an Administrative Fee of \$71,000 at closing for the new debt portion of the request (\$38,000,000). The Applicant will pay the Authority’s actual costs, including but not limited to applicable Issuer’s Counsel fees, Agent for Sale fees and staff costs for the refunding portion of the transaction, in lieu of CPCFA’s usual refunding fee, and per Section 8.12(a) of the Loan Agreement.

**SBAF Contribution.** The Applicant is a large business; however the SBAF fee for large businesses is temporarily waived until June 30, 2015 pursuant to Title 4, Section 8035(e) of CPCFA regulations (4 CCR §8035(e)).

**Prior Financings.** Prior actions and outstanding bond financings for the Applicant and its affiliates are listed below.

| Description  | Date of Bond Issue | Original Amount             | Amount Outstanding as of 08/27/2013 | Application Number |
|--|--------------------|-----------------------------|-------------------------------------|--------------------|
| GreenWaste Recovery, Inc. Series 1999B             | 06/03/1999         | \$3,625,000                 | \$270,000                           | 633                |
| Zanker Road Landfill Series 1999C                  | 06/03/1999         | \$6,370,000                 | \$650,000                           | 633                |
| GreenWaste Recovery, Inc. Series 2007A             | 05/30/2007         | \$38,305,000                | \$18,795,000                        | 789                |
| GreenWaste Recovery, Inc. Series 2008A             | 10/08/2008         | \$16,110,000                | \$7,975,000                         | 811                |
| GreenWaste of Palo Alto Series 2008B               | 10/08/2008         | \$13,465,000                | \$5,735,000                         | 811                |
| Zanker Road Resource Management, Ltd. Series 2011A | 03/02/2011         | \$4,945,000                 | \$4,945,000                         | 844                |
| Zero Waste Energy Development Co. LLC Series 2012A | 06/06/2012         | \$32,390,000                | \$32,390,000                        | 837                |
| <b>TOTALS:</b>                                     |                    | <b><u>\$115,210,000</u></b> | <b><u>\$70,760,000</u></b>          |                    |

## Attachment 1

**Project Description.** The Borrowers intend to issue three revenue notes to finance both new money projects and to refund six bonds previously issued by CPCFA. The total combined principal amount of the notes will be \$103,025,000, of which \$38,000,000 will be new debt using Volume Cap Allocation. The new issue money will be used by GreenWaste and Zanker to finance projects at their sites and to partially finance the completion of an anaerobic digestion project that CPCFA issued bonds for in 2012 for Zero Waste, an affiliate of GreenWaste and Zanker. Zero Waste will not be taking on new debt in this transaction. The refunding will include bonds issued by CPCFA for the benefit of GreenWaste, Zanker and Zero Waste. The anticipated note series and project descriptions are as follows:

- GreenWaste Recovery, Inc. Project, Series 2013 (the “GreenWaste Project”) – amount not to exceed \$40,880,000. The new issue amount is \$13,840,000 and the refunding amount is \$27,040,000. GreenWaste will use the note proceeds to finance the acquisition of waste collection vehicles, containers and site improvements; to partially finance the Zero Waste anaerobic digester project; and to refund the outstanding amounts on the GreenWaste Recovery, Inc. Series 1999B, Series 2007A and Series 2008A bonds. GreenWaste will be the borrower on the GreenWaste Project.
- Zanker Road Resource Management, Ltd. Project, Series 2013 (the “Zanker Project”) – amount not to exceed \$29,755,000. The new issue amount is \$24,160,000 and the refunding amount is \$5,595,000. Zanker will use the note proceeds to finance improvements to a landfill facility and a construction and demolition (C&D) sorting line; to partially finance the Zero Waste anaerobic digester project; and to refund the outstanding amounts on the Zanker Road Resource Management, Ltd. Series 1999C and Series 2011A bonds. Zanker will be the borrower on the Zanker Project.
- Zero Waste Energy Development Company LLC Project, Series 2013 (the “Zero Waste Project”) – amount not to exceed \$32,390,000. This note will be issued to refund the outstanding amount of the Zero Waste Energy Development Company LLC Series 2012A bonds. GreenWaste, Zanker and Zero Waste will be the borrowers on the Zero Waste Project.

At the time the application was submitted, the anticipated Project and issuance costs for the new debt were estimated to be as listed below:

|  |                            |
|--|----------------------------|
| Site Preparation & Construction of New Building(s) | \$ 1,000,000               |
| Acquisition and Installation of New Equipment      | 35,800,000                 |
| Note Issuance Expenses (including discount)        | 760,000                    |
| Letter of Credit or Note Insurance Fee             | 437,822                    |
| Other: Contingency                                 | <u>2,178</u>               |
| <b>Total New Debt Amount</b>                       | <b><u>\$38,000,000</u></b> |

*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 Borrowers confirm, through submission of a signed application and will confirm through covenants and*

## Attachment 1

*representations in various note documents, that all assets purchased with note 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 financing is scheduled to close on October 2, 2013.

**Local Government.** A letter of support was received from Kerrie Romanow, Director of Environmental Services, City of San Jose (see Attachment A).

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

**Air Quality.** The anaerobic digestion system represents a key component of the Assembly Bill 32 (AB32) mandate to reduce greenhouse gases. Since digestion will occur in a completely enclosed environment, it provides for capturing carbon credits.

**Water Quality.** All waste material to be processed at the Applicant's facilities will be on paved surfaces under a roof (with the exception of landfill operations). Therefore, the Project will not contribute to otherwise naturally occurring runoff. The landfill has a mitigation plan in place.

**Energy Efficiency.** The anaerobic digester project will be a net self-generator of its required power from the biogas produced by the digester. The resulting excess renewable electricity will be sold to PG&E.

**Recycling of Commodities.** Each of the project sites recycles materials. The anaerobic digestion system will take organic material from a materials recovery process and combine this material with food and green waste to achieve digestion, gas production for conversion to electricity and the creation of composted material for soil production. In this way, the Project will recycle materials that are otherwise disposed of.

**Jobs.** The projects will create an estimated 12 new full time jobs.

**Taxes.** The Applicant estimates that the projects will generate the following tax revenues:

|                                  |                        |
|----------------------------------|------------------------|
| Payroll Taxes, State and Federal | \$73,000 (annually)    |
| Personal Property Taxes          | \$400,000 (annually)   |
| Sales Tax                        | \$1,800,000 (one time) |

**Permitting and Environmental Approvals.**

The Applicant has obtained all required discretionary permits and copies were provided with submission of the CPCFA application.

**Financing Details.** The Borrowers (GreenWaste, Zanker and Zero Waste) anticipate a private placement financing structure with Bank of the West, which is a Qualified Institutional Buyer (QIB as defined in SEC Rule 144 under the Securities Act of 1933). The Authority will issue three revenue notes ("Notes") in the total amount of \$103,025,000 for an initial term of 5 years,

## Attachment 1

which can be extended under the conditions set forth in each of the related loan agreements. Bank of the West will be the lender and private placement purchaser, as well as the agent on behalf of a bank group comprised of Bank of the West (itself), Wells Fargo Bank, N.A. and Union Bank, N.A. The Authority will enter into three separate loan agreements with Bank of the West and (1) GreenWaste, in the case of the GreenWaste Project, (2) Zanker, in the case of the Zanker Project, and (3) GreenWaste, Zanker and Zero Waste in the case of the Zero Waste Project, as the borrowers. The Authority will also enter into three separate note purchase contracts with Bank of the West, the State Treasurer, as agent for sale, and the applicable Borrower(s) for each loan. The Borrower(s) will be subject to certain financial covenants. The Notes will be transferable in whole by Lender to either an Affiliate (as defined in the Loan Agreement) of the Lender or, upon delivery of a letter of representation, a QIB. Bank of the West will deliver to the Authority a sophisticated investor letter. The target date for financing is October 2, 2013.

### **Financing Team.**

**Private Placement Purchaser:** Bank of the West  
**Purchaser's Counsel:** Kutak Rock LLP  
**Bond Counsel:** Law Offices of Leslie M. Lava  
**Issuer's Counsel:** Office of the Attorney General

**Staff Recommendation.** Staff recommends approval of Final Resolution No. 532 for an amount not to exceed \$103,025,000 and Volume Cap Allocation Resolution No. 10-98-02 for an amount not to exceed \$38,000,000 for GreenWaste Recovery, Inc., Zanker Road Resource Management, Ltd., Zero Waste Energy Development Company LLC and/or their Affiliates.

Attachment 1  
Attachment A



*Environmental Services Department*

INTEGRATED WASTE MANAGEMENT DIVISION

September 9, 2013

Ms. Reneé Webster-Hawkins  
Executive Director  
California Pollution Control Financing Authority  
915 Capitol Mall, Room 457  
Sacramento, CA 95814

RE: California Pollution Control Financing Authority, Exempt Facility Approval  
GreenWaste Recovery, Inc., Zanker Road Resource Management, Ltd. and Zero Waste  
Energy Development Company LLC Projects

Dear Ms. Webster-Hawkins:

I write to you today on behalf of Zero Waste Energy Development Company LLC relating to their environmental project for which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") Bond meeting on September 17.

My staff and I have worked with the Zero Waste Energy Development Company LLC over the last few years in their development and permitting of the proposed anaerobic digestion project in San Jose. I understand that in order to receive approval for the issuance of tax exempt bonds, that CPCFA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the project.

Zero Waste Energy Development Company LLC currently provides organic processing services for the City's commercial solid waste system. The City looks forward to transitioning from the traditional organic processing services to processing through the anaerobic digestion facility. Any assistance by the CPCFA in making this project economically sustainable and attractive to private investors by lowering the cost of the project's financings' would also ultimately advance the City's goal of increasing waste diversion and promoting new technologies.

On behalf of the City's commercial solid waste program, I would appreciate the CPCFA's consideration of Zero Waste Energy Development Company LLC Project's request for final approval to finance this project.

Sincerely,

Kerrie Romanow  
Director, Environmental Services

**Attachment 1**

Final Resolution No. 532  
Application No. 871

**FINAL RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO FINANCING OR REFINANCING OF  
SOLID WASTE DISPOSAL, RECYCLING AND/OR RESOURCE RECOVERY  
FACILITIES AND EQUIPMENT  
FOR GREENWASTE RECOVERY, INC.,  
ZANKER ROAD RESOURCE MANAGEMENT, LTD., ZERO WASTE ENERGY  
DEVELOPMENT COMPANY LLC AND/OR THEIR AFFILIATES**

**September 17, 2013**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of GreenWaste Recovery, Inc., Zanker Road Resource Management, Ltd. and Zero Waste Energy Development Company LLC (each, the “Borrower” and, together, the “Borrowers”), for financial assistance to finance or refinance (i) the construction of an anaerobic digester, (ii) the improvement of buildings to house office functions, (iii) the construction of site improvements, (iii) the acquisition of rolling stock and drop boxes, bins, carts and containers, and/or (iv) the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste and/or resource recovery equipment and other equipment functionally related thereto, including without limitation, a sort line, all to be located at one or more of the following addresses: 565, 625, 645, 651 and 653 Charles Street, San Jose, CA 95112, 1500 Berger Drive, San Jose, CA 95112, 1201 No. 15th Street, San Jose, CA 95112, 275, 355 and 375 Industrial Road, Watsonville, CA 95076, 2755 and 2765 Lafayette Street, Santa Clara, CA 95050, 2000 Geng Road, Palo Alto, CA 94303, 675, 685 and 705 Los Esteros Road, San Jose, CA 95134, 980 State Highway 25, Gilroy, CA 95020 and 4201 Florin Perkins Road, Sacramento, CA 95826, 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 Borrowers have requested the Authority to issue its revenue notes from time to time in an amount not to exceed \$103,025,000 to assist in the financing or refinancing of the Project; and

**WHEREAS**, the proceeds of such revenue notes will be loaned to each Borrower and to the Borrowers, jointly and severally, under loan agreements with the Authority and Bank of the West, as lender (the “Bank”); and

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

**WHEREAS**, the Borrowers have 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;

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

## Attachment 1

**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, three revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (GreenWaste Recovery, Inc. Project) Series 2013”, “California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (Zanker Road Resource Management, Ltd. Project) Series 2013” and “California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (Zero Waste Energy Development Company LLC Project) Series 2013” (collectively, the “Notes”), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$103,025,000, are hereby authorized to be issued. The Notes 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 mode, all in accordance with each Loan Agreement (as hereinafter defined) as finally executed. The proceeds of the Notes shall be used to finance or refinance the Project and to pay costs of issuance of the Notes.

**Section 3.** The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Notes, at one time or from time to time on or before December 31, 2013, by negotiated sale, at such price and at such interest rate or rates as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract.

**Section 4.** The following documents:

(i) a loan agreement relating to each of the Notes (the “Loan Agreement”) among the Authority, the Bank, as lender and as administrative agent, and either a Borrower or the Borrowers, jointly and severally, as applicable and as described further in the Term Sheet;

(ii) a note purchase contract relating to each of the Notes (the “Purchase Contract”) among the Authority, the Treasurer of the State of California and the Bank, and as approved by either a Borrower or the Borrowers, jointly and severally, as applicable and as described further in the Term Sheet; and

(iii) a disbursement agreement relating to each of the Notes (the “Disbursement Agreement”) among the Authority, the Borrower and the Bank, as administrative agent;

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein 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.

**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 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.

## Attachment 1

**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 the Notes shall be as provided in the Loan Agreement, as finally executed.

**Section 7.** The Authority hereby dedicates and confirms its allocation to the Notes issued in a tax-exempt mode (the “Tax-Exempt Notes”) 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 \$38,000,000, which constitutes the applicable principal amount of Tax-Exempt Notes issued and delivered to finance certain costs of the Project and to pay certain costs of issuance of the Tax-Exempt Notes, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Tax-Exempt Notes.

**Section 8.** 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 or delivery of the Notes, and otherwise to effectuate the purposes of this Resolution and the Loan Agreement, the Purchase Contract and the Disbursement Agreement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any certifications, including, a tax certificate.

**Section 9.** 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 January 15, 2013, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

**Section 10.** 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 11.** This resolution shall take effect immediately upon its passage. The adoption by the Authority of this Resolution 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.

## Attachment 1

### EXHIBIT A

#### TERM SHEET

|                                 |  |
|---------------------------------|--|
| <b>Name of Issue:</b>           | California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (GreenWaste Recovery, Inc. Project) Series 2013 (“GreenWaste Note”), California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (Zanker Road Resource Management, Ltd. Project) Series 2013 (“Zanker Note”), California Pollution Control Financing Authority Solid Waste Disposal Revenue Note (Zero Waste Energy Development Company LLC Project) Series 2013 (“ZWEDC Note”), or such alternate designation as may be approved by the Executive Director of the Authority (collectively, the “Notes”) |
| <b>Maximum Amount of Issue:</b> | \$103,025,000 (tax-exempt)   |
| <b>Issuer:</b>                  | California Pollution Control Financing Authority (the “Authority”)<br>Sacramento, CA   |
| <b>Borrowers:</b>               | GreenWaste Note: GreenWaste Recovery, Inc.<br><br>Zanker Note: Zanker Road Resource Management, Ltd.<br><br>ZWEDC Note: GreenWaste Recovery, Inc., Zanker Road Resource Management, Ltd. and Zero Waste Energy Development Company LLC, jointly and severally  |
| <b>Lender:</b>                  | Bank of the West   |
| <b>Participant Banks:</b>       | Wells Fargo Bank, N.A. and Union Bank, N.A.  |
| <b>Trustee:</b>                 | Not applicable   |

## Attachment 1

|  |   |
|--|---|
| <b>Underwriters:</b>                         | Not applicable  |
| <b>Note Counsel:</b>                         | Leslie M. Lava, Esq.<br>Tiburon, CA   |
| <b>Project:</b>                              | Finance or refinance (i) the construction of an anaerobic digester, (ii) the improvement of buildings to house office functions, (iii) the construction of site improvements, (iii) the acquisition of rolling stock and drop boxes, bins, carts and containers, and/or (iv) the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste and/or resource recovery equipment and other equipment functionally related thereto, including without limitation, a sort line, all to be located at one or more of the following addresses: 565, 625, 645, 651 and 653 Charles Street, San Jose, CA 95112, 1500 Berger Drive, San Jose, CA 95112, 1201 No. 15th Street, San Jose, CA 95112, 275, 355 and 375 Industrial Road, Watsonville, CA 95076, 2755 and 2765 Lafayette Street, Santa Clara, CA 95050, 2000 Geng Road, Palo Alto, CA 94303, 675, 685 and 705 Los Esteros Road, San Jose, CA 95134, 980 State Highway 25, Gilroy, CA 95020 and 4201 Florin Perkins Road, Sacramento, CA 95826. |
| <b>Maximum Note Term:</b>                    | Not to exceed 20 years  |
| <b>Type of Sale:</b>                         | Negotiated sale, private placement  |
| <b>Description of Minimum Denominations:</b> | Outstanding principal amount of each Note   |
| <b>Financing Structure:</b>                  | Variable rate notes; transferable in whole by Lender to either an Affiliate (as defined in the Loan Agreement) of the Lender or, upon delivery of a letter of representation, a “Qualified Institutional Buyer”, as defined in Rule 144A of the   |

## Attachment 1

|                                  |   |
|----------------------------------|---|
|                                  | Securities Act of 1933, as amended                                      |
| <b>Maximum Interest Rate:</b>    | 12% or the maximum rate permitted by law                                |
| <b>Letter of Credit:</b>         | Not applicable  |
| <b>Other Credit Enhancement:</b> | Not applicable  |
| <b>Anticipated Note Rating:</b>  | Unrated   |
| <b>Type of Financing:</b>        | Solid waste disposal revenue notes                                      |
| <b>Prepared by:</b>              | Leslie M. Lava, Esq.<br>Law Offices of Leslie M. Lava<br>(415) 331-6464 |

**Attachment 1**

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**RESOLUTION NO. 10-98-02**

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2010 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. and Zanker Road Resource Management, Ltd. and/or their Affiliates (“Project Sponsor”) for approval of the issuance of revenue notes; and

**WHEREAS**, on September 17, 2013, CPCFA approved Final Resolution No. 532 (“Final Resolution”) authorizing the issuance of up to \$103,025,000 of its solid waste disposal revenue notes (GreenWaste Recovery, Inc. Project) Series 2013, (Zanker Road Resource Management, Ltd. Project) Series 2013 and (Zero Waste Energy Development Company LLC Project) Series 2013 (collectively, “the Notes”); 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 2010 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 2010 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Notes as set forth in the Final Resolution;

**NOW, THEREFORE**, CPCFA resolves as follows:

**Section 1.** CPCFA Allocation in the amount of \$38,000,000 is hereby dedicated to the issuance of the Notes. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Notes 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”).

## Attachment 1

**Section 2.** The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Notes, 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 Notes 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 Notes for the Project have been issued by CPCFA by the close of business on **December 31, 2013**. In a case of extreme hardship, the Deputy Executive Director or the Executive Director may extend this date by up to thirty (30) business days.

**Section 5.** Within twenty-four (24) hours of issuing the Notes, CPCFA shall notify CDLAC via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Notes have been issued. This notice shall identify the Project Sponsor, the project or program, the date and amount of the Notes issued.

**Section 6.** Within fifteen (15) calendar days of the Note closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Notes 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 Notes 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 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 Notes. 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 Note 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.

**Attachment 1**

**RESOLUTION NO. 10-98-02  
(AN EXEMPT FACILITY PROJECT)  
EXHIBIT A**

9. Project Sponsor: GreenWaste Recovery, Inc. and Zanker Road Resource Management, Ltd. and/or their Affiliates
10. Application #: 871
11. Project User: GreenWaste Recovery, Inc. and Zanker Road Resource Management, Ltd. and/or their Affiliates
12. Project Name: GreenWaste Recovery, Inc. and Zanker Road Resource Management, Ltd.
13. Location: San Jose, Santa Clara, Palo Alto, Gilroy (Santa Clara County)  
Watsonville (Santa Cruz County)  
Sacramento (Sacramento County)
14. Private Placement Purchaser: Bank of the West
15. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
16. Amount of Allocation: \$38,000,000