

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**BOND FINANCING PROGRAM**  
**Meeting Date: May 19, 2015**  
***Request for Final Resolution and***  
***Request for Tax-Exempt Bond Allocation Approval***

Prepared by: *Deanna Hamelin*

<b>Applicant:</b>	California Waste Solutions, Inc. and/or its Affiliates	<b>Final Resolution</b>	
		<b>Amount Requested:</b>	\$45,000,000
		<b>Allocation Amount</b>	
<b>Project</b>		<b>Requested:</b>	\$25,335,000
<b>Locations:</b>	Oakland (Alameda County) San Jose (Santa Clara County)	<b>Application No.:</b>	860(SB)
		<b>Final Resolution No.:</b>	542
		<b>Prior Actions for New Debt:</b>	IR 12-06 for \$66,000,000 Approved 07/17/2012

**Summary.** California Waste Solutions, Inc. (the “Company”) requests approval of a Final Resolution to issue revenue notes for a total amount not to exceed \$45,000,000 (\$25,335,000 in new money allocation and refunding in the amount of \$19,665,000) and Volume Cap Allocation for an amount not to exceed \$25,335,000 to:

- 1) finance the acquisition of waste collection and processing equipment for use at waste processing sites located in Alameda and Santa Clara Counties;
- 2) refund three series of Solid Waste Disposal Revenue Bonds previously issued by CPCFA; and
- 3) pay certain costs of issuance.

**Borrower.** The Company was incorporated on January 27, 1992 in California and is owned by the Duong family. The Company provides residential solid waste collection, including the collection and processing of recyclables in areas throughout Alameda and Santa Clara Counties. The Company holds real property interests in an affiliate, Duong Family Investments, LLC. It conducts the marketing and sale of its recyclables through America Recycling Solutions, Inc. Additionally, the Company provides solid waste disposal services in Vietnam as Vietnam Waste Solutions.

The principal stockholders of the Company are as follows:

David Duong	42.00%
Linda Duong	32.50%
Victor Duong	<u>25.50%</u>
<b>Total:</b>	<b><u>100.00%</u></b>

**Legal Questionnaire.** Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. The Company responded affirmatively to Question 2 regarding allegations of serious harm to employees, the public or the environment.

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The Applicant disclosed that on February 22, 2005, a baler operator employed by the Applicant at its Oakland facility died after clearing a jam in the baler he was operating. Cal/OSHA conducted an investigation and issued four citations to the Applicant. All of the citations were appealed and a settlement was approved on February 6, 2008. The case is now closed.

The Applicant disclosed this information in its previous applications to CPCFA. Staff recommendation at that time was that there was no indication that this issue threatened the ongoing financial viability of the Applicant, and to approve the Initial and then Final Resolution requests. Bonds were issued on June 27, 2007 in the amount of \$25,905,000.

Staff's current recommendation is that there is no indication that this issue threatens the ongoing financial viability of the Applicant.

**TEFRA.** The TEFRA hearing was held on April 16, 2015. There were no comments received in support of or in opposition to this Project.

**Fees.** The Company has paid an application fee of \$5,000 and will pay an administrative fee of \$45,670 at closing for the new debt portion of the request (\$25,335,000). 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.

**SBAF Assistance.** The Company is a small business, but it is not eligible for assistance from the Small Business Assistance Fund due to the par amount of the bond issue.

**Prior Financings.** Prior financings are listed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of 04/06/2015	Application No.
California Waste Solutions, Inc. 2002A	05/30/02	\$11,275,000	\$4,435,000	683
California Waste Solutions, Inc. 2004A	08/05/04	\$8,350,000	\$620,000	743
California Waste Solutions, Inc. 2007A	06/27/07	<u>\$25,905,000</u>	<u>\$14,610,000</u>	788
<b>TOTALS:</b>		<b><u>\$45,530,000</u></b>	<b><u>\$19,665,000</u></b>	

**Project Description.** The Company intends to finance a new money project and refund three bond series previously issued by CPCFA. The total principal amount of the notes will be \$45,000,000, of which \$25,335,000 will be new debt using Volume Cap Allocation and \$19,665,000 will be used for refunding the outstanding 2002, 2004 and 2007 bonds.

The Company was recently awarded a new franchise agreement with the City of Oakland to collect and process all recyclables. Additionally, the Company needs to upgrade and replace waste collection and processing equipment associated with its City of San Jose contract. To support the contracts with the Cities of San Jose and Oakland, the Company intends to use the new money Note proceeds to purchase waste-related equipment, including CNG-fueled trucks,

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carts, containers, tractors, forklifts, sort-lines, a fueling station, and office computers and administrative equipment for the Materials Recovery Facility (MRF).

At the time the application was submitted, the anticipated Project and issuance costs for the Project are estimated to be as follows:

Acquisition and Installation of New Equipment	\$24,720,724
Note Issuance Expenses	<u>614,276</u>
<b>Total New Debt Amount</b>	<b><u>\$25,335,000</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 Borrower confirms, through submission of a signed application and will confirm through covenants and representations in various bond documents, that all assets purchased with bond proceeds will qualify for tax exempt financing, that they will be used to complete the Project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.*

**Anticipated Timeline.** Equipment purchases are anticipated to commence late May 2015 and be completed by the end of 2016.

**Local Government.** A letter of support was received from Larry E. Reid, President Pro Tem, City of Oakland (see Attachment A).

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

**Air Quality.** The Company will be purchasing new CNG fueled waste collection vehicles, thereby reducing and minimizing particulate matter from the air that is associated with diesel fueled vehicles.

**Water Quality.** The CNG fueled vehicles will likely create less particulate matter as compared to existing diesel vehicles, which may reduce the pollution that may end up in the San Francisco Bay.

**Energy Efficiency.** The recycling of various commodities may reduce the energy requirement necessary for raw material processing. The new collection trucks will utilize CNG as fuel and thereby be more fuel efficient.

**Recycling of Commodities.** The Company will recycle all recyclable materials delivered to its facilities including, but not limited to, paper, glass, aluminum, and plastic. The project equipment is anticipated to increase the volume of such recycled material. Additionally, the Project will assist in meeting the Source Reduction and Recycling Element (SRRE) of the City of Oakland.

**Safe Disposal of Solid Waste.** The implementation of this project will result in the safe disposal of recyclables, which is in compliance with all applicable state and federal environmental regulations. The project is in compliance with the City of San Jose SRRE and AB 939 diversion requirements.

**Consumer Cost Savings and Efficiencies.** While the project will not result in a reduction of consumer costs, the Company was selected as a result of a competitive bidding process and tax-exempt financing was contemplated by the Company in order to minimize its cost of capital.

**Permitting and Environmental Approvals.** The equipment only Project will be undertaken within the limits of the company's existing zoning and use permits. No additional discretionary permits are required.

**Financing Details.** The Company anticipates a private placement of negotiated tax-exempt notes with MUFG Union Bank, N.A. and East-West Bank, which are Qualified Institutional Buyers (QIBs) as defined in SEC Rule 144 under the Securities Act of 1933, in minimum denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof. Additionally, the notes will have a restriction on transfer to QIBs and require a traveling investor letter as set out in Exhibit A of the Final Resolution. The target date for financing is June 3, 2015.

**Financing Team.**

**Private Placement Purchasers:** MUFG Union Bank, N.A. and East-West Bank

**Purchaser's Counsel:** Chapman & Cutler

**Note Counsel:** Law Offices of Leslie M. Lava

**Issuer's Counsel:** Office of the Attorney General

**Staff Recommendation.** Staff recommends approval of Final Resolution No. 542 for an amount not to exceed \$45,000,000 and Volume Cap Allocation Resolution No. 12-141-02 for an amount not to exceed \$25,335,000 for California Waste Solutions, Inc. and/or its Affiliates.

Attachment

CITY OF OAKLAND



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Larry E. Reid  
*President Pro Tempore of the City Council*  
*Councilmember District #7*  
lreid@oaklandnet.com

(510) 238-7007  
FAX (510) 238-6910  
TDD (510) 839-6451

February 13, 2015

Ms. René 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 Approvals  
California Waste Solutions, Inc. Project

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Dear Ms. Webster-Hawkins:

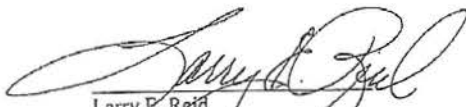
I write to you today on behalf of California Waste Solutions, Inc. relating to their financing of solid waste collection trucks and containers which approval will be requested at the California Pollution Control Financing Authority ("CPCFA") meeting in April 2015.

California Waste Solutions was awarded a 20-year Franchise to pick up and process all of the City of Oakland's recyclables. I understand that in order to receive approval for the issuance of tax exempt bonds, on whose lower interest rates the "project" economics have been based, that CPCFA must grant part of the State's allocation for "private activity" bonds as defined by the federal government to the Project.

We and California Waste Solutions agree that the implementation of this project is a cost effective addition to our overall program, taking into account cost, technology and expected waste diversion.

On behalf of the City of Oakland I would appreciate it if you would approve the California Waste Solutions, Inc. Project at your meeting in April. Thank you.

Sincerely,

  
Larry E. Reid  
President Pro Tem, City of Oakland



**FINAL RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO FINANCING AND REFINANCING OF  
SOLID WASTE DISPOSAL/RECYCLING FACILITIES AND EQUIPMENT  
FOR CALIFORNIA WASTE SOLUTIONS, INC. AND/OR ITS AFFILIATES**

**May 19, 2015**

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of California Waste Solutions, Inc. (the “Borrower”), for financial assistance to finance or refinance (i) the acquisition of land and/or buildings to house solid waste disposal and recycling operations, including the construction and installation of improvements thereto, the construction of a compressed natural gas fueling station, the acquisition of rolling stock and the acquisition and installation, if any, of office equipment, equipment for the collection, processing, transfer and recycling of solid waste, including without limitation, a sort line, tractors and forklifts, and other equipment functionally related thereto, all to be located at one or more of the following sites (the “Site”): 1819 and/or 1820 Tenth Street, Oakland, California 94607, 3300 Wood Street, Oakland, California 94608, the property located at APN Numbers 18-507-4-4 and 18-507-8, Oakland, California 94607, 1100 to 1101 57<sup>th</sup> Avenue, Oakland, California 94621, 800 77<sup>th</sup> Avenue, Oakland, California 94621, 1699 West Grand Avenue, Oakland, California 94607, 1005 Timothy Drive, San Jose, California 95133 and/or 1158 Berryessa Road, San Jose, California 95132, and/or (ii) the acquisition of drop boxes, carts, bins and/or containers to be located at the Site or with customers located throughout incorporated or unincorporated Alameda and Santa Clara Counties, California, all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “2015 Project”); and

**WHEREAS**, the Authority has previously issued its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (California Waste Solutions, Inc. Project) Series 2002A (the “2002 Prior Bonds”), its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (California Waste Solutions, Inc. Project) Series 2004A (the “2004 Prior Bonds”) and its California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (California Waste Solutions, Inc. Project) Series 2007A (the “2007 Prior Bonds” and, together with the 2002 Prior Bonds and the 2004 Prior Bonds, the “Prior Bonds”); and

**WHEREAS**, the Borrower now wishes to refund the Prior Bonds, which financed or refinanced the acquisition of land and/or the acquisition, construction, installation and equipping of certain solid waste facilities located at the Site in 2002 (the “2002 Project”), in 2004 (the “2004 Project”) and in 2007 (the “2007 Project”), all as more particularly described in the Term Sheet (together, the “Prior Projects” and, together with the 2015 Project, the “Project”); and

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**WHEREAS**, the Borrower has requested the Authority to issue its revenue notes from time to time in an amount not to exceed \$45,000,000 to assist in the financing or refinancing of the Project and the refunding of the Prior Bonds; and

**WHEREAS**, the Borrower has requested that such revenue notes be delivered in installments as described in the hereinafter referred indenture; and

**WHEREAS**, the proceeds of such revenue notes will be loaned to the Borrower under the hereinafter referred loan agreement with the Authority; 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 Borrower 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;

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

**Section 1.** The Project constitutes a “project” and the Borrower is a “participating party” within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

**Section 2.** Pursuant to the Act, revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Notes (California Waste Solutions, Inc. Project) Series 2015” (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 \$45,000,000, are hereby authorized to be issued. The Notes may be issued at one time, or from time to time, in one or more series or sub-series separately or differently identified, and may be issued in a tax-exempt mode, all in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Notes shall be used to make a loan to the Borrower to finance or refinance the 2015 Project (including without limitation, reimbursing the Borrower for qualifying costs incurred for the 2015 Project prior to the issuance of the Notes), to refund the Prior Bonds and to pay certain costs of issuance of the Notes. The Notes may be issued as a single issue for federal tax purposes with delivery of the Notes against proceeds done in periodic installments under a draw down mechanism.

**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, 2015, 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. Delivery of the Notes at such times to be determined by the Authority pursuant to documents approved in Section 4 hereof, is hereby approved.

**Section 4.** The following documents:

- (i) a loan agreement relating to the Notes (the “Loan Agreement”) between the Authority and the Borrower;
- (ii) an indenture relating to the Notes (the “Indenture”) between the Authority and the trustee named in the Term Sheet (the “Trustee”); and
- (iii) a note purchase contract relating to the Notes (the “Purchase Contract”) among the Authority, the Treasurer of the State of California, as agent for sale, and the banks named in the Term Sheet, as purchasers (the “Purchasers”), and as approved by the Borrower;

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.

**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 Indenture, as finally executed.

**Section 7.** The Notes shall be executed by the manual or facsimile signature of the Chairman or any Deputy to the Chairman and the seal of the Authority shall be affixed thereon (or a facsimile reproduced thereon) in the form set forth in and otherwise in accordance with the Indenture. The Notes, when executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Notes by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Notes, when duly executed and authenticated, to the Purchasers in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Notes to the Purchasers upon payment of the purchase price thereof.

**Section 8.** The Authority hereby dedicates and confirms its allocation to the Notes of \$25,335,000 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, to finance or refinance certain costs of the 2015 Project and to pay certain costs of issuance of the Notes, so as to satisfy



the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Notes.

**Section 9.** 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 Indenture, the Loan Agreement and the Purchase Contract. 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 10.** 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 21, 2014, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

**Section 11.** 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 12.** This Resolution shall take effect immediately upon its passage. The adoption by the Authority of this final resolution for the Borrower 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 Notes (California Waste Solutions, Inc. Project) Series 2015 (the “Notes”)

**Maximum Amount of Issue:** \$45,000,000 (tax-exempt)

**Issuer:** California Pollution Control Financing Authority (the “Authority”)  
Sacramento, CA

**Borrower:** California Waste Solutions, Inc.

**Purchasers:** MUFG Union Bank, N.A.  
Fresno, California  
  
East-West Bank  
San Francisco, California

**Note Counsel:** Leslie M. Lava, Esq.  
Tiburon, CA

**Trustee:** The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

**Underwriter:** Not applicable

**Remarketing Agent:** Not applicable

**2015 Project:** Finance or refinance (i) the acquisition of land and/or buildings to house solid waste disposal and recycling operations, including the construction and installation of improvements thereto, the construction of a compressed natural gas fueling station, the acquisition of rolling stock and the acquisition and installation, if any, of office equipment, equipment for the collection, processing, transfer and recycling of solid waste, including

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without limitation, a sort line, tractors and forklifts, and other equipment functionally related thereto, all to be located at one or more of the following sites (the "Site"): 1819 and/or 1820 Tenth Street, Oakland, California 94607, 3300 Wood Street, Oakland, California 94608, the property located at APN Numbers 18-507-4-4 and 18-507-8, Oakland, California 94607, 1100 to 1101 57<sup>th</sup> Avenue, Oakland, California 94621, 800 77<sup>th</sup> Avenue, Oakland, California 94621, 1699 West Grand Avenue, Oakland, California 94607, 1005 Timothy Drive, San Jose, California 95133 and/or 1158 Berryessa Road, San Jose, California 95132, and/or (ii) the acquisition of drop boxes, carts, bins and/or containers to be located at the Site or with customers located throughout incorporated or unincorporated Alameda and Santa Clara Counties, California.

#### **Prior Projects:**

##### 2002 Project:

Finance the acquisition of land, the construction of a materials recovery facility thereon and the acquisition of equipment functionally related thereto, including without limitation, balers, trucks, trailers, loaders, forklifts, truck sales and office equipment, to be located in Oakland, California.

##### 2004 Project:

Finance improvements to materials recovery facilities and the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of municipal solid waste and other equipment functionally related thereto to be located in Oakland, California and to finance the acquisition of bins and carts which will be located at customer sites throughout the service territory of the

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Borrower or an affiliate thereof in Alameda County, California.

### 2007 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 functionally related thereto, all to be located in San Jose, California 95113, (ii) the acquisition of land, the acquisition and renovation of buildings thereon to house a materials recovery facility, 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 functionally related thereto, all to be located in San Jose, California, (iii) improvements to materials recovery facilities and the acquisition of equipment, rolling stock and vehicles for the collection, processing and transfer of solid waste and other equipment functionally related thereto, all to be located in Oakland, California, and (iv) the acquisition of drop boxes, bins, carts and containers to be located with customers in Santa Clara County, California.

<b>Maximum Note Term:</b>	Not to exceed 21 years
<b>Type of Sale:</b>	Negotiated sale; private placement
<b>Description of Minimum Denominations:</b>	\$250,000 or any integral multiple of \$5,000 in excess thereof during index interest rate period (initial period)
<b>Financing Structure:</b>	Index interest rate notes deliverable in installments using a draw down mechanism, convertible to term interest rate or weekly variable rate with tender option pursuant to the Indenture;

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transferrable by Purchaser to either an affiliate of the Purchaser 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

<b>Maximum Interest Rate:</b>	Lesser of 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. Law Offices of Leslie M. Lava (415) 331-6464

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**RESOLUTION NO. 12-141-02**

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2012 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 California Waste Solutions, Inc. (“Project Sponsor”) for approval of the issuance of revenue notes; and

**WHEREAS**, on May 19, 2015, CPCFA approved Final Resolution No. 542 (“Final Resolution”) authorizing the issuance of up to \$45,000,000 of its solid waste disposal revenue notes (California Waste Solutions, Inc. Project) Series 2015 (“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 2012 State Ceiling on Qualified Private Activity Notes pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue notes 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 “Regulations of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Regulations”); and

**WHEREAS**, it is appropriate for CPCFA to confirm the use of a portion of the 2012 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 \$25,335,000 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 **August 17, 2015**. 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 Bond 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.

**RESOLUTION NO. 12-141-02**  
**(AN EXEMPT FACILITY PROJECT)**  
**EXHIBIT A**

1. Project Sponsor: California Waste Solutions, Inc.
2. Application #: 860 (SB)
3. Project User: California Waste Solutions, Inc.
4. Project Name: California Waste Solutions, Inc. Project
5. Locations: Alameda County:
  - A. 1819 and/or 1820 10<sup>th</sup> Street  
Oakland, CA 94607
  - B. 3300 Wood Street  
Oakland, CA 94608
  - C. APN No. 18-507-4-4 and 18-507-8  
Oakland, CA 94607
  - D. 1100-1101 57<sup>th</sup> Avenue  
Oakland, CA 94621
  - E. 800 77<sup>th</sup> Avenue  
Oakland, CA 94621
  - F. 1699 West Grand Avenue  
Oakland, CA 94607Santa Clara County:
  - G. 1005 Timothy Drive  
San Jose, CA 95133
  - H. 1158 Berryessa Road  
San Jose, CA 95132
6. Note Purchaser(s): MUFG Union Bank, N.A. and East-West Bank



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7. The Note Purchaser(s) at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$25,335,000