NEW ISSUE-Book-Entry Only-AMT

Rating: Fitch: A/F1
(See "Rating" herein)

In the opinion of Leslie M. Lava, Esq., Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed concerning the status of interest on any Bond for any period that such Bond is held by a "substantial user" of any facilities financed or refinanced with proceeds of the Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Bond Counsel observes, however, that interest on the Bonds is a specific preference item for purposes of calculating the federal individual or corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Bonds is exempt from present State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$27,570,000†
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
VARIABLE RATE DEMAND SOLID WASTE DISPOSAL REVENUE BONDS
(Zerep Management Corporation Project)
Series 2014

CUSIP: 130536 QL2

Dated: Delivery Date | **Price: 100%** | **Due: October 1, 2044**

The California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Zerep Management Corporation Project) Series 2014 (the "Bonds") are being issued pursuant to an Indenture, dated as of March 1, 2014 (the "Indenture"), between the California Pollution Control Financing Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Ownership interests in the Bonds may initially be purchased, in denominations of $100,000 or any integral multiple of $5,000 in excess thereof, in book-entry only form, without coupons, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "THE BONDS – Description" and APPENDIX C—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The Bonds will bear interest initially at a Weekly Interest Rate, determined by Westhoff, Cone & Holmstedt, who will serve as the Remarketing Agent for the Bonds. As long as the Bonds bear interest at a Weekly Interest Rate, interest on such Bonds will be payable on the first Wednesday of each month (or the next Business Day if such Wednesday is not a Business Day), commencing June 4, 2014.

The Bonds are subject to optional and mandatory redemption and mandatory tender for purchase prior to maturity as described herein. See "THE BONDS—Redemption Provisions" and "—Mandatory Tender for Purchase of Bonds."

The proceeds of the sale of the Bonds will be loaned by the Authority to Zerep Management Corporation, a California corporation (the "Borrower"), pursuant to a Loan Agreement, dated as of March 1, 2014 (the "Loan Agreement"), between the Authority and the Borrower. Such proceeds, together with other available funds, will be used to (i) finance or refinance the costs of acquiring, constructing, installing and equipping certain solid waste disposal facilities of the Borrower in the State of California; and (ii) pay certain costs of issuance of the Bonds.

The Bonds are limited obligations of the Authority payable solely from, and separately secured by a pledge and lien on, certain revenues, consisting of loan repayments made by the Borrower under the Loan Agreement and funds drawn under an irrevocable direct pay letter of credit (the "Letter of Credit") issued by:

COMERICA BANK

The Letter of Credit with respect to the Bonds will be in effect from the date of issuance of the Bonds through May 15, 2019, unless extended or terminated sooner as a result of certain circumstances described herein or of substitution therefor of a credit facility meeting the requirements described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Letter of Credit" and "—Alternate Letter of Credit and Alternate Credit Facility" and "LETTER OF CREDIT AND CREDIT AGREEMENT – Letter of Credit."

During any Weekly Interest Rate Period, Owners of the Bonds will have the option to demand purchase of their Bonds upon no less than seven days' notice to the Trustee, acting as the initial tender agent, at a price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of purchase.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

This cover page contains certain information for general reference only. It is *not* intended as a summary of this transaction. Investors are advised to read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as and if issued by the Authority, subject to the approval of legality by Leslie M. Lava, Esq., Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed upon for the Authority by the Honorable Kamala D. Harris, Attorney General of the State of California, for the Borrower by Law Offices of Richard A. Haft, Jr., Manhattan Beach, California, and Shackelford, Melton & McKinney, Austin, Texas, and for the Bank by Sheppard, Mullin, Richter & Hampton LLP, San Francisco, California. It is expected that the first installment of the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York on or about May 15, 2014.

Honorable Bill Lockyer
Treasurer of the State of California
As Agent for Sale

WESTHOFF, CONE & HOLMSTEDT

Dated: May 14, 2014

†The initial delivery of the Bonds on May 15, 2014 will be in the amount of $8,355,000. Thereafter, the Bonds will be delivered in several installments, each to occur on a "Date of Delivery" determined by the Borrower, as described herein. The maximum principal amount of the Bonds that can be delivered under the Indenture is $27,570,000. See "THE BONDS – Draw Down Structure." This Official Statement, as it may be supplemented from time to time, applies to the initial, and all subsequent, deliveries of the Bonds.

Certain of the information set forth herein has been obtained from the Authority, the Borrower, the Bank and other sources, which are believed to be reliable. Such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the Borrower or the Bank since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used, in whole or in part, for any other purpose.

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority, the Borrower, the Bank or the Underwriter. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority, the Borrower or the Bank since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The descriptions of the terms and conditions of the agreements contained in the Official Statement are brief summaries of certain provisions of such agreements. They do not purport to be complete and are qualified in their entirety by reference to the complete and final text of such agreements and should be reviewed carefully before a decision is made to purchase the Bonds. Copies of all such agreements are available to prospective purchasers of the Bonds during the period of the offering and may be obtained, upon written request, from Westhoff, Cone & Holmstedt, 1777 Botelho Drive, Suite 345, Walnut Creek, California 94596, and thereafter, from The Bank of New York Mellon Trust Company, N.A., 400 South Hope Street, Suite 400, Los Angeles, California 90071.

The Underwriter has provided the following statement for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION CONTAINED IN SECTION 3(A)(2) OF SUCH ACT. THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT.

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OFFICIAL STATEMENT

$27,570,000†
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY VARIABLE RATE DEMAND SOLID WASTE DISPOSAL REVENUE BONDS (ZEREP MANAGEMENT CORPORATION PROJECT) SERIES 2014

INTRODUCTION

This Introduction contains only a brief summary of certain of the terms of the Bonds being offered and a brief description of the Official Statement, and a full review should be made of the entire Official Statement, including the cover page and the Appendices. All statements contained in this Introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California (the "State") or any other documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions.

General; Authorization; Draw Down Structure

This Official Statement contains certain information relating to the issuance of the California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Zerep Management Corporation Project) Series 2014, in the aggregate principal amount $27,570,000**†** (the "Bonds"), as described further under the heading "THE BONDS." The Bonds are being issued pursuant to the provisions of the California Pollution Control Financing Authority Act (Chapter 1 (commencing with Section 44500) of Division 27 of the California Health and Safety Code, as amended and supplemented) (the "Act").

The Bonds will be issued under, and secured by an Indenture, dated as of March 1, 2014 (the "Indenture"), between the California Pollution Control Financing Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Bonds will be delivered in several installments. The initial delivery will be in the amount of $8,355,000. Subsequent installments will be delivered on a "Date of Delivery" determined by Zerep Management Corporation, a California corporation (the "Borrower"), as described herein. This Official Statement, as it may be supplemented from time to time, shall apply to the marketing and delivery of the Bonds on each Date of Delivery. See "THE BONDS – Draw Down Structure."

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† The maximum principal amount of the Bonds that can be delivered under the Indenture is $27,570,000. See "THE BONDS – Draw Down Structure." This Official Statement, as it may be supplemented from time to time, applies to the initial, and all subsequent, deliveries of the Bonds.

Purpose

The proceeds of the sale of the Bonds will be loaned by the Authority to the Borrower pursuant to a Loan Agreement, dated as of March 1, 2014 (the "Loan Agreement"), between the Authority and the Borrower. Such proceeds, together with other available funds, will be used to (i) finance or refinance the costs of acquiring, constructing, installing and equipping certain solid waste disposal facilities the Borrower in the State of California (the "Project"); and (ii) pay certain costs of issuance of the Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

Security and Sources of Payment

The Bonds are limited obligations of the Authority payable solely from, and separately secured by a pledge and lien on, certain revenues and other income derived by the Authority or paid to the Trustee with respect to the Bonds (collectively, the "Revenues"), including without limitation, (i) certain loan repayments (collectively, the "Loan Repayments") and other payments made by the Borrower pursuant to the Loan Agreement, (ii) all interest, profits or other income derived from the investment of amounts in any fund or account established under the Indenture (except certain administrative fees and expenses and amounts deposited into the Rebate Fund and the Borrower Account of the of the Costs of Issuance Fund), and (iii) funds drawn under an irrevocable direct pay letter of credit (the "Letter of Credit"), issued by Comerica Bank (the "Bank"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Pledge and Assignment of Revenues." Bondholders will not have any deed of trust on or other security interest in any of the real or personal property comprising the Project.

Upon delivery of the Bonds, the Bank will deliver the Letter of Credit to the Trustee. Pursuant to the Letter of Credit, the Trustee may draw (whether at maturity, or upon earlier redemption, mandatory purchase, purchase on demand or acceleration) up to an amount equal to the then outstanding principal amount of the Bonds to pay the unpaid principal thereof, and 45 days' accrued interest on the Bonds calculated at an assumed rate of 12% per annum on the basis of a 365-day or 366-day year, as applicable, for the actual number of days elapsed. The Letter of Credit will be in effect from the date the Bonds are issued through May 15, 2019, unless extended by the Bank in its sole discretion, or upon earlier termination in the event of full payment under the Letter of Credit as a result of full redemption of the Bonds or acceleration or demand for mandatory tender of the Bonds due to an event of default, in the event the Bonds convert to a Term Interest Rate Period and the Bank does not agree to increase the amount of the Letter of Credit and to continue to maintain the Letter of Credit in effect, or in the event an Alternate Letter of Credit or Alternate Credit Facility is substituted for the Letter of Credit. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Letter of Credit," and "—Alternate Letter of Credit and Alternate Credit Facility." Under certain circumstances, the Bank may cause payment of the Bonds to be accelerated by failing to reinstate interest drawn under the Letter of Credit upon the occurrence of an event of default under the Amended and Restated Credit Agreement, dated as of March 1, 2014 (the "Credit Agreement"), by and among the Borrower, certain affiliates of the Borrower and the Bank, as it may be amended or supplemented from time to time. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Letter of Credit," "LETTER OF CREDIT AND CREDIT AGREEMENT," and APPENDIX A—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—THE INDENTURE—Events of Default; Acceleration; Waiver of Default."

While the Indenture and the Loan Agreement obligate the Borrower to make payments sufficient to pay principal, interest and premium, if any, on the Bonds, no assurances can be given that the Borrower will have sufficient funds available for such purposes. In determining whether to purchase, sell, hold or tender the Bonds, investors should make their investment decision based solely upon the Letter of Credit and the credit of the Bank and should not rely upon the ability of the Borrower to pay the principal of, interest on, or premium, if any, of the Bonds. As a result, no financial information or operating data with respect to the Borrower has been included in this Official Statement. See "LETTER OF CREDIT AND CREDIT AGREEMENT," "THE BANK" AND "RATING."

The Bonds

The Bonds will be delivered in fully registered form only and, when issued, will be registered in the name of a nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of $100,000 or any integral multiple of $5,000 in excess of $100,000 during any Weekly Interest Rate Period or Term Interest Rate Period of less than one year, or $5,000 or any integral multiple thereof during any Term Interest Rate Period of one year or longer. See "THE BONDS—Description" and APPENDIX C—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The Bonds are subject to optional and mandatory redemption and mandatory tender for purchase prior to maturity, as described in the Credit Agreement. See "THE BONDS—Redemption Provisions" and "—Mandatory Tender for Purchase of Bonds."

Other Outstanding Zerep Bonds

The Authority has previously issued one other series of revenue bonds for the benefit of the Borrower, of which, as of May 1, 2014, $11,230,000 is currently outstanding (the "Outstanding Zerep Bonds"). The Outstanding Zerep Bonds are secured by (i) loan repayments to be made by the Borrower pursuant to a loan agreement (the "2011 Loan Agreement"), and (ii) a separate credit facility issued by the Bank (the "2011 Letter of Credit") pursuant to the Credit Agreement. A default under the indenture under which the Outstanding Zerep Bonds were issued (the "2011 Indenture") or the 2011 Loan Agreement would not constitute a default under the Indenture or the Loan Agreement; however, a default under the Credit Agreement relating to, among other matters, the Outstanding Zerep Bonds, could result in an acceleration of the Bonds. See "LETTER OF CREDIT AND CREDIT AGREEMENT—Credit Agreement—Events of Default."

The Bonds are not secured by the 2011 Letter of Credit, the revenues pledged under the 2011 Indenture or any other assets securing the Outstanding Zerep Bonds; and the owners of the Outstanding Zerep Bonds have no claim against the Revenues or the amounts drawn under the Letter of Credit.

Limited Obligations

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM CERTAIN REVENUES AND OTHER INCOME PLEDGED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS

PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

Continuing Disclosure

The Borrower has covenanted for the benefit of the registered Owners and Beneficial Holders of the Bonds to provide certain information relating to the Bonds in an Annual Report to be provided by January 15 of each year, and to provide notices of the occurrence of enumerated events. **The Authority shall have no liability to Holders of the Bonds or any other person with respect to such continuing disclosure**. Since the Borrower does not provide any financial or operating information in this Official Statement, no such information will be provided in any Annual Report. See "CONTINUING DISCLOSURE" herein and APPENDIX E—"FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Additional Information

The brief descriptions of the Borrower, the Bank, the Authority, the Project, the Bonds, the Indenture, the Loan Agreement, the Letter of Credit, the Credit Agreement, the Remarketing Agreement, the Continuing Disclosure Certificate and other documents, statutes, reports and other instruments included in this Official Statement do not purport to be complete, comprehensive or definitive. All references to the Indenture, the Loan Agreement, the Letter of Credit, the Credit Agreement, the Remarketing Agreement, the Continuing Disclosure Certificate and any other documents, statutes, reports and other instruments are qualified in their entirety by reference to such document, statute, report or instrument, and all references to the Bonds are qualified in their entirety by reference to the form of bond set forth in the Indenture.

During the period of the offering, copies of the Indenture, the Loan Agreement, the Letter of Credit, the Remarketing Agreement and the Continuing Disclosure Certificate may be obtained, upon written request, from Westhoff, Cone & Holmstedt, 1777 Botelho Drive, Suite 345, Walnut Creek, California 94596, and, thereafter, from the Trustee, The Bank of New York Mellon Trust Company, N.A., 400 South Hope Street, Suite 400, Los Angeles, California 90071.

All capitalized terms used in this Official Statement and not otherwise defined herein (including by reference to other agreements) shall have the same meanings as in the Indenture and if not defined in the Indenture, as set forth in the applicable document from which such term is referenced. See APPENDIX A—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—Definitions."

THE BONDS

Description

The Bonds when issued will be delivered in fully registered form only and, when issued, will be registered in the name of a nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry only form. Purchasers will not receive physical certificates representing their beneficial ownership interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., payment of principal of, premium, if any, and interest on, including the Purchase Price of, the Bonds will be payable to DTC or its nominee. DTC in turn will remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX C—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The principal of and premium, if any, on each Bond will be payable upon the presentation and surrender of such Bond, when due, at the principal corporate trust office of the Trustee or the Paying Agent if a paying agent has been appointed. During a Weekly Interest Rate Period, interest on the Bonds will be payable on the first Wednesday of each month, commencing June 4, 2014, or the next succeeding Business Day if such Wednesday is not a Business Day; during a Term Interest Rate Period of less than one year, the last Business Day of such Term Interest Rate Period; and during a Term Interest Rate Period of one year or more, on each April 1 and October 1. Except during a Term Interest Rate Period of one year or more, interest on the Bonds shall be computed upon the basis of a 365-day year or 366-day year, as applicable, for the number of days actually elapsed. During any Term Interest Rate Period of one year or more, interest on the Bonds shall be computed upon the basis of a 360-day year of twelve 30-day months. Payment of interest on the Bonds shall be made to the person appearing on the bond registration books of the Bond Registrar as the Owner thereof on the applicable Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to such Owner's address as it appears on the registration books or at such other address furnished to the Bond Registrar in writing by such Owner not later than the Record Date. Upon written request of an Owner of at least $1,000,000 principal amount of Bonds, such notice to be given at least three Business Days prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds at such wire address within the United States as such Owner shall specify in its written notice. If and to the extent there shall be a default in the payment of the interest due on an Interest Payment Date, such defaulted interest rate shall be the rate on the Bonds on the day before such default occurred, and such defaulted interest shall be paid to the Owners in whose name any such Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

The Bonds will initially bear interest at the Weekly Interest Rate.

Draw Down Structure

Pursuant to the Bond Purchase Contract relating to the Bonds (the "Bond Purchase Contract"), executed by the Authority, the State Treasurer, as agent for sale and the Underwriter, as approved by the Borrower, the Underwriter has committed to purchase the aggregate authorized principal amount of the Bonds in several installments. The delivery of each installment of the Bonds following the initial delivery of $8,355,000 on the Closing Date indicated on the cover hereof shall occur on a Date of Delivery determined by the Borrower, which must be an Interest Payment Date.

Subsequent to the initial issuance and delivery of Bonds on the Closing Date, Bonds may be delivered from time to time upon the delivery by the Borrower to the Trustee, the Underwriter, the Authority and the Bank of a written request to deliver an additional installment of the Bonds on the Date of Delivery. On each Date of Delivery, the Underwriter will deliver additional proceeds of the sale of Bonds to the Trustee, which proceeds will be loaned simultaneously to the Borrower, if the following conditions have been met:

(i) the Borrower has provided to the Authority, the Trustee and the Underwriter (A) a certificate of the Bank that the Stated Amount of the Letter of Credit will be increased by the amount of Bonds to be delivered on the Date of Delivery, plus 45 days' interest calculated at 12 percent per annum and a year of 365 days, and (B) a certificate of the Bank, dated the Date of Delivery, to the effect that the information in the Official Statement under the headings "The Bank" and "Rating" is true and correct in all material respects, and (C) an opinion of counsel to the Bank, dated the Date of Delivery, to the effect that the Letter of Credit, as so increased, is a legally valid and binding agreement of the Bank, enforceable against it in accordance with its terms, as set forth in the Purchase Contract;

(ii) the Authority has directed the Trustee to authenticate and deliver such additional installment of the Bonds;

(iii) all of the representations and warranties of the Authority and the Borrower contained in the Bond Purchase Contract remain true and correct as of the Date of Delivery;

(iv) no Event of Default exists and is continuing with respect to the Loan Agreement, the Indenture or the Credit Agreement; and

(v) no event has occurred which would allow the Underwriter under the terms of the Bond Purchase Contract to no longer be obligated to purchase any Bonds. Such events include any of the following which, in the reasonable judgment of the Underwriter, materially adversely affect the market price or marketability of the Bonds at the initial offering price set forth on the cover page of this Official Statement: certain changes in tax or securities laws; outbreak or escalation of hostilities or war or the occurrence of any other national emergency or calamity relating to the effective operation of the United States government or financial community; declaration of a general banking moratorium by federal, New York or California authorities or the suspension of trading on any national securities exchange; certain adverse court rulings affecting the Bonds or their delivery; the withdrawal or downgrading of the rating on the Bonds (see "RATING" herein); or, any event occurs which, in the reasonable judgment of the Underwriter, causes this Official Statement to have a material misstatement or omission of a material fact.

Upon delivery of additional installments of the Bonds on any Date of Delivery, all Bonds shall bear interest at the same rate and shall have the same CUSIP number as all Bonds previously delivered. See "THE INDENTURE—Delivery of Bonds" in Appendix A hereto.

Remarketing

Pursuant to a Remarketing Agreement, dated as of March 1, 2014 (the "Remarketing Agreement"), by and between Westhoff, Cone & Holmstedt, as Remarketing Agent (the "Remarketing Agent") and the Borrower, the Remarketing Agent will determine the Weekly Interest Rate on the Bonds. Westhoff, Cone & Holmstedt, as Underwriter, will determine the initial Weekly Interest Rate for the Bonds. See APPENDIX A—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—THE INDENTURE—The Remarketing Agent." The determination of the interest rate on the Bonds by the Remarketing Agent as provided in the Indenture shall be conclusive and binding upon the Owners of the Bonds, the Authority, the Trustee, the Tender Agent, the Remarketing Agent and the Bank.

Weekly Interest Rate

Determination of Weekly Interest Rate. During each Weekly Interest Rate Period, the Bonds shall bear interest at the Weekly Interest Rate, which shall be determined by the Remarketing Agent not later than 5:00 p.m. (New York City time) on May 14, 2014 and, thereafter, on Tuesday of each week (or by 12:00 noon (New York City time) on the next succeeding Business Day if such Tuesday is not a Business Day) during such Weekly Interest Rate Period for the week commencing on May 15, 2014 and, thereafter, on the next succeeding Wednesday (unless such Weekly Interest Rate is determined on a Wednesday in which case it shall be effective on such day); provided, however, that if the then current Interest Rate Period is a Term Interest Rate Period, the Weekly Interest Rate for the Weekly Interest Rate Period succeeding such Term Interest Rate Period shall be determined not later than the Business Day next preceding the effective date of such Weekly Interest Rate Period. The Weekly Interest Rate shall be the rate determined by the Remarketing Agent (on the basis of examination of obligations comparable to the Bonds known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such day at a price equal to the principal amount thereof plus interest accrued thereon; provided, however, that if for any reason the Weekly Interest Rate cannot be determined, the Weekly Interest Rate for the next succeeding week shall remain at the then existing rate, and thereafter the Weekly Interest Rate shall be a percentage per annum equal to the "Variable Index" as that term is defined in the Indenture. See APPENDIX A—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS." The first Weekly Interest Rate determined for each Weekly Interest Rate Period shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on the next succeeding Tuesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on Wednesday and ending on the next succeeding Tuesday, unless such Weekly Interest Rate Period shall end on a day other than Tuesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on the Wednesday preceding the last day of such Weekly Interest Rate Period and ending on such last day.

Adjustment to Weekly Interest Rate Period. The Borrower, by written direction to the Authority, the Trustee and the Remarketing Agent, and with the written consent of the Bank, may elect to adjust the Interest Rate Period for the Bonds to a Weekly Interest Rate Period. Such direction shall specify the effective date of such adjustment to a Weekly Interest Rate Period, which shall be: (i) the Interest Payment Date which is the day next succeeding the last day of the then current Term Interest Rate Period (or the Business Day next succeeding such Interest Payment Date if the adjustment is from a Term Interest Rate Period of one year or more and such Interest Payment Date is not a Business Day) not less than 40 days following the date of receipt by the Trustee of such direction; or (ii) any date on which the Bonds may be optionally redeemed as set forth in the Indenture, which is not less than 40 days following the date of receipt by the Trustee of such direction; and (b) identify the Letter of Credit or Alternate Credit Facility, if any, which will be in place after the effective date of the adjustment. Such written direction shall also be accompanied by an Approving Opinion (which shall be reconfirmed as of the effective date of the adjustment) and written confirmation from each Rating Agency of the rating which will apply to the Bonds after the effective date of the adjustment. See "THE BONDS—Redemption Provisions—Optional Redemption."

Notice of Adjustment to Weekly Interest Rate Period. The Trustee shall give notice by first class mail of an adjustment to a Weekly Interest Rate Period to the Owners of the Bonds, the Bank, the Remarketing Agent, the Authority and the Borrower not less than 30 days prior to the effective date of such Weekly Interest Rate Period. Such notice shall state: (i) that the interest rate on such Bonds will be adjusted to a Weekly Interest Rate; (ii) the effective date of such Weekly Interest Rate Period; (iii) that such Bonds will be subject to mandatory tender for purchase on such effective date; and (iv) the procedures for such purchase as provided in the Indenture.

Term Interest Rate

Determination of the Term Interest Rate. During each Term Interest Rate Period, the Bonds shall bear interest at the Term Interest Rate, which shall be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the Business Day preceding the first day of such Term Interest Rate Period. The Term Interest Rate shall be the rate determined by the Remarketing Agent (on the basis of examination of obligations comparable to the Bonds known to the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such Business Day at a price equal to the principal amount thereof; provided, however, that if for any reason the Term Interest Rate cannot be determined for any Term Interest Rate Period, the interest rate on the Bonds shall convert to a Weekly Interest Rate.

Adjustment to Term Interest Rate Period. The Borrower, by written direction to the Trustee and the Remarketing Agent, and with the written consent of the Authority and the Bank, may elect that the Interest Rate Period for the Bonds shall be a Term Interest Rate Period, and shall determine the duration of the Term Interest Rate Period (which may be any period which is a multiple of one month (taking into account variations in Interest Payment Dates, up to and including the period of time remaining to the final maturity of the Bonds). Such direction (i) shall specify the effective date of such Term Interest Rate Period which shall be: (a) an Interest Payment Date not less than 40 days following the date of receipt by the Trustee of such direction, (b) the Interest Payment Date which is the day next succeeding the last day of then current Term Interest Rate Period (or the Business Day next succeeding such Interest Payment Date if the adjustment is from a Term Interest Rate Period of one year or more and such Interest Payment Date is not a Business Day) not less than 40 days following the date of receipt by the Trustee of such direction, or (c) any date on which the Bonds may be optionally redeemed as set forth in the Indenture, which date is not less than 40 days following the date of receipt by the Trustee of such direction (see "THE BONDS—Redemption Provisions—Optional Redemption"); (ii) shall specify the last day thereof or shall state that Borrower will determine the last day prior to the effective date of the conversion, which shall be a day immediately preceding an Interest Payment Date; (iii) shall, if applicable, direct the Trustee to send notice to Bondholders of mandatory tender for purchase of such Bonds on the effective date of adjustment pursuant to the Indenture; and (iv) shall identify the Letter of Credit or Alternate Credit Facility, if any, which will be in place after the effective date. Such written direction shall also be accompanied by an Approving Opinion (which shall be reconfirmed as of the effective date of the adjustment) and written confirmation from each Rating Agency of the rating which will apply to the Bonds after the effective date of the adjustment. If, at least 40 days prior to the last day of any Term Interest Rate Period, the Borrower shall not have elected that the Bonds bear interest at a Weekly Interest Rate or a Term Interest Rate during the next succeeding Interest Rate Period, the next succeeding Interest Rate Period shall be a Term Interest Rate Period of the same duration as the immediately preceding Term Interest Rate Period.

The Borrower shall not adjust to a Term Interest Rate Period unless the Letter of Credit has been modified to provide interest coverage sufficient to maintain the rating on such Bonds; provided, however, that no Letter of Credit shall be required if the Borrower furnish to the Trustee not less than 40 days prior to the last day of any Term Interest Rate Period (i) written evidence from each Rating Agency then rating such Bonds that effective upon the commencement of the immediately succeeding Term Interest Rate Period that, if the Bonds then have a long-term rating, that the Bonds will be rated Fitch "A-" (or equivalent) or higher or if the Bonds only have a short-term rating, that such Bonds will be in the highest short-term rating category (without regard to "+"s or "-"s); and (ii) the written consent of the Authority.

Notice of Adjustment of Term Interest Rate Period. The Trustee shall give notice by first class mail of each Term Interest Rate Period to the Owners of the Bonds, the Bank, the Remarketing Agent, the Authority and the Borrower not less than 30 days prior to the effective date of such Term Interest Rate Period. Such notice shall state: (i) that the interest rate on the Bonds will be adjusted to or continue to be a Term Interest Rate; (ii) the effective date of such Term Interest Rate Period; (iii) the day by which the Term Interest Rate for such Term Interest Rate Period shall be determined; (iv) the manner by which such Term Interest Rate may be obtained; (v) the Interest Payment Dates after such effective date; (vi) that, during such Term Interest Rate Period the Bondholders of the Bonds or the Direct Participants with respect to Book-Entry Bonds, as applicable, will have the right to demand purchase of the Bonds; (vii) the date by which such Bondholders or Direct Participants must give notice to the Trustee in order to have their Bonds purchased, if applicable; (viii) the procedures for doing so; (ix) if the then current Interest Rate Period is a Weekly Interest Rate Period or a Term Interest Rate Period of a different duration than the succeeding Term Interest Rate Period, that the Bonds shall be subject to mandatory tender for purchase on such effective date pursuant to the Indenture; (x) the procedures of such purchase; (xi) the redemption provisions that will pertain to the Bonds during such Term Interest Rate Period; (xii) the ratings which are expected to be assigned to the Bonds on such date; and (xiii) whether a Letter of Credit or Alternate Credit Facility will be in place after the effective date of adjustment, and, if so, a description of the credit facility that will be in place.

Purchase of Bonds on Demand of Owner

During any Weekly Interest Rate Period, any Bonds or portions thereof in Authorized Denominations shall be purchased at the option of the Owner thereof, or with respect to Book-Entry Bonds, at the option of the Direct Participant with an ownership interest in Book-Entry Bonds, on any Business Day, at a price of 100% of the principal amount thereof, plus accrued interest to the Purchase Date, upon: (i) delivery to the Trustee, if such Bonds are Book-Entry Bonds, or otherwise to the Tender Agent at its corporate trust office of an irrevocable notice in writing (the "Tender Notice") by 5:00 p.m. (New York City time) on any Business Day, which states the name of the Owner or Direct Participant for such Bond, such Direct Participant's account number, payment instructions with respect to the Purchase Price of such Bond, the principal amount of such Bond, the CUSIP number of such Bond, and the date on which the same shall be redeemed or purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee or Tender Agent; and (ii) (a) if such Bonds are not Book-Entry Bonds, delivery of such Bond to the Tender Agent at its corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof with the signature guaranteed in accordance with the guidelines set forth by one of the nationally recognized medallion signature programs at or prior to 12:30 p.m. (New York City time), on the date specified in such notice, or (b) if the Bonds are Book-Entry Bonds, upon confirmation by DTC to the Trustee that a Direct Participant with respect to Book-Entry Bonds being purchased has an ownership interest in such Book-Entry Bond at least equal to the amount specified in the Tender Notice, the transfer on the registration books of DTC, of the beneficial ownership interest such Book-Entry Bond tendered for purchase to the account of the Trustee, or the account of a Direct Participant acting on behalf of such Trustee.

If moneys sufficient to pay the Purchase Price of Bonds to be purchased pursuant to the Indenture shall be held by the Trustee on the date such Bonds are to be purchased, any Bonds to be so purchased which are not delivered by the Owners thereof to the Tender Agent or transferred on the registration books of DTC, as applicable, on the date specified for purchase thereof will be deemed to have been delivered for purchase or transferred on the registration books of DTC, as applicable, on such date and to have been purchased. The former Owners of such Bonds, or the Direct Participant with respect to Book-Entry Bonds will thereafter have no rights with respect to such Bonds except to receive payment of the Purchase Price thereof upon surrender of such Bonds to the Tender Agent or the transfer, on the registration books of DTC, of the beneficial ownership interest in such Book-Entry Bonds.

Mandatory Tender for Purchase of Bonds

(i) On the first day of each new Interest Rate Period, including a renewal of a Term Interest Rate Period, or

(ii) During a Weekly Interest Rate Period, on the effective date of any Alternate Letter of Credit or Alternate Credit Facility (each as defined in the Indenture, see APPENDIX A—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS") complying with the requirements of the Loan Agreement, or

(iii) On the second Business Day following the day on which the Trustee receives written notice from the Bank that an Event of Default has occurred under (and as defined in) the Credit Agreement and directing the Trustee to purchase the Bonds, in which event the Trustee shall promptly give notice to each Bondholder of the mandatory tender of the Bonds and that interest will cease to accrue to the Bondholder on such Bonds after the date of mandatory tender (each, a "Purchase Date"),

the Owner or Direct Participant of such Bond shall tender such Bond for purchase as described in the Indenture at a price equal to the principal amount thereof plus accrued and unpaid interest thereon (the "Purchase Price"). Except as provided below under "Purchase and Remarketing of Bonds—Unclaimed Moneys", payment of the Purchase Price of such Bonds shall be made to the Owner of record or Direct Participant with respect to Book-Entry Bonds on the Record Date by 4:30 p.m. (New York City time), in the same manner as payment of interest on the Bonds. If the Bonds are not Book-Entry Bonds, the Holder shall deliver such Bonds by no later than 12:30

p.m. (New York City time), on the Purchase Date to the Tender Agent at its Corporate Trust Office accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, with the signature guaranteed in accordance with the guidelines set forth by one of the nationally recognized medallion signature programs. If the Bonds are Book-Entry Bonds, the tendering Direct Participant shall transfer, on the registration books of DTC, the beneficial ownership interest in such Bonds tendered for purchase to the account of the Trustee or a Direct Participant acting on behalf of the Trustee.

Any instrument delivered to the Trustee or Tender Agent in accordance with the Indenture shall be irrevocable with respect to the mandatory purchase for which such instrument was delivered and shall be binding upon any subsequent Owner or Direct Participant of the Bond to which it relates, including any Bond issued in exchange thereof or upon the registration of transfer therefor and as of the date of such instrument, the Owner or Direct Participant of the Bonds specified therein shall not have any right to tender for purchase such Bonds prior to such Purchase Date.

Purchase and Remarketing of Bonds

Purchase of the Bonds. While the Bonds are Book-Entry Bonds, all references in this section to the Tender Agent's action relative to the Bonds shall instead mean the Trustee, as the context may require.

The Tender Agent shall purchase, but only from the sources listed below, Bonds which are required to be purchased or which are tendered pursuant to the Indenture from Owners thereof by 4:30 p.m. (New York City time) on the date such Bonds are required to be purchased at the Purchase Price. Funds for the payment of such Purchase Price shall be derived from the following sources, at the following times and in order of priority indicated below:

(a) from the proceeds of the remarketing of the Bonds (but only such remarketing proceeds as are received from purchasers of the Bonds) which have been furnished to the Tender Agent by no later than 11:00 a.m. (New York City time) on the Purchase Date by the Trustee, which shall have received such funds from the Remarketing Agent; provided, however, that such proceeds shall not have been derived from the Authority, the Borrower, any Guarantor, any affiliate or any shareholder of the Borrower, and provided further that remarketing proceeds may not be applied in the case of mandatory tender under subsection (iii) of the section entitled "Mandatory Tender for Purchase of Bonds"; and

(b) from moneys which have been furnished to the Tender Agent by no later than 2:30 p.m. (New York City time) on the Purchase Date, representing the proceeds of a draw under any Letter of Credit enhancing the Bonds.

Remarketing of the Bonds. The Remarketing Agent shall determine the rate of interest to be borne by the Bonds and shall furnish to the Trustee, the Bank, and the Tender Agent in a timely manner all information necessary for the Trustee and the Tender Agent to carry out their respective duties under the Indenture, including, but not limited to, the interest rates applicable to all Bonds.

The Remarketing Agent shall, pursuant to the Remarketing Agreement, use its best efforts to sell any Bonds tendered for purchase (except Bonds tendered pursuant to subsection (iii) of the section entitled "Mandatory Tender for Purchase of Bonds") to new purchasers.

If any Bond is tendered after a notice of redemption is given for such Bond, the Remarketing Agent will give the redemption notice to any purchaser of such Bond or to DTC, if a Book-Entry Bond and the purchaser or Direct Participant shall acknowledge receipt of such redemption notice.

Delivery of Proceeds of Sale. The proceeds of the remarketing by the Remarketing Agent of any Bonds shall be transferred on the Purchase Date by the Remarketing Agent to the Trustee and from the Trustee to the Tender Agent, as applicable, by 11:00 a.m. (New York City time), and such proceeds shall be held in trust and applied by the Trustee or the Tender Agent, as applicable, to the payment on the Purchase Date of the Purchase Price of Bonds to the Owners (or Beneficial Owners) thereof pursuant to the Indenture. The Trustee or the Tender Agent, as applicable, shall make the Bonds available for delivery to the Remarketing Agent which are registered pursuant to the instructions of the Remarketing Agent or shall direct the transfer on the registration books of DTC pursuant to the instructions of the Remarketing Agent or, in the case of remarketing of the Bonds which constitute Bank Bonds, as provided in the Indenture.

No Remarketing After Default. Notwithstanding any other provision of the Indenture, the Bonds shall not be remarketed after the occurrence and during the continuance of an Event of Default under the Indenture. See APPENDIX A—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—THE INDENTURE—Events of Default; Acceleration; Waiver of Default."

Unclaimed Moneys. The Tender Agent shall, at the end of the fifth Business Day after a Purchase Date, transfer all funds then held on hand by virtue of the fact that the Bonds deemed tendered on such date were not presented for purchase to the Tender Agent to the Trustee to be held in a segregated account for the Bonds and to hold the same in trust for the payment of the Purchase Price thereof to the former Owners of such Bonds. The Trustee shall pay such Purchase Price from such amounts by check or draft of the Trustee or one of its affiliates made payable to the party entitled to such payment as soon as practicable after such party surrenders the Bond or Bonds so deemed purchased to the Trustee. Any such moneys so held in trust by the Trustee shall be held uninvested until paid to the person entitled thereto or disposed of as provided by law.

Conditions to Remarketing Upon Expiration of Letter of Credit. If a commitment to renew the Letter of Credit or to provide an Alternate Letter of Credit or Alternate Credit Facility shall not be provided prior to the 40th day before the scheduled expiration date of the Letter of Credit then the Bonds shall not be remarketed after the 15th day prior to such expiration.

Notices Upon Delivery of Alternate Letter of Credit or Alternate Credit Facility. Whenever the Borrower have delivered to the Trustee a notice of the expected delivery of an Alternate Letter of Credit or a notice of the expected delivery of an Alternate Credit Facility (either of such instruments referred to hereafter as the "Alternate Instrument") pursuant to the Loan Agreement, the Trustee shall mail a notice to all Holders of the Bonds stating: (i) the name of the issuer of the Alternate Instrument; (ii) the date on which the Alternate Instrument will become effective, which date shall be at least 20 calendar days prior to the expiration date of the existing Letter of Credit or Alternate Credit Facility; (iii) the rating expected to apply to the Bonds after the Alternate Instrument is delivered; and (iv) if during a Weekly Interest Rate Period, notice that the Bonds will be subject to mandatory tender for purchase on the date of delivery of the Alternate Instrument, and information on where such Bonds are to be delivered. Such notices shall be mailed at least 20 days prior to the effective date of the Alternate Instrument.

Redemption Provisions

The Bonds are subject to redemption in Authorized Denominations (and only with Available Moneys if the Letter of Credit is in effect) prior to maturity as set forth below:

No Sinking Fund Redemption

The Bonds shall not be subject to mandatory sinking fund redemptions set forth in the Indenture.

Mandatory Redemption

Mandatory Redemption of the Bonds Upon Invalidity or a Determination of Taxability. In the event of a prepayment pursuant to the Loan Agreement as a result of the invalidity of the Loan Agreement or as a result of a Determination of Taxability, as defined in the Indenture, the Bonds then Outstanding on such date are subject to mandatory redemption in whole at any time within 30 days thereafter, at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the date of redemption. See APPENDIX A—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—THE LOAN AGREEMENT—Mandatory Prepayment."

Mandatory Redemption Upon Failure to Renew Letter of Credit. The Bonds shall be redeemed in whole, at a redemption price equal to the 100% of principal amount thereof, without premium, plus accrued interest to the redemption date, in the event that the Letter of Credit then in effect is not renewed or an Alternate Letter of Credit or Alternate Credit Facility enhancing the Bonds is not delivered to the Trustee at least 20 days prior to the scheduled expiration date of the then current Letter of Credit on a redemption date selected by the Trustee not less than five calendar days preceding the expiration date of the then current Letter of Credit; provided, however, that there shall be no mandatory redemption of Bonds pursuant to this Section if the termination of the Letter of Credit takes place in connection with an event which results in a mandatory tender of the Bonds pursuant to the Indenture. See "THE BONDS—Mandatory Tender for Purchase of Bonds."

Optional Redemption

Optional Redemption During Weekly Interest Rate Period. On any date during a Weekly Interest Rate Period and on the effective date of any Term Interest Rate Period, the Bonds are subject to redemption, at the option of the Authority upon direction of the Borrower as provided in the Loan Agreement, in whole or in part, at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the date of redemption. In the Tax Certificate, the Borrower has indicated its intent to cause the optional redemption of the Bonds on certain dates and in certain amounts, subject to modification, as provided therein. See "THE BORROWER—Optional Redemption."

Optional Redemption During Term Interest Rate Period. During any Term Interest Rate Period, the Bonds also shall be subject to redemption in whole or from time to time in part, at the option of the Authority upon direction of the Borrower as provided in the Loan Agreement, at the times (measured from the first day of the applicable Term Interest Rate Period), and at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued interest, if any, to the redemption date:

(Lesser of) Length of Term Interest Rate Period or Length of Time to Maturity	Redemption Dates and Prices
Greater than 10 years	At any time on or after the 5th anniversary of the effective date of such Interest Rate Period at 102% declining 1/2% annually to 100%
Greater than 8 and less than or equal to 10 years	At any time on or after the 5th anniversary of the effective date of such Interest Rate Period at 101-1/2% declining 1/2% annually to 100%
Greater than 4 and less than or equal to 6 years	At any time on or after the 2nd anniversary of the effective date of such Interest Rate Period at 101% declining 1/2% annually to 100%
Greater than 2 and less than or equal to 3 years	At any time on or after the 1st anniversary of the effective date commencing such Interest Rate Period at 100-1/2% declining 1/2% annually to 100%
Greater than 1 and less than or equal to 2 years	At any time on or after the 1st anniversary of the effective date of such Interest Rate Period at 100%
Less than or equal to 1 year	On the Interest Payment Date which is six months after the effective date of such Interest Rate Period at 100%

Optional Redemption Upon Occurrence of Extraordinary Events. The Bonds may be redeemed in whole on any date or in part on any Interest Payment Date, at the option of the Authority, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption, upon receipt by the Trustee of a written notice from the Borrower or the Bank stating that any of the following events has occurred:

(i) All of the Project or a portion thereof shall have been damaged, destroyed, condemned or taken by eminent domain to such extent that, in the opinion of an independent engineer evidenced by a certificate provided to the Authority and the Trustee that: (a) it is not practicable or desirable to rebuild, repair or restore the Project or such portion thereof within a period of six consecutive months following such damage, destruction or condemnation, and the Borrower is or will be thereby prevented from carrying on its normal operations at the Project or such portion thereof for a period of at least six consecutive months; or (b) the cost of restoration of the Project or such portion thereof would substantially exceed the Net Proceeds of insurance carried thereon; or

(ii) The continued operation of such Project is enjoined or prevented or is otherwise prohibited by, or conflicts with, any order, decree, rule or regulation of any court or federal, state or local regulatory body, administrative agency or governmental body.

Selection of Bonds for Redemption

In the case of the redemption of less than all of the Bonds, such Bonds to be redeemed shall be selected by the Trustee by lot, in any manner as the Trustee in its sole discretion may determine to be appropriate and fair; provided, however, that Bonds pledged or held for the account of the Bank shall be redeemed first.

Notice of Redemption

Notice of redemption shall be mailed by the Trustee by first class mail not less than 30 days (or 15 days in the case of redemption under the circumstances described under "Redemption Provisions—Mandatory Redemption Upon Failure to Renew Letter of Credit" above) nor more than 60 days prior to the redemption date, to the respective Holders of any Bond designated for redemption at the address shown on the registration books maintained by the Bond Registrar. Each notice of redemption shall state the redemption date, the place or places of redemption, if less than all of the Bonds are to be redeemed, the distinctive number(s) to be redeemed, and in the case of Bonds to be redeemed in part only, the respective portions of the principal amounts thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the principal thereof or of said specified portion of the principal thereof in the case of the Bonds to be redeemed in part only, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered and, with regard to optional redemption described above under "—Optional Redemption—Optional Redemption During Weekly Interest Rate Period" or "—Optional Redemption—Optional Redemption During Term Interest Rate Period," in the event that funds required to pay the redemption price are not on deposit under the Indenture at the time the notice of redemption is sent, a statement to the effect that the redemption is conditioned upon the receipt of the appropriate funds required to pay the redemption price by the Trustee on or prior to the redemption date. Neither failure to receive such notice nor any defect therein shall affect the sufficiency of such redemption.

Effect of Redemption

Notice of redemption having been duly given as described above, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption are held by the Trustee, the Bonds (or portions thereof) so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price specified in such notice, interest on the Bonds (or portions thereof) so called for redemption shall cease to accrue, said Bonds shall cease to be entitled to any lien, benefit or security under the Indenture (except for payment of particular Bonds for which moneys are being held by the Trustee which moneys shall be pledged to such payment), and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said principal and interest accrued to the date fixed for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Pledge and Assignment of Revenues

The Indenture provides that the Bonds are payable from, and separately secured by, a first and exclusive lien on and pledge of: (i) subject to the provisions of the Indenture governing certain funds and accounts, the Revenues, consisting of all amounts received by the Authority or the Trustee for the account of the Authority pursuant or with respect to the Loan Agreement or the Letter of Credit, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments, any late charges, and paid from whatever source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture (except the Rebate Fund and the Borrower Account of the Costs of Issuance Fund), excluding, however, certain payments to the Authority, the Trustee or other parties of expenses or indemnification costs, as described in the Loan Agreement, including without limitation any Administration Fees and Expenses and Tender Proceeds; and (ii) subject to the provisions of the Indenture governing certain funds and accounts, any other amounts held in any fund or account established pursuant to the Indenture (except the Rebate Fund and the Borrower Account of the Costs of Issuance Fund). See APPENDIX A—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS" and "—THE INDENTURE—Pledge and Assignment; Revenue Fund."

Pursuant to the Indenture, all Revenues (except as otherwise permitted under the Indenture) are irrevocably pledged to the punctual payment of the principal of, interest, and premium, if any, on the Bonds. The Revenues will not be used for any other purpose while any of the Bonds remain outstanding. The pledge of the Revenues constitutes a lien on and security interest in the Revenues for the payment of the Bonds, in accordance with the terms of the Indenture and thereafter to secure the payment of moneys owing to the Bank under the Credit Agreement; provided that the benefits under the Letter of Credit will apply only to the Bonds and Tender Proceeds shall be held in trust as provided in the Indenture.

Pursuant to Loan Agreement, the Borrower agrees to make payments to the Trustee which, in the aggregate, will be in an amount sufficient for the payment in full of all amounts payable with respect to the Bonds including all principal (whether at maturity or upon redemption or acceleration) of, premium, if any, and interest on the Bonds, and certain other fees and expenses (consisting generally of the annual fee of the Trustee and the reasonable expenses of the Trustee and the Authority related to the Project, less any amounts available for such payment as provided in the Loan Agreement and the Indenture).

Under the Indenture, the Authority has assigned to the Trustee, as security for the repayment of the Bonds, all rights and privileges of the Authority with respect to the Bonds and under the Loan Agreement (except the right to receive certain fees and expenses payable to the Authority and certain rights of indemnification, inspection, consent and enforcement and to receive notices, certificates and opinions), including without limitation, the right to receive directly the Revenues and to enforce any security interest. Although a security interest in various collateral has been given by the Borrower to the Bank as security for the payment of the Borrower's obligations under the Credit Agreement (see "LETTER OF CREDIT AND CREDIT AGREEMENT"), such security interest has not been given to the Trustee or the Holders of the Bonds and such additional collateral does not secure the Bonds.

Letter of Credit

The Bonds are further enhanced by an irrevocable direct pay Letter of Credit which has been issued in favor of the Trustee. See "LETTER OF CREDIT AND CREDIT AGREEMENT."

Alternate Letter of Credit and Alternate Credit Facility

General. Under the Loan Agreement, the Borrower is required to maintain or cause to be maintained so long as the Bonds remain outstanding a Letter of Credit or an Alternate Letter of Credit or Alternate Credit Facility in an amount sufficient to pay principal, or Purchase Price, of and interest on the Bonds and any redemption premium payable upon optional redemption of the Bonds. Notwithstanding the foregoing, a Letter of Credit, Alternate Letter of Credit or Alternate Credit Facility shall not be required to be in effect under the conditions set forth, and as provided, in the Indenture. See "THE BONDS—Term Interest Rate—Adjustment to Term Interest Rate Period." At any time the Borrower may, at its option, and shall at least 20 days prior to the expiration date of any existing Letter of Credit or Alternate Credit Facility (unless otherwise permitted by the Indenture or any existing Alternate Credit Facility) cause to be delivered an Alternate Letter of Credit or Alternate Credit Facility. In lieu of keeping the Letter of Credit in place as required under the Loan Agreement, the Borrower may deposit with the Trustee an Alternate Credit Facility for the Bonds.

Alternate Letter of Credit. The Loan Agreement specifies certain requirements that apply to any Alternate Letter of Credit, including without limitation, the following:

The Alternate Letter of Credit shall be an irrevocable letter of credit or other irrevocable credit facility (including, if applicable, a confirming letter of credit), issued by a commercial bank or other financial institution, the terms of which shall in all material respects be the same as the initial Letter of Credit; provided that the expiration date of such Alternate Letter of Credit shall be a date not earlier than 364 days from its date of issuance, subject to earlier termination upon payment in full of all Bonds or provision for such payment in accordance with the Indenture.

Not less than 30 days prior to the delivery of an Alternate Letter of Credit, the Borrower shall: (i) deliver to the Trustee a written notice of the expected delivery of such Alternate Letter of Credit; (ii) inform the Trustee of the date on which the Alternate Letter of Credit will become effective, which date shall not be less than 20 calendar days prior to the stated expiration date of the existing Letter of Credit; and (iii) inform the Trustee of the rating expected to apply to the Bonds after the Alternate Letter of Credit is delivered. On or prior to the date of delivery of the Alternate Letter of Credit, the Borrower shall cause to be furnished to the Trustee: (i) an opinion of Bond Counsel stating that the delivery of such Alternate Letter of Credit to the Trustee is authorized under and complies with the terms of the Indenture and will not adversely affect the Tax-exempt status of the Bonds; (ii) an opinion of counsel to the issuer of the Alternate Letter of Credit that such Alternate Letter of Credit is enforceable in accordance with its terms (except to the extent that enforceability thereof may be limited by bankruptcy, reorganization or similar laws limiting the enforceability of creditors' rights generally and except that no opinion need be expressed as to the availability of any discretionary equitable remedies); and (iii) written evidence from a Rating Agency to the effect that such rating agency has reviewed the proposed Alternate Letter of Credit and if the Bonds then have a long-term rating, that the Bonds will be rated Fitch "A-" (or equivalent) or higher or, if the Bonds only have a short-term rating, will be in the highest short-term rating category. Notwithstanding any other provision of the Loan Agreement, a Letter of Credit or Alternate Letter of Credit shall not be required to be in effect under the conditions set forth, and as provided, in the Indenture. See "THE BONDS—Term Interest Rate—Adjustment to Term Interest Rate Period."

Alternate Credit Facility. The Loan Agreement also specifies certain requirements that apply to any Alternate Credit Facility, including without limitation, the following:

(i) the Alternate Credit Facility must be approved by the Authority;

(ii) the provisions of the Alternate Credit Facility must be acceptable to the Trustee;

(iii) the term of the Alternate Credit Facility must extend at least 364 days or to at least the first date on which the Bonds are subject to redemption pursuant to the Indenture, whichever is longer; and

(iv) the Alternate Credit Facility must be in an amount sufficient to pay principal of, interest, Purchase Price and any redemption premium payable upon optional redemption of the Bonds.

Not less than 30 days prior to the delivery of an Alternate Credit Facility, the Borrower shall: (i) deliver to the Trustee a written notice of the expected delivery of such Alternate Credit Facility; (ii) inform the Trustee of the date on which the Alternate Credit Facility will become effective, which date shall not be less than 20 calendar days prior to the stated expiration date of the existing Letter of Credit or Alternate Credit Facility; and (iii) inform the Trustee of the rating expected to apply to the Bonds after the Alternate Credit Facility is delivered. On or prior to the date of delivery of an Alternate Credit Facility, the Borrower shall furnish to the Trustee: (i) an opinion of Bond Counsel stating that the delivery of such Alternate Credit Facility to the Trustee is authorized under and complies with the terms of the Indenture and will not adversely affect the Tax-exempt status of the Bonds; (ii) an opinion of counsel to the Alternate Credit Facility provider to the effect that such Alternate Credit Facility is enforceable in accordance with its terms, except to the extent that enforceability thereof may be limited by bankruptcy, reorganization or similar laws limiting the enforceability of creditors' rights generally and except that no opinion need be expressed as to the availability of any discretionary equitable rights; and (iii) written evidence from a Rating Agency to the effect that such rating agency has reviewed the proposed Alternate Credit Facility and if the Bonds then have a long-term rating, that the Bonds will be rated Fitch "A-" (or equivalent) or higher or, if the Bonds only have a short-term rating, will be in the highest short-term rating category. Notwithstanding any other provision of the Loan Agreement, a Letter of Credit or an Alternate Credit Facility shall not be required to be in effect under the conditions set forth, and as provided, in the Indenture. See "THE BONDS—Term Interest Rate—Adjustment to Term Interest Rate Period."

Other Outstanding Zerep Bonds

The Authority has previously issued the Outstanding Zerep Bonds, which are outstanding in the aggregate principal amount of $11,230,000 as of May 1, 2014. The Outstanding Zerep Bonds are secured by, among other matters, loan repayments to be made by the Borrower pursuant to the 2011 Loan Agreement and by the 2011 Letter of Credit. A default under the 2011 Indenture or the 2011 Loan Agreement would not constitute a default under the Indenture or the Loan Agreement; however, a default under the Credit Agreement relating to, among other matters, the Outstanding Zerep Bonds, could result in an acceleration of the Bonds. See "LETTER OF CREDIT AND CREDIT AGREEMENT—Credit Agreement—Events of Default."

The Bonds are not secured by the 2011 Letter of Credit, the revenues pledged under the 2011 Indenture or any other assets securing the Outstanding Zerep Bonds; and the owners of the Outstanding Zerep Bonds have no claim against the Revenues or the amounts drawn under the Letter of Credit.

Limited Obligations

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM CERTAIN REVENUES AND OTHER INCOME PLEDGED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

LETTER OF CREDIT AND CREDIT AGREEMENT

Letter of Credit

On the date of issuance of the initial installment of the Bonds, the Bank will issue in favor of the Trustee the Letter of Credit in the original principal amount of the initial installment of the Bonds plus an amount equal to 45 days' of interest on principal amount of the initial installment of the Bonds calculated at the rate of 12% per annum, on the basis of a 365-day year (as such amount may from time to time be reduced and reinstated as provided in the Letter of Credit). On each Date of Delivery, subject to the satisfaction of certain requirements under the Credit Agreement, the Bank will increase the amount of the Letter of Credit to an amount equal to the principal amount of the Bonds then outstanding under the Indenture plus an amount equal to 45 days of interest on such Bonds calculated at the rate of 12% per annum, on the basis of a 365-day year (as such amount may from time to time be reduced and reinstated as provided in the Letter of Credit). The Letter of Credit will permit the Trustee to draw up to an amount equal to the then outstanding principal amount and up to 45 days' of interest on the Bonds at a maximum rate of 12% per annum to pay the unpaid principal thereof and accrued interest on the Bonds. All Drawings (as defined in the Letter of Credit) under the Letter of Credit will be paid with the Bank's immediately available funds without any requirement that the Trustee, the holders of the Bonds or the Bank make any prior claims against the Borrower.

The Letter of Credit will automatically expire on the earliest to occur of: (i) May 15, 2019; (ii) the date on which the Trustee surrenders the Letter of Credit to the Bank, subject to payment of any concurrent drawing thereunder; (iii) the date the Bank honors drawings under

Letter of Credit for all outstanding principal and interest on the Bonds; or (iv) the 15th calendar day following receipt of notice from the Bank declaring the Bonds immediately due and payable or demanding that the Bonds be called for mandatory tender because of the occurrence of an event of default under the Credit Agreement.

Each Drawing honored by the Bank under the Letter of Credit will immediately reduce the Letter of Credit Amount by the amount of such Drawing.

Credit Agreement

General. Pursuant to the terms and conditions of an Amended and Restated Credit Agreement, dated as of March 1, 2014 (the "Credit Agreement"), among, among others, the Bank, the Borrower and Valley Vista Services, Inc., City of Industry Disposal Company, Inc., Vincent's General Services Inc., GC First Street, LLC, and Grand Central Recycling & Transfer Station, Inc. (collectively, the "Affiliates") (see "THE BORROWER–General") (the "Borrower and the Affiliates being referred to under this caption as the "Obligated Companies"), the Obligated Companies (a) are required to repay to the Bank any amounts drawn by the Trustee under the Letter of Credit; and (b) grant to the Bank certain security interests in property and other collateral of the Obligated Companies and in the funds and accounts held pursuant to the Indenture with respect to the Bonds. Capitalized terms used in this section and not otherwise defined shall have the meanings given such terms as set forth in the Credit Agreement.

The Credit Agreement and the agreements securing the Obligated Companies' obligation to reimburse the Bank do not secure the Trustee, the holders of the Bonds or the Bonds.

Conditions Precedent to Disbursements under the Project Fund. The Credit Agreement sets forth certain conditions precedent which the Obligated Companies must satisfy prior to any funds being disbursed from the Project Fund in connection with each component of the Project; including but not limited to certification that no condition or event exists that constitutes an event of default or a potential event of default and demonstrating in reasonable detail compliance both before and after the requested disbursement is made.

O*ptional Redemption under the Credit Agreement.* Pursuant to the Credit Agreement, the Bank requires the Obligated Companies to reduce each year a portion of its obligations under the Credit Agreement. As long as no Event of Default has occurred and is continuing under the Credit Agreement, the Obligated Companies may elect to reduce or prepay other obligations owed to the Bank or they may elect to cause the redemption, without premium, of a portion of Bonds on the October Interest Payment Date of any year, commencing with the October Interest Payment Date in 2021 (see "THE BORROWER–Optional Redemption"), or such earlier date as may be agreed to by the Bank and the Obligated Companies.

The redemption obligations of the Obligated Companies described herein are solely for the benefit of the Bank and may be waived or modified by the Bank in accordance with the terms of the Credit Agreement.

Certain Bank Notices Resulting in an Event of Default under the Indenture. Pursuant to the Indenture, there shall be an Event of Default thereunder in the event the Bank delivers a notice to the Trustee that either: (i) an "event of default" has occurred under the Credit

Agreement and directs the Trustee to accelerate the Bonds (and the Bank certifies that the Bank has not directed the Trustee to give notice of mandatory tender of the Bonds); or (ii) the Bank will not reinstate the interest portion of the Letter of Credit after a drawing as provided in the Letter of Credit. See APPENDIX A–"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS–THE INDENTURE–Events of Default; Acceleration." The Bank may deliver the notice referred to at any time that an "Event of Default" under the Credit Agreement has occurred and is continuing.

The Obligated Companies and the Bank may amend the Credit Agreement at any time without the consent of the Trustee, the Authority, the Holders of the Bonds or any other person and any such amendment could amend the conditions under which the Obligated Companies would be in default thereunder and thereby increase the ability of the Bank to give the notices described in the preceding paragraph which would result in an Event of Default under the Indenture.

Events of Default. The following is a summary of certain actions which constitute an event of default under the Credit Agreement. Capitalized terms used in this section and not otherwise defined shall have the meanings given such terms as set forth in the Credit Agreement:

Any one or more of the following events shall constitute an Event of Default by the Obligated Companies under the Credit Agreement:

(a) The Obligated Companies shall fail to pay within three (3) Business Days after the same becomes due under the terms of the Credit Agreement or any of the other Credit Documents any principal of or interest on any Reducing Revolving Loan, any Reimbursement Obligation, any fees or any other amount required under the terms of the Credit Agreement or any of the other Credit Documents.

(b) The occurrence of any event which constitutes an "Event of Default" under any Indenture, any Loan Agreement or any of the other Bond Documents, or receipt by the Agent or any Lender of a notice from a Trustee stating that an event of default has occurred under an Indenture and declaring the principal of all outstanding Bonds issued pursuant to that Indenture and accrued interest thereon due and payable.

(c) Failure by the Obligated Companies to observe or perform certain covenants contained in the Credit Agreement relating to delivery of financial statements, delivery of certificates and reports relating to the financial statements, maintenance of insurance, delivery of notices concerning (i) litigation, (ii) material adverse changes in the financial condition of any Obligated Company, (iii) material adverse tax determinations, (iv) material changes in the authorized and issued Equity Interests of any Obligated Company or in the organizational documents of any Obligated Company), financial covenants, or negative financial covenants.

(d) The Obligated Companies shall fail to observe or perform any other covenant, obligation, condition or agreement contained in the Credit Agreement or, any of the other Credit Documents and such failure shall remain unremedied for thirty (30) days (or if such failure cannot be cured within thirty (30) days, (i) cure is not initiated within such 30 day period and diligently pursued or (ii) such failure is not remedied within sixty (60) days after notification by the Agent.

(e) Any material representation, warranty, certificate, information or other statement (financial or otherwise) other than projections, forecasts or other forward-looking information made or furnished by or on behalf of the Obligated Companies to Agent or any Lender in or in connection with the Credit Agreement or any of the other Credit Documents or any Bond Document, or as an inducement to Agent or any Lender to enter into the Credit Agreement, shall be false, incorrect, incomplete or misleading in any material respect when made or furnished.

(f) The Obligated Companies shall fail to make any payment when due on account of any Indebtedness of such Person (excluding the Obligations under the Credit Documents but including Obligations under any Bonds) and such failure shall continue beyond any period of grace or period to cure or remedy provided with respect thereto, if the amount of such Indebtedness exceeds Two Hundred Fifty Thousand Dollars ($250,000.00) or the effect of such failure is to cause, or permit the holder or holders thereof to cause, such Indebtedness of the Obligated Companies (excluding the Obligations under the Credit Documents but including Obligations under any Bonds) in an aggregate amount exceeding Two Hundred Fifty Thousand Dollars ($250,000.00) to become due, or (ii) the Obligated Companies shall otherwise fail to observe or perform any agreement, term or condition contained in any agreement or instrument relating to any Indebtedness of such Person (excluding the Obligations under the Credit Documents but including Obligations under any Bonds) and such failure shall continue beyond any period of grace or period to cure or remedy provided with respect thereto, or any other event shall occur or condition shall exist, if the effect of such failure, event or condition is to cause, or permit the holder or holders thereof to cause, Indebtedness of such Obligated Company (excluding the Obligations under the Credit Documents but including Obligations under any Bonds) in an aggregate amount exceeding Two Hundred Fifty Thousand Dollars ($250,000.00) to become due (and/or to be secured by cash collateral).

(g) The rendering of any judgment(s) (not covered by adequate insurance from a solvent carrier which is defending such action without reservation of rights) for the payment of money in excess of the sum of One Hundred Thousand Dollars ($100,000.00) individually or in the aggregate against any Credit Party, and such judgments shall remain unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period of thirty (30) consecutive days from the date of its entry;

(h) Any reportable event (as defined in ERISA) which constitutes grounds for the termination of any Employee Benefit Plan by the PBGC or for the appointment of a trustee by the PBGC to administer any Employee Benefit Plan shall occur, or any Employee Benefit Plan shall be terminated within the meaning of Title IV of ERISA or a trustee shall be appointed by the PBGC to administer any Employee Benefit Plan, if any such event (either alone or in the aggregate) is/are reasonably likely to have a Material Adverse Effect.

(i) Any Credit Party shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian for itself or for all or a substantial part of its property, (ii) be unable, or admit in writing its inability, to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated in full or in part, (v) become insolvent (as such term may be defined or interpreted under any applicable statute), (vi) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vii) take any action for the purpose of effecting any of the foregoing.

(j) Proceedings for the appointment of a receiver, trustee, liquidator or custodian of any Credit Party or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to any Credit Party or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within sixty (60) days of commencement.

(k) The Credit Agreement, any Note, any Collateral Document or any other Credit Document or any material term thereof shall cease to be, or be asserted by any Credit Party not to be, a legal, valid and binding obligation of such Credit Party, enforceable in accordance with its terms.

(l) A Change of Control shall occur.

(m) Any Franchise Agreement or contract that, individually or together with any other such agreement or certificate, accounts for more than ten percent (10%) of the aggregate annual gross revenue of the Obligated Companies, taken as a whole, expires or is terminated after the Effective Date.

(n) Any event(s) or condition(s) which is (are) reasonably likely to have a Material Adverse Effect shall occur or exist and the Obligated Companies shall fail to remedy such event or condition to the satisfaction of Agent and the Lenders within ten (10) days after receipt by the Obligated Companies of written notice from Agent that such event(s) or condition(s) exist.

Remedies Upon the Occurrence of an Event of Default. At any time after the occurrence and during the continuance of any Event of Default (other than an Event of Default referred to in (i) or (j), above), the Bank may, with the consent of the Majority Lenders, or shall, upon written request from the Majority Lenders, by written notice to the Obligated Companies, (a) terminate the Reducing Revolving Commitment (as defined in the Credit Agreement) and the obligations of the Lenders, the Issuing Lender and Agent, as applicable, to make Reducing Revolving Loans (as defined in the Credit Agreement) and issue Letters of Credit, (b) declare all outstanding Obligations payable by the Obligated Companies to be immediately due and payable without presentment, demand, protest or any other notice of any kind, and/or (c) direct the Obligated Companies to deliver to the Bank, for the benefit of the applicable Issuing Lender, funds in an amount equal to the aggregate Stated Amount of all outstanding but undrawn amounts under the Letters of Credit issued by such Issuing Lender (which funds, only in the case of default, would be used to reimburse the Issuing Lender and the other Lenders for subsequent drawings made on the Letters of Credit). Upon the occurrence or existence of any Event of Default described in (i) or (j), above, immediately and without notice, (i) the Reducing Revolving Commitment and the obligations of the Lenders to make Reducing Revolving Loans or any Issuing Lender to issue the Letters of Credit shall automatically terminate, and (ii) all outstanding Obligations payable by the Obligated Companies hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind. The Obligated Companies shall immediately deliver to the Bank all funds directed by the Bank pursuant to clause (c) above, and the Bank shall hold such funds in a noninterest bearing account as collateral for the Obligations. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, (i) the Bank may, with the consent of the Majority Lenders, or shall, upon the written request of the Majority Lenders, exercise any other right, power or remedy available to it under any of the Credit Documents, and (ii) the Bank or the Issuing Lender, as applicable, shall, upon being directed to do so by the Majority Lenders, exercise any right, power or remedy available to it under any Bond Documents (to which the Bank or the Issuing Lender is a party or is a third party beneficiary), or otherwise by law, either by suit in equity or by action at law, or both.

No remedy in the Credit Agreement conferred upon or reserved to the Bank is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, under the Loan Agreement, the Indenture or the other Related Documents, or now or hereafter existing at law or in equity or by statute.

THE BANK

The information provided in this section has been provided solely by the Bank and is believed to be reliable. This information has not been verified independently by the Authority, the Borrower or the Underwriter. The Authority, the Borrower and the Underwriter make no representation whatsoever as to the accuracy, adequacy or completeness of such information. ***Unless otherwise provided, the information under this heading is deemed to apply to each Date of Delivery for the Bonds, and any public information concerning the Bank, as referenced in the public sources listed below, following the Date of Delivery is incorporated by reference herein as of any Date of Delivery.***

Comerica Bank (the "Bank") is a banking association organized under the laws of the State of Texas. The Bank has 483 banking centers in Michigan, California, Texas, Florida and Arizona.

The Bank is a wholly owned subsidiary of Comerica Incorporated (NYSE: CMA), a registered bank holding company incorporated under the laws of the State of Delaware, headquartered in Dallas, Texas ("Comerica"). Comerica is a financial services company focused on business banking and asset gathering. Comerica is a Fortune 1000 company and among the 25 largest banking companies in the United States.

The principal offices of Comerica are located at Comerica Bank Tower, 1717 Main Street, Dallas, Texas 75201, investor contact telephone number (214) 462-6831. General information and additional financial information regarding Comerica can be found at www.comerica.com.

Comerica is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Such reports, proxy statements and other information can be inspected at the Public Reference Room of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549; and the offices of The New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005 (for those companies whose stock or whose parent's stock is traded on the New York Stock Exchange). Copies of such reports and statements can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates or from the SEC Web site at: www.sec.gov.

THE AUTHORITY

The Authority is a political subdivision and public instrumentality of the State of California created pursuant to Division 27 of the Health and Safety Code of the State of California, commencing at Section 44500 (the "Act"), for the purpose of providing industry within the state with an alternative method of financing in providing, enlarging, and establishing pollution control facilities to the mutual benefit of the people of the State and to protect their health and welfare. In furtherance of such purposes, the Authority is authorized to issue revenue bonds and to construct, replace, lease, enter into contracts for the sale of pollution control facilities and make loans to lend financial assistance in the acquisition, construction or installation of pollution control facilities. The Authority consists of three public officials who hold office ex officio: the State Treasurer, the State Controller, and the State Director of Finance. Pursuant to the Act, the Authority authorized the issuance of the Bonds, the loan of the proceeds of the Bonds to the Borrower pursuant to the Loan Agreement and the securing of the Bonds by a pledge and assignment to the Trustee of Revenues pursuant to the Indenture. The Authority's principal offices are located at 915 Capitol Mall, Room 457, Sacramento, California 95814.

THE BORROWER

The information provided in this section has been provided by the Borrower and no representation is made by the Authority, the Bank or the Underwriter as to its accuracy or completeness.

In determining whether to purchase, sell, hold or tender the Bonds, investors should make their investment decision based solely upon the Letter of Credit and the credit of the Bank and should not rely upon the ability of the Borrower to pay the principal of, interest on, or premium, if any, of the Bonds. As a result, no financial information or operating data with respect to the Borrower has been included in this Official Statement. See "LETTER OF CREDIT AND CREDIT AGREEMENT," "THE BANK" AND "RATING."

General

The Borrower is a corporation organized under the laws of the State of California in 1970. All of the outstanding stock in the Borrower is owned equally by David Perez and Manuel Perez. The Borrower is also the sole shareholder of Valley Vista Services, Inc. and Vincent's General Services, Inc.

The headquarters of the Borrower is located on an approximately three-acre site in the City of Industry, California where the Borrower also stores and maintains its fleet of collection vehicles. The Borrower and its related entities provide residential and commercial solid waste collection, hauling and disposal and recycling to the cities of El Monte, Diamond Bar, La Puente, Industry, Los Angeles, Walnut, Claremont, Pasadena, Pomona, Vernon, Hacienda Heights, Monterey Park, and various portions of the unincorporated areas in Los Angeles County pursuant to exclusive and non-exclusive franchise agreements or operating permits.

The shareholders of the Borrower, together with three other members of the Perez family, also own all of the outstanding stock of Grand Central Recycling & Transfer Station, Inc., a California corporation, which owns an additional site of approximately 10-acres adjacent to the Borrower and operates a materials recovery facility and transfer station thereon.

As a closely held corporation the Borrower is not required to and does not make public its financial statements.

Revenues

The Borrower's principal source of revenues is derived from the fees authorized by local governmental entities pursuant to long-term franchise agreements and operating permits for solid waste collection, processing and disposal services.

Optional Redemption

In accordance therewith, as part of its statement of expectations included in a Tax Certificate signed by the Borrower at the time of delivery of the Bonds, the Borrower has indicated its intent to optionally redeem the Bonds on a schedule as set forth below.

Proposed Redemption Date (October 1)	**Proposed Principal Amount Redeemed**
2021	$12,175,000
2024	710,000
2044	14,685,000

See “THE BONDS – Redemption – *Optional Redemption*” herein.

The schedule above is an estimate only and may vary depending upon a number of factors, including without limitation, the amount of Bonds delivered from time to time, the timing of disbursements of Bond proceeds by the Trustee and the use of such proceeds by the Borrower. The Borrower may modify this schedule if it obtains the Bank’s consent and an approving opinion from Bond Counsel to the effect that any revised amortization schedule will not, in and of itself, adversely affect the tax-exempt status of the Bonds.

THE PROJECT

The information provided in this section has been provided by the Borrower and no representation is made by the Authority, the Bank or the Underwriter as to its accuracy or completeness.

Description

The Project consists of the financing or refinancing of (i) the construction of a transfer station and a compressed natural gas (CNG) fueling station to be located in Pomona, California, (ii) the acquisition and installation, if any, of equipment for the collection, processing and transfer of solid waste, including conveyors, sorters, CNG waste collection vehicles, rolling stock and other equipment functionally related thereto, to be located at the operations of the

Borrower or the Affiliates in Pomona or the City of Industry, California, and (iii) the acquisition of drop boxes, bins, carts and/or containers to be located at any of the foregoing addresses and/or with customers in incorporated and unincorporated areas of Los Angeles County, California.

Completion

The Project will commence in April 2014 and is expected to be substantially completed by April 2015. Any costs of the Project that exceed the amount available pursuant to the Indenture will be provided by the Borrower.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds related to the Project, including certain funds contributed by the Borrower.

Estimated Sources of Funds:	
Bond Proceeds[(1)]	$27,570,000
Borrower Contribution	234,448
Total Estimated Sources of Funds	$27,804,448
Estimated Uses of Funds:	
Project Costs[(2)]	$26,885,258
Costs of Issuance[(3)]	785,848
Letter of Credit Fees and Costs[(4)]	133,342
Total Estimated Uses of Funds	$27,804,448

(1) Maximum principal amount of the Bonds that can be delivered over time under the Indenture. See "THE BONDS – Draw Down Structure."
(2) See "THE PROJECT" herein.
(3) Costs of Issuance include Bond Counsel fee, Underwriter's fee, Trustee fees, Trustee's Counsel fee, Borrower's Counsels fees, Bank Counsels' fees, rating agency fee, printing costs and other miscellaneous costs of issuance.
(4) Letter of Credit fees and costs include the Bank's origination fee and other costs.

ABSENCE OF MATERIAL LITIGATION

There is no litigation now pending, with service of process having been accomplished against the Authority or the Borrower, or to the knowledge of their respective officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or seeking to affect the validity of the Bonds, any proceedings of the Authority or the Borrower taken concerning the issuance or sale thereof, the pledge and application of any moneys or security provided for payment of the Bonds, the use of proceeds of the Bonds or the existence or powers of the Authority or the Borrower relating to the issuance, sale and delivery of the Bonds.

UNDERWRITING

The initial offering price set forth on the cover page of this Official Statement may be changed by the Underwriter from time to time without notice.

The Bonds will be purchased from the Authority by the Underwriter, Westhoff, Cone & Holmstedt, pursuant to the Bond Purchase Contract. The Bond Purchase contract provides that the Underwriter will purchase all of the Bonds, if any Bonds are issued and delivered, provided that such delivery shall occur in installments and the Underwriter's obligation to take delivery after the initial Date of Delivery is subject to certain conditions set forth in the Bond Purchase Contract. See "THE BONDS – Draw Down Structure." The Underwriter has agreed to purchase all of the Bonds from the Authority, on the Date of Delivery and each Date of Delivery, at a purchase price equal to the principal amount of the Bonds. The Underwriter will be paid a fee in the amount of $275,700 in connection with the offering and sale of the Bonds.

The Underwriter has provided a letter to the Authority, which letter is attached hereto as Appendix F, that it has a distribution agreement with Alamo Capital whereby Alamo Capital will sell the Bonds and provide remarketing services on behalf of the Underwriter and be paid a portion of the underwriting fee and remarketing fee that the Underwriter receives with respect to the Bonds.

RATING

Fitch Ratings, Inc., doing business as Fitch Ratings ("Fitch"), has assigned a rating of "A/F1" to the Bonds based on assurances that the payment of principal of and interest on the Bonds will be payable from drawings under the Letter of Credit.

The rating reflects only the views of Fitch and any explanation of the significance of such rating should be obtained from Fitch. No application was made to any other rating agency for the purpose of obtaining an additional rating thereon. There is no assurance that any rating will continue for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency establishing the rating, circumstances so warrant. Neither the Underwriter nor the Authority has taken any responsibility either to bring to the attention of the Holders of the Bonds any proposed downward revision in the rating of the Bonds or to oppose any such proposed revision. Any change in or withdrawal of such rating could have an adverse effect on the market price of the Bonds.

TAX MATTERS

In the opinion of Leslie M. Lava, Esq., Bond Counsel to the Authority ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the status of interest on any Bond during any period that such Bond is held by a "substantial user" of any facilities financed or refinanced with proceeds of the Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Bond Counsel observes, however, that interest on the Bonds is a specific preference item for purposes of calculating the federal individual or corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Bonds is exempt from present State of California personal income taxes. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX B hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Authority and the Borrower have covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions are taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective Bondholders are urged to consult their own tax advisors with respect to proposals introduced to restructure the federal income tax.

Certain requirements and procedures contained or referred to in the Indenture, the Loan Agreement, the Tax Certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or actions are taken or omitted upon the advice or approval of bond counsel other than Leslie M. Lava, Esq.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from present State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Bondholder or a Bondholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

The Internal Revenue Service (the "IRS") has a program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, that Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may affect the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be affected thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the bonds and certain other legal matters are subject to the approving opinion of Leslie M. Lava, Esq., Bond Counsel to the Authority. A complete copy of the proposed form of opinion of Bond Counsel is contained in Appendix B hereto. Certain legal matters will be passed upon for the Authority by the Honorable Kamala D. Harris, Attorney General of the State of California ("Authority Counsel"), for the Borrower by Law Offices of Richard A. Haft, Jr., Manhattan Beach, California and Shackelford, Melton & McKinney, Austin, Texas (together, "Borrower's Counsel"), and for the Bank by Sheppard, Mullin, Richter & Hampton LLP, San Francisco, California. Bond Counsel and Authority Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

CONTINUING DISCLOSURE

No financial or operating data concerning the Authority is being included or incorporated by reference in this Official Statement, and the Authority has not agreed to provide any such financial or operating data either currently or on an on-going basis. The Borrower has covenanted for the benefit of the registered Owners and beneficial owners of the Bonds to provide certain information relating to the Bonds by January 15 of each year and to provide notices of the occurrence of enumerated events. The Annual Report and the notices of events will be filed with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) System. The specific nature of the information to be contained in the Annual Report and in the notice of events is summarized in APPENDIX E—"FORM OF CONTINUING DISCLOSURE CERTIFICATE." **Since the Borrower has not included any financial or operating data in this Official Statement, no such information will be included in any Annual Report.** These covenants have been made in order to assist the Underwriter of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). The Borrower has not previously undertaken to comply with any previous undertaking with regard to the Rule to provide annual reports or notices of events.

MISCELLANEOUS

The foregoing and subsequent summaries or descriptions of provisions of the Bonds, the Indenture, the Loan Agreement, the Letter of Credit, the Credit Agreement, the Remarketing Agreement and the Continuing Disclosure Certificate and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof, and statements herein are qualified in their entirety by reference to said documents for full and complete statements of their provisions.

The execution and delivery of this Official Statement have been approved by the Authority. The Authority has not provided any of the information in this Official Statement except for the information under the caption "THE AUTHORITY" and the information under the caption "ABSENCE OF MATERIAL LITIGATION" as it pertains to the Authority, and makes no representation or warranty, express or implied, as to the accuracy or completeness of any other information in this Official Statement.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: /s/ Reneé Webster-Hawkins
Executive Director

APPROVED:

ZEREP MANAGEMENT CORPORATION

By: /s/ Manuel Perez
Authorized Officer

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APPENDIX A

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

The following are brief summaries of certain provisions of the Indenture and the Loan Agreement, each dated as of March 1, 2014, pertaining to the issuance of the Bonds. These summaries do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the full terms of the respective documents listed below. Capitalized terms not otherwise defined herein have the meaning specified in the respective document.

DEFINITIONS

"Act" means the California Pollution Control Financing Authority Act (Chapter 1 (commencing with Section 44500) of Division 27 of the California Health and Safety Code), as now in effect and as it may from time to time hereafter be amended or supplemented.

"Additional Payments" means the payments so designated and required to be made by the Borrower pursuant to the Agreement.

"Administrative Fees and Expenses" means the reasonable and necessary expenses incurred by the Authority pursuant to the Agreement or the Indenture and the compensation and expenses paid to or incurred by the Trustee, the Tender Agent, the Bond Registrar, the Remarketing Agent and/or any Paying Agent under the Loan Agreement or the Indenture, which include but are not limited to printing of Bonds, accomplishing transfers or new registration of Bonds, or other charges and other disbursements including those of their respective officers, directors, members, attorneys, agents and employees incurred in and about the administration and execution of the Loan Agreement and the Indenture.

"Agreement" or "Loan Agreement" means that certain loan agreement by and between the Authority and the Borrower, dated as of March 1, 2014, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Indenture.

"Alternate Credit Facility" means bond insurance or other similar credit enhancement meeting the requirements of the Agreement.

"Alternate Letter of Credit" means an alternate irrevocable letter of credit, including, if applicable, a confirming letter of credit, or similar credit facility issued by a commercial bank, savings institution or other financial institution, the terms of which shall in all material respects be the same as those of the initial Letter of Credit, delivered to the Trustee pursuant to the Agreement.

"Approving Opinion" means an opinion of Bond Counsel (addressed and delivered to the Authority and the Trustee) that an action being taken (i) is authorized by the Act and the Indenture and complies with the terms of the Agreement, if applicable, and (ii) will not, in and of itself, adversely affect the Tax-exempt status of the Bonds.

"Authority" means the California Pollution Control Financing Authority created pursuant to, and as defined in, the Act.

"Authorized Denomination" means (i) during any Weekly Interest Rate Period or Term Interest Rate Period of less than one year, $100,000 or any integral multiple of $5,000 in excess thereof and (ii) during any Term Interest Rate Period of one year or more, $5,000 or any integral multiple thereof.

"Available Moneys" means (1) moneys derived from drawings under the Letter of Credit that are not commingled with any other moneys or (2) moneys held by the Trustee (other than in the Rebate Fund, the Letter of Credit Account or the account described in the Indenture for unclaimed moneys for Bonds deemed tendered but not presented for purchase) and subject to the lien of the Indenture for a period of at least 123 days and not commingled with any moneys so held for less than said period and during and prior to which period no petition in bankruptcy was filed by or against, and no receivership, insolvency, assignment for the benefit of creditors or other similar proceeding has been commenced by or against the Borrower, the Authority, or any Guarantor, provided however, if a Guarantor exists such period shall be at least 370 days; or (3)investment income derived from the investment of moneys described in clause (2) so long as (A) investments of such moneys are in Investment Securities rated by the Rating Agency, in (i) any of the two highest long-term rating categories; or (ii) if applicable, the highest short-term rating category; and (B) with respect to such investment earnings there has been delivered to the Trustee an opinion of nationally recognized bankruptcy counsel to the effect that the use of such amounts for such purpose would not constitute a voidable preference under Section 547 of the United States Bankruptcy Code should the Borrower, the Authority or any Guarantor be the debtor in a case under the Bankruptcy Code.

"Bank" means Comerica Bank acting in its capacity as issuer of the Letter of Credit then in effect, or any successor thereto.

"Bank Bonds" means Bonds purchased with a drawing on the Letter of Credit.

"Beneficial Owners" means those individuals, partnerships, corporations or other entities for whom the Direct Participants have caused DTC to hold Book-Entry Bonds.

"Bond Counsel" means any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America, and acceptable to the Authority; but shall not include counsel for the Borrower.

"Bond Payment Date" means any date upon which any amounts payable with respect to the Bonds shall become due, whether upon redemption (including without limitation sinking fund redemption), acceleration, maturity or otherwise.

"Bond Purchase Contract" means the Bond Purchase Contract, dated May 14, 2014, by and among the Authority, the Treasurer of the State of California, as agent for sale, and the Underwriter, as approved by the Borrower.

"Bond Registrar" or "Registrar" means the entity or entities performing the duties of the bond registrar pursuant to the Indenture.

"Bonds" or "Bond" means all revenue bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with the Indenture.

"Book-Entry Bonds" means the Bonds registered in the name of the nominee of DTC, or any successor securities depository for such Bonds, as the registered owner thereof pursuant to the terms and provisions of the Indenture.

"Borrower" means Zerep Management Corporation, a corporation organized and existing under the laws of the State of California, or any entity which is the surviving, resulting or transferee entity in any merger, consolidation or transfer of assets permitted under the Agreement and also means, unless the context otherwise requires, an assignee of the Agreement as permitted by the Agreement, but does not mean any affiliate of the Borrower.

"Borrower Account" means all of the accounts by that name established pursuant to the Indenture.

"Business Day" means any day other than (i) a Saturday, Sunday or legal holiday in the State of California, (ii) a day on which commercial banks in New York, New York, Los Angeles, California, or any other city or cities in which the Corporate Trust Office of the Trustee or the Tender Agent or the office of the Bank at which demands for payment under the Letter of Credit are to be presented are authorized or required by law to close, (iii) a day on which the New York Stock Exchange is closed, or (iv) a day on which the interbank wire transfers cannot be made on the Fedwire system.

"Closing Date" means May 15, 2014.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Completion Date" means the earlier of the date of completion of the Project or final disbursement from the Project Fund as that date shall be certified as provided in the Agreement.

"Corporate Trust Office" means with respect to the Trustee, the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the date of the Indenture is located in Los Angeles, California and with respect to the Tender Agent, the office of the Tender Agent at which at any particular time its corporate trust business shall be principally administered, which office at the date of the Indenture is located in Los Angeles, California; provided, however, that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Authority or the Borrower and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee, underwriting fees, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee incurred in connection with the original issuance of the Bonds which constitutes a "cost of issuance" within the meaning of Section 147(g) of the Code.

"Costs of Issuance Fund" means the fund by that name established pursuant to the Indenture.

"Costs of the Project" means the sum of the items, or any such item, authorized to be paid from the Project Fund pursuant to the provisions of the Agreement, but shall not include any Costs of Issuance.

"Credit Agreement" means the Amended and Restated Credit Agreement, dated as of March 1, 2014, by and among the Borrower, certain affiliates of the Borrower and the Bank, as it may be amended or supplemented from time to time, or any other similar agreement entered into in connection with the issuance of the Letter of Credit or of any Alternate Letter of Credit.

"Date of Delivery" means, with respect to the initial delivery of Bonds under the Indenture, the Closing Date, and, with respect to each subsequent delivery of Bonds under the Indenture, the Interest Payment Date on which a principal amount of the Bonds will be delivered to the Underwriter upon compliance with the conditions set forth in the Indenture.

"Depository Bank" means Comerica Bank or any other financial institution designated by the Borrower with the approval of the Bank to hold proceeds of the Bonds pending disbursement pursuant to the Indenture.

"Depository Bank Project Fund" means the fund by that name established pursuant to the Indenture.

"Direct Participants" means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Bonds as securities depository.

"Event of Default" means any of the events specified as such in the Indenture.

"Fitch" means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, doing business as Fitch Ratings, its successors and their assigns, or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody's) designated by the Authority, with the approval of the Borrower by notice to the Bank, the Trustee, the Remarketing Agent and the Tender Agent.

"Guarantor" means any Person that has guaranteed the obligations of the Borrower under the Credit Agreement or the Loan Agreement.

"Holder" or "Bondholder," or "Owner," whenever used with respect to a Bond, means the Person in whose name such Bond is registered.

"Indenture" means that certain indenture, dated as of March 1, 2014, by and between the Authority and the Trustee, as originally executed and as it may from time to time be supplemented, modified or amended.

"Interest Account" means the account by that name in the Revenue Fund established pursuant to the Indenture.

"Interest Payment Date" means October 1, 2044, and (i) the first Wednesday of each month commencing June 4, 2014 (or the next succeeding Business Day if such Wednesday is not a Business Day) during a Weekly Interest Rate Period or the last Business Day of a Term Interest Rate Period of less than one year or (ii) April 1 and October 1 during a Term Interest Rate Period of one year or more.

"Interest Period" means the period from and including any Interest Payment Date to and including the day immediately preceding the next following Interest Payment Date, except that the first Interest Period shall be the period from and including the date of the first authentication and delivery of the Bonds to and including the day immediately preceding the first Interest Payment Date relating to such Bonds.

"Interest Rate Period" means either a Weekly Interest Rate Period or a Term Interest Rate Period.

"Investment Securities" means any of the following securities (other than those issued by the Authority, the Borrower or any Guarantor):

(i) Commercial paper issued by corporations that are organized and operating within the United States and that at the time of investment are rated by Moody's or S & P (a) "A -2" or "P -2" or higher if such commercial paper has a maturity of seven days or less, and (b) "A -1" or "P -1" if such commercial paper has a maturity of greater than seven days;

(ii) United States Treasury notes, bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the full and timely payment of principal and interest, not subject to prepayment or call;

(iii) Negotiable certificates of deposit issued by or deposit accounts with a nationally or state-chartered bank, including the Trustee, its parent company and their affiliates, or by a state licensed branch of a foreign bank, provided that the senior debt issued by such bank and/or its holding company shall be rated "A" by Moody's and S&P, respectively, and the commercial paper issued by such holding company or branch of a foreign bank shall be rated "P-1" and "A-1" by Moody's and S&P, respectively;

(iv) Bonds, notes or other obligations of any state, municipality or political subdivision the interest on which is excluded from gross income for federal income tax purposes, which are rated "A" or higher by Moody's, S&P, or Fitch;

(v) Investments in or shares of any "regulated investment company" within the meaning of Section 851(a) of the Code, the assets of which are securities or investments described in (i) - (iv) above, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services;

(vi) Repurchase agreements with any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation (including, but not limited to the Trustee or any of its affiliates), or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected security interest in obligations described in paragraph (ii) of this definition or obligations which are rated "Aaa" by Moody's or "AAA" by S&P;

(vii) Money market funds with a rating of at least "A" or which invest solely in securities rated at least "A", including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services; and

(viii) Collateralized or uncollateralized investment agreements or other contractual arrangements with domestic or foreign corporations, financial institutions or national associations, provided that the senior long term debt of such corporations, institutions or associations is rated within the highest three Rating Categories by S&P, Moody's and Fitch, if rated by Fitch; and (ix) any other investment designated by the Borrower and approved in writing by the Bank.

"Letter of Credit" means, as applicable, (i) that certain irrevocable letter of credit issued by the Bank naming the Trustee as beneficiary and delivered on the Date of Delivery of the Bonds, pursuant to Credit Agreement and (ii) in the event of delivery of an Alternate Letter of Credit, such Alternate Letter of Credit.

"Letter of Credit Account" means the account by that name in the Revenue Fund established pursuant to the Indenture.

"Loan Default Event" means any one or more of the events specified as such in the Loan Agreement.

"Loan Repayments" means the payments so designated and required to be made by the Borrower pursuant to the Loan Agreement.

"Maximum Rate" means 12% per annum.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Fitch) designated by the Authority, with the approval of the Borrower by notice to the Bank, the Trustee, the Remarketing Agent and the Tender Agent.

"Opinion of Counsel" means a written opinion (addressed and delivered to the Authority and the Trustee) of counsel (who may be counsel for the Authority) selected by the Authority.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture (but not including any amount of the Bonds not yet delivered pursuant to the Indenture) except (1) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which liability of the Authority shall have been discharged in accordance with the Indenture, including Bonds (or portions of Bonds) referred to in the Indenture; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

"Participating Affiliate" means, with respect to the Borrower, each Person (i) that directly or indirectly, through one or more intermediaries or other Persons, controls, or is controlled by, or is under common control with, the Borrower, and (ii) that is itself, or with its affiliates described in clause (i), a "participating party" within the meaning of the Act. For purposes of this definition, a "Person" who is an individual includes the spouse, children or parents of such Person (collectively, "relatives"), and includes any trust of which such Person or his or her relatives is the trustee or a beneficiary. For the purpose of this definition, the "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of a majority of voting securities or membership interests, as trustee, by contract or otherwise.

"Paying Agent" means the Paying Agent as described in the Indenture. The Trustee is the initial Paying Agent.

"Person" means an individual, corporation, firm, association, limited liability company, corporation, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Principal Account" means the account by that name in the Revenue Fund established pursuant to the Indenture.

"Principal Payment Date" means October 1, 2044.

"Proceeds Account" means all of the accounts by that name established pursuant to the Indenture.

"Project" means the Project, as described in Exhibit A to the Loan Agreement, as it may be amended pursuant to the terms of the Agreement.

"Project Fund" means the fund by that name established pursuant to the Indenture.

"Purchase Date" means the date on which any Bond is required to be purchased pursuant to the Indenture.

"Purchase Price" means that amount equal to 100% of the principal amount of any Bond purchased pursuant to the demand purchase and mandatory tender provisions of the Indenture, plus accrued and unpaid interest thereon to but not including the Purchase Date or the date on which such Bond is deemed purchased in accordance with the Indenture.

"Purchase Price Installment" means each purchase price installment paid by the Underwriter pursuant to the Bond Purchase Contract equal to the aggregate principal amount of Bonds being delivered.

"Rating Agency" means Moody's, if Moody's is then rating the Bonds, S&P, if S&P is then rating the Bonds and/or Fitch, if Fitch is then rating the Bonds, or such other nationally recognized rating agency then rating the Bonds.

"Rebate Fund" means the fund by that name created pursuant to the Indenture.

"Record Date" means (i) the Business Day immediately preceding the applicable Interest Payment Date during a Weekly Interest Rate Period or any Term Interest Rate Period of less than one year, and (ii) the day, whether or not a Business Day, which is the fifteenth day of the month prior to an Interest Payment Date during any Term Interest Rate Period of one year or greater.

"Redemption Account" means the account by that name established in the Revenue Fund pursuant to the Indenture.

"Remarketing Agent" means the Remarketing Agent appointed pursuant to the Indenture and its successors in such office under the Indenture.

"Remarketing Agreement" means the Remarketing Agreement, dated as of March 1, 2014, between the Borrower and the Remarketing Agent or the agreement or instrument pursuant to which a successor to the Remarketing Agent shall perform its services.

"Retained Rights" means the right of the Authority to receive certain payments with respect to fees, expenses and indemnification under the Loan Agreement, or to enforce its rights under the Loan Agreement and the rights expressly granted to the Authority under the Loan Agreement to indemnification, inspection, consent and receipt of certificates, notices and opinions.

"Revenue Fund" means the fund by that name established pursuant to the Indenture.

"Revenues" means all amounts received by the Authority or the Trustee for the account of the Authority pursuant or with respect to the Agreement or the Letter of Credit, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments, any late charges, and paid from whatever source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture (except as provided below), but not including Additional Payments, including without limitation any Administrative Fees and Expenses, Tender Proceeds, or any moneys paid for deposit into the Rebate Fund or the Borrower Account of the Costs of Issuance Fund and investment earnings on any moneys held in such funds or accounts.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc., its successors and their assigns, or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or Fitch) designated by the Authority, with the approval of the Borrower, by notice to the Bank, the Trustee, the Remarketing Agent and the Tender Agent.

"Supplemental Indenture" means any indenture duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

"Surplus Account" means the account by that name established within the Revenue Fund pursuant to the Indenture.

"Tax Certificate" means the Tax Certificate and Agreement of the Borrower and the Authority dated the Closing Date.

"Tax-exempt" means, with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from gross income for federal income tax purposes (other than in the case of a Holder of any Bonds who is a substantial user of any component of the Project or a related Person within the meaning of Section 147(a) of the Code) whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

"Tender Agent" means initially the Trustee and any successor tender agent appointed pursuant to the Indenture.

"Tender Proceeds" means moneys paid to the Tender Agent from the sources set forth in the Indenture to purchase Bonds which have been tendered pursuant to the Indenture.

"Term Interest Rate" means a non-variable interest rate on a Series of the Bonds established in accordance with the Indenture.

"Term Interest Rate Period" means each period during which a Term Interest Rate is in effect.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under and by virtue of the laws of the State of California, having Corporate Trust Offices in Los Angeles, California, or its successor as Trustee pursuant to the Indenture.

"Variable Index" means either (i) the Thompson Reuters Municipal Market Data Variable Rate Demand ("VRD") Averages as published by Thompson Municipal Market Monitor or (ii) the Securities Industry and Financial Markets Association Municipal Swap Index provided by Municipal Market Data ("MMD"), a seven-day high grade market index comprised of tax-exempt variable rate demand bonds from MMD's data base. If for any reason the Variable Index for any rate determination date cannot be established as provided above or is held to be invalid or unenforceable by a court of law, the Variable Index for such rate determination date shall be either (i) any national index created by an average of at least 1000 outstanding variable rate demand bonds guaranteed by a direct-pay letter of credit, rated at least "A-", with a weekly (7-day) weekly interest rate reset or (ii) an index computed by the Remarketing Agent and shall be equal to 95% of the yield applicable to 91-day United States Treasury bills, such yield to be computed on the basis of the coupon equivalent of the average per annum discount rate at which such Treasury bills shall have been sold at the most recent Treasury auction conducted prior to such rate determination date.

"Weekly Interest Rate" means a variable interest rate on a Series of the Bonds established weekly in accordance with the Indenture.

"Weekly Interest Rate Period" means each period during which Weekly Interest Rates are in effect.

THE INDENTURE

Certain provisions of the Indenture are summarized below. Other provisions are summarized in this Official Statement under the caption "THE BONDS." THIS SUMMARY DOES NOT PURPORT TO BE COMPLETE OR DEFINITIVE AND ARE QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TERMS OF THE INDENTURE, A COPY OF WHICH IS ON FILE WITH THE TRUSTEE.

Delivery of Bonds

The aggregate principal amount of Bonds issued and delivered from time to time under the Indenture shall not exceed $27,570,000. Subsequent to the initial issuance and delivery of Bonds on the Closing Date in accordance with the Purchase Contract, Bonds may be delivered from time to time upon satisfaction of all of the following conditions:

(i) at least ten (10) Business Days prior to a proposed Date of Delivery, Borrower shall deliver a Request to deliver an additional installment of the Bonds (the "Borrower Request") to the Trustee, the Underwriter, the Authority and the Bank, and shall be accompanied by (1) a certificate from the Bank approving an increase in the stated amount of the Letter of Credit corresponding to the principal amount of Bonds requested by Borrower to be delivered, (2) a certificate of the Bank, dated the Date of Delivery, to the effect that the information in the Official Statement under the headings "The Bank" and "Rating" is true and correct in all material respects, and (3) an opinion of counsel to the Bank, dated the Date of Delivery, substantially in the form attached as Exhibit F to the Purchase Contract;

(ii) by 10:00 a.m., California time, on the third Business Day immediately preceding the Date of Delivery, the Authority shall have delivered to the Trustee an Order, substantially in the form attached to the Indenture (the "Authority Order"), with respect to the additional installment of Bonds described in the Borrower Request;

(iii) such additional installment of Bonds must be in Authorized Denominations and in a minimum aggregate principal amount equal to at least $1,000,000 and such Date of Delivery must be an Interest Payment Date prior to November 15, 2015 (unless accompanied by an Approving Opinion for any Interest Payment Date after such date); and

(iv) by 10:00 a.m., California time, on the Date of Delivery, the Trustee shall so authenticate such Bonds by entering the Date of Delivery and the principal amount of such installment into the Schedule of Drawings attached to the Bond as Schedule A (the "Schedule of Drawings"), and shall cause such Bonds to be delivered as set forth in the Authority Order upon receipt from the Underwriter of the related Purchase Price Installment.

Interest shall accrue on the principal amount of Bonds reflected on the Schedule of Drawings maintained by the Trustee. All Bonds shall bear the same interest rate and benefit equally from all provisions of the Indenture.

Project Fund

Under the Indenture, the Trustee establishes the Zerep Management Corporation Project Fund for which proceeds of the Bonds will be applied to the payment of the Costs of the Project. The moneys in the Zerep Management Corporation Project Fund shall be held by the Trustee in trust and applied to the payment of the Costs of the Project, in the manner set forth in the Indenture.

On each Date of Delivery, after any initial disbursement by the Trustee from the Zerep Management Corporation Project Fund in accordance with the requirements of the Indenture, the Borrower may submit to the Trustee a written direction in the form attached to the Indenture. Upon receipt of such direction, the Trustee shall transfer the remaining moneys in the Zerep Management Corporation Project Fund to the Depository Bank(s) and the Depository Bank(s) shall establish the "Zerep Management Corporation Project Fund" (the "Depository Bank Project Fund"). Upon confirmation of receipt of the wire transfer of such moneys in the Project Fund to the Depository Bank(s), the Trustee's responsibilities with regard to the use or disbursement of moneys in the Project Fund will cease (except as set forth in the last sentence of this paragraph). The moneys in the Depository Banks' Project Fund shall be held by the Depository Bank(s) and applied to the payment of the Costs of the Project. Unless such written direction is withdrawn in writing by the Borrower, the Trustee shall promptly transfer to the Depository Bank each subsequent deposit of a Purchase Price Installment into the Project Fund made pursuant to the Indenture.

Upon the receipt by the Trustee of a certificate conforming with the requirements of the Agreement, and after payment of costs payable from the Project Fund or provision having been made for payment of such costs not yet due by retaining such costs in the Project Fund or otherwise as directed in such certificate, the Trustee shall transfer any remaining balance in the Project Fund into a separate account within the Revenue Fund, which the Trustee shall establish and hold in trust, and which shall be entitled the "Surplus Account." In the alternative, the Borrower may submit to the Trustee a certificate, approved by the Bank, stating that its plans for the Project have changed and that it has determined to use a portion of unspent proceeds in the Project Fund to redeem Bonds. Upon receipt of either of the foregoing certificates, the Trustee shall request the Depository Bank to arrange for the identified amount of unspent proceeds in the Project Fund to be returned to the Trustee for deposit in the Surplus Account. The moneys in any Surplus Account shall be used and applied (subject to the provisions of the Indenture) at the written direction of the Borrower (unless some other application of such moneys permitted by the Indenture and the Loan Agreement is requested by the Borrower and would not, in the opinion of Bond Counsel, cause interest on the Bonds to become no longer Tax-exempt) for the following purposes in the following order: (i) for transfer to the Bank to pay the redemption price of any Bank Bonds then outstanding; (ii) to reimburse the Bank with respect to any draw on the Letter of

Credit made for the redemption of Bonds in Authorized Denominations, to the maximum degree permissible, and at the earliest possible dates at which the Bonds can be redeemed pursuant to the Indenture; or (iii) to redeem Bonds in Authorized Denominations, to the maximum degree permissible, and at the earliest possible dates at which the Bonds can be redeemed pursuant to the Indenture. Notwithstanding certain provisions of the Indenture, the moneys in the Surplus Account shall be invested at the written instruction of the Borrower at a yield no higher than the yield on the Outstanding Bonds (unless in the opinion of Bond Counsel addressed and delivered to the Authority and the Trustee investment at a higher yield would not cause interest on the Bonds to become no longer Tax-exempt), and all such investment income shall be deposited in the Surplus Account and expended or reinvested as provided above.

In the event of redemption of all the Bonds pursuant to the provisions of the Indenture or an Event of Default which causes acceleration of the Bonds, any moneys then remaining in the account within the Project Fund relating to such Bonds shall be transferred to the Surplus Account within the Revenue Fund and all moneys in the Revenue Fund relating to such Bonds shall be used to reimburse the Bank for draws on the Letter of Credit used to redeem Bonds or used to redeem Bonds if there is no Letter of Credit or there is a default under the Letter of Credit.

Costs of Issuance Fund

Under the Indenture, the Trustee establishes the Costs of Issuance Fund. The Trustee shall also create separate accounts in the Costs of Issuance Fund designated the “Proceeds Account” and the “Borrower Account” which will be funded as provided in the Indenture. The moneys in each account of the Costs of Issuance Fund will be held by the Trustee in trust and applied to the payment or reimbursement of Costs of Issuance for the Bonds. Any amounts remaining in the Borrower Account of the Cost of Issuance fund three months following the date of delivery of the Bonds will be transferred to the Borrower. Any amounts remaining in the Proceeds Account of the Costs of Issuance Fund three months following the last Date of Delivery of the Bonds will be transferred to the Project Fund.

Pledge and Assignment; Revenue Fund

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Revenues and any other amounts (including proceeds of the sale of Bonds) held in any fund or account established pursuant to the Indenture (except the Rebate Fund, and the Borrower Account of the Costs of Issuance Fund) are pledged to secure the full payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Indenture. Notwithstanding any other provision of the Indenture, the benefits under any Letter of Credit or Alternate Credit Facility shall apply only to the Bonds for which such Letter of Credit or Alternate Credit Facility was issued; moneys in the account established under the Indenture for unclaimed moneys held for the Bonds deemed tendered but not presented for purchase shall be held solely for the benefit of the former holders of Bonds as provided in the Indenture; and the Tender Proceeds shall be held in trust as provided in the Indenture. The pledge in the Indenture shall be valid and binding in accordance with its terms from the time the pledge is made. The collateral pledged in the Indenture shall immediately be subject to the pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to such collateral and be effective, binding and enforceable against the Authority, to the extent set forth in the Indenture, and in accordance therewith, irrespective of whether any parties asserting rights in the collateral have notice of the pledge and without the need for any physical delivery, recordation, filing or further act.

The Authority shall transfer in trust, and assign to the Trustee, for the benefit of the Holders from time to time of the Bonds, all of the Revenues and other assets pledged in the foregoing subparagraph of this section and all of the right, title and interest of the Authority in the Agreement (except for the Retained Rights). Such assignment to the Trustee is solely in its capacity as Trustee under the Indenture subject to the protections, immunities and limitations from liability afforded the Trustee under the Indenture. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and subject to the provisions of the Indenture, shall forthwith be paid by the Authority to the Trustee. Notwithstanding anything to the contrary in the Indenture, the Authority shall have no obligation to and instead the Trustee may, without further direction from the Authority, take any and all steps, actions and proceedings, to enforce any or all rights of the Authority (other than the Retained Rights) under the Indenture or the Loan Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Borrower under the Loan Agreement.

All Revenues (except investment earnings which shall be deposited as provided in the Indenture) shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the Revenue Fund which the Trustee shall establish, maintain and hold in trust; except as otherwise provided in the Indenture, all moneys received by the Trustee and required to be deposited in the Redemption Account, if any, shall be promptly deposited in the Redemption Account, which the Trustee shall establish, maintain and hold in trust as provided in the Indenture. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture.

On the third Business Day following the Bond Payment Date of each October, any amount held by the Trustee in the Revenue Fund on the due date for a Loan Repayment under the Loan Agreement will be credited against the installment due on such date to the extent available for such purpose under the terms of the Indenture.

Allocation of Revenues

On or before any date on which interest or principal (whether at maturity, or by redemption or acceleration) is due, the Trustee shall transfer funds from the Revenue Fund and deposit into the following respective accounts (each of which the Trustee is directed and agrees to establish and maintain within the Revenue Fund), the following amounts, in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

First: to the Interest Account, the aggregate amount of interest becoming due and payable on the next succeeding Interest Payment Date or date of redemption of all Bonds then Outstanding, until the balance in said account is equal to said aggregate amount of interest.

Second: to the Principal Account, the amount paid by the Borrower and designated as or attributable to principal on the Bonds in the most recent Loan Repayment equal to the aggregate amount of principal due on the Principal Payment Date, pursuant to the Indenture.

Third: to the Redemption Account, the aggregate amount of principal and premium next coming due by acceleration or by redemption permitted or required under the Indenture, or any portion thereof paid by the Borrower.

Priority of Moneys in Revenue Fund

Funds for the payment of the principal or redemption price (including premium, if any) of and interest on the Bonds shall be derived from the following sources in the order of priority indicated below from each of the accounts in the Revenue Fund; provided however, that amounts in the respective accounts in the Revenue Fund shall be used to pay when due (whether upon redemption, acceleration, interest payment date, maturity or otherwise) the principal or redemption price (including premium, if any) of and interest on the Bonds held by Holders other than the Bank or the Borrower prior to the payment of the principal and interest on the Bonds held by the Bank or the Borrower:

(i) moneys paid into the Letter of Credit Account of the Revenue Fund from a draw by the Trustee under the Letter of Credit;

(ii) moneys paid into the Interest Account, if any, representing accrued interest received at the initial sale of any Bonds and proceeds from the investment thereof which shall be applied to the payment of interest on such Bonds;

(iii) moneys paid into the Revenue Fund pursuant to the Indenture and proceeds from the investment thereof, which shall constitute Available Moneys if a Letter of Credit is in effect;

(iv) any other moneys (other than from draws on the Letter of Credit) paid into the Revenue Fund and deposited in the Revenue Fund and proceeds from the investment thereof, which shall constitute Available Moneys if a Letter of Credit is in effect; and

(v) any other moneys paid into the Revenue Fund and deposited in the Revenue Fund and proceeds from the investment thereof, which are not Available Moneys.

Letter of Credit Account and Letter of Credit

The Trustee shall create within the Revenue Fund a separate account called the "Letter of Credit Account," into which all moneys drawn under the Letter of Credit for the Bonds shall be deposited and disbursed. Neither the Borrower, nor the Authority nor any Guarantor shall have any rights to or interest in the Letter of Credit Account. Each Letter of Credit Account shall be established and maintained by the Trustee and held in trust apart from all other moneys and securities held under the Indenture or otherwise, and over which the Trustee shall have the exclusive and sole right of withdrawal for the exclusive benefit of the Holders of the Bonds with respect to which such drawing was made. No moneys from any Letter of Credit Account may in any circumstance be used to pay principal or redemption price (including premium, if any, to the extent draws therefore are permitted under the Letter of Credit) of or interest on any Bank Bonds.

The Trustee shall draw moneys under the Letter of Credit in accordance with the terms thereof in an amount necessary to make timely payments of principal of, premium, if any, to the extent draws therefor are permitted under the Letter of Credit and interest on the Bonds enhanced by such Letter of Credit, other than Bonds owned by or for the account of the Borrower or the Bank, when due whether at maturity, interest payment date, redemption, acceleration or otherwise. In addition, the Trustee shall draw moneys under the Letter of Credit in accordance with the terms thereof to the extent necessary to make timely payments required to be made pursuant to, and in accordance with the Indenture.

Immediately after making a drawing under the Letter of Credit which has been honored, the Trustee shall reimburse the Bank for the amount of the drawing using moneys, if any, contained in:

(A) the Interest Account for such Bonds, if the drawing was to pay interest on the Bonds enhanced by such Letter of Credit;

(B) the Principal Account for such Bonds, if the drawing was to pay principal on the Bonds enhanced by such Letter of Credit; and

(C) the Redemption Account for such Bonds, if the drawing was to redeem Bonds enhanced by such Letter of Credit.

If at any time there shall have been delivered to the Trustee an Alternate Letter of Credit or Alternate Credit Facility pursuant to the Agreement, then the Trustee shall accept such Alternate Letter of Credit or Alternate Credit Facility and promptly surrender the previously held Letter of Credit to the Bank, in accordance with the terms of such Letter of Credit, for cancellation, provided that the Trustee shall not surrender the previously held Letter of Credit until all draws on such Letter of Credit have been paid as required thereby. If at any time there shall cease to be any Bonds Outstanding under the Indenture, the Trustee shall promptly surrender the Letter of Credit to the Bank, in accordance with the terms of the Letter of Credit, for cancellation. The Trustee shall comply with the procedures set forth in the Letter of Credit relating to the termination thereof.

The Trustee shall hold and maintain the Letter of Credit for the benefit of the Bondholders whose Bonds are enhanced by such Letter of Credit until the Letter of Credit expires in accordance with its terms. The Trustee shall diligently enforce all terms, covenants and conditions of the Letter of Credit, including payment when due of any draws on the Letter of Credit, and the provisions relating to the payment of draws on, and reinstatement of amounts that may be drawn under, the Letter of Credit, and will not consent to, agree to or permit any amendment or modification of the Letter of Credit which would materially adversely affect the rights or security of the Holders of the Bonds enhanced by such Letter of Credit. If at any time during the term of the Letter of Credit any successor Trustee shall be appointed and qualified under the Indenture, the resigning or removed Trustee shall request that the Bank transfer the Letter of Credit to the successor Trustee. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. When the Letter of Credit expires in accordance with its terms or is replaced by an Alternate Letter of Credit, the Trustee shall immediately surrender the Letter of Credit to the Bank.

Investment of Moneys

All moneys in any of the funds or accounts established pursuant to the Indenture shall be invested by the Trustee or the Depository Bank, as applicable, as directed in writing by the Borrower or its agent, solely in Investment Securities. Notwithstanding any other provision in the Indenture, in the absence of written investment instructions directing the Trustee or the Depository Bank, as applicable, by noon of the second Business Day preceding the day when investments are to be made, the Trustee or the Depository Bank, as applicable, is directed to invest available funds in Investment Securities described in paragraph (vii) of the definition thereof. The Trustee or the Depository Bank, as applicable, shall not be liable for any losses resulting from any investments made pursuant to the Indenture.

Moneys in all funds and accounts shall be invested in Investment Securities maturing not later than the date on which such moneys will be required for the purposes specified in the Indenture. Notwithstanding anything else in the Indenture, any moneys in the Interest Account, Principal Account or Redemption Account held for the payment of particular Bonds shall be invested at the written direction of the Borrower in direct obligations of the United States or bonds or other obligations guaranteed by the United States government or for which the full faith and credit of the United States is pledged for the full and timely payment of principal and interest thereof (or money market funds consisting solely of such investments), rated in the highest rating category applicable to such investments which mature not later than the date on which it is estimated that such moneys will be required to pay such Bonds (but in any event maturing in not more than thirty days). Moneys in the Letter of Credit Account, Tender Proceeds, moneys held for non-presented Bonds and moneys held by the Trustee for the payment of the Purchase Price of the Bonds deemed tendered but not presented for purchase to the Tender Agent in accordance with the Indenture shall be held uninvested.

All interest, profits and other income received or losses incurred from the investment of moneys in any fund established pursuant to the Indenture shall be deposited or booked in the fund or account which gave rise to the investment earnings or losses. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund from which such accrued interest was paid. To the extent that any Investment Securities are registrable, such Securities shall be registered in the name of the Trustee or its nominee.

For the purpose of determining the amount in any fund, all Investment Securities credited to such fund shall be valued at the lesser of cost or par value plus, prior to the first payment of interest following purchase, the amount of accrued interest, if any, paid as a part of the purchase price.

Subject to the provisions of the Indenture, investments in any and all funds and accounts held by the Trustee under the Indenture (other than moneys representing the proceeds of a draw on the Letter of Credit or held in the Letter of Credit Account, the Borrower Account of the Costs of Issuance Fund, Tender Proceeds, Available Moneys, moneys being aged to become Available Moneys, or moneys held for the payment of particular Bonds (including moneys held for non-presented Bonds or held by the Trustee under the Indenture) may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions of the Indenture for transfer to or holding in particular funds and accounts, the amounts received or held by the Trustee or the Depository Bank, as applicable, thereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture. Subject to the provisions of the Indenture, any moneys invested in accordance with this section may be invested in a pooled investment account consisting solely of funds held by the Trustee as a fiduciary.

The Trustee or the Depository Bank, as applicable, may act as principal or agent in the making or disposing of any investment. The Trustee or the Depository Bank, as applicable, may sell or present for redemption any Investment Securities whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Investment Security is credited, and the Trustee or the Depository Bank, as applicable, shall not be liable or responsible for any loss resulting from such investment.

Events of Default; Acceleration; Waiver of Default

Each of the following events which has occurred and is continuing shall constitute an "Event of Default" under the Indenture:

(a) default in the due and punctual payment of the principal of, or premium (if any) on, any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) default in the due and punctual payment of any installment of interest on, or the Purchase Price of, any Bond, when and as the same shall become due and payable;

(c) failure by the Authority to perform or observe any other of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, and the continuation of such failure for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority, the Bank, and the Borrower by the Trustee, or to the Authority, the Bank, the Borrower and the Trustee by the Holders of not less than 66-2/3 % in aggregate principal amount of the Bonds at the time Outstanding;

(d) the occurrence and continuance of a Loan Default Event described in the Agreement; or

(e) receipt by the Trustee of notice from the Bank, that either (i) an Event of Default (as defined in the Credit Agreement) has occurred under the Credit Agreement and directing the Trustee to accelerate the Bonds (and certifying that the Bank has not directed the Trustee to give notice of mandatory tender for the Bonds pursuant to the Indenture), or (ii) the Bank will not reinstate the interest portion of the Letter of Credit.

No default specified in (c) above shall constitute an Event of Default unless the Authority and the Borrower shall have failed to correct such default within the applicable period; provided, however, that if the default shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or the Borrower (or the Bank on its behalf) within the applicable period and diligently pursued in the sole determination of the Bank. With regard to any alleged default concerning which notice is given to the Borrower under the provisions of the Indenture, the Borrower (or the Bank on its behalf) shall have full authority to perform any covenant or obligation the non performance of which is alleged in said notice to constitute a default with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts.

During the continuance of an Event of Default described in (a), (b), (c) or (d) above, unless the principal of all the Bonds shall have already become due and payable, the Trustee may, and upon the written request of the Holders of not less than 66-2/3 % in aggregate principal amount of the Bonds at the time Outstanding, or upon the occurrence of an Event of Default described in (e) above, the Trustee shall, unless the Bank has directed mandatory tender of the Bonds pursuant to the Indenture, promptly upon such occurrence, by notice in writing to the Authority, the Borrower and the Bank, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding. Upon any such declaration the Trustee shall promptly draw upon any then existing Letter of Credit, in accordance with the terms thereof and apply the amount so drawn to pay the principal of and interest on the Bonds enhanced by such Letter of Credit so declared to be due and payable. Interest on the Bonds shall cease to accrue as of the date of declaration of acceleration. The Trustee shall promptly notify the Bondholders of the date of declaration of acceleration and the cessation of accrual of interest on the Bonds in the same manner as for a notice of redemption.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as provided in the Indenture, and before the Letter of Credit has been drawn upon in accordance with its terms and honored, there shall have been deposited with the Trustee a sum sufficient to pay (with Available Moneys if a Letter of Credit is in effect) all the principal of the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal as provided in the Agreement, and the reasonable fees and expenses of the Trustee, including reasonable fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Authority and to the Trustee, may, on behalf of the Holders of all the Bonds, rescind and annul such declaration and its consequences and waive such default; provided the Trustee shall have received written notice from the Bank that the Letter of Credit has been reinstated in full; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon. Notwithstanding any other provision of the Indenture except as provided in the following sentence, the Trustee may not exercise any remedy in the event of a default under (a), (b) or (d) above without the written consent of the Bank, so long as the Letter of Credit is in effect and the Bank has not wrongfully failed to make a payment thereunder. The Trustee may exercise any and all remedies under the Indenture and the Agreement (except acceleration) to collect any fees, expenses and indemnification from the Borrower without obtaining the consent of the Bank.

Institution of Legal Proceedings by Trustee

Pursuant to the Indenture, if one or more of the Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Holders of two thirds in principal amount of the Bonds then Outstanding and upon being indemnified to its satisfaction pursuant to the Indenture shall, proceed to protect or enforce its rights or the rights of the Holders of Bonds under the Act or under the Indenture or the Agreement by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained in the Indenture or the Agreement, or in aid of the execution of any power in the Indenture or the Agreement granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties under the Indenture.

Application of Revenues and Other Funds After Default

If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture (subject to certain provisions of the Indenture) shall be promptly applied by the Trustee as follows and in the following order:

(i) To the payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture (provided, however, that no moneys in the Letter of Credit Account of the Revenue Fund or in the Purchase Fund may be used to pay such expenses);

(ii) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

(a) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference.

Third: To reimburse the Bank for any unreimbursed obligations owed under the Credit Agreement.

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(iii) To the payment of any amounts owing to the Bank or any other provider of credit under the Credit Agreement or any related documents;

provided, however, that in no event shall moneys derived from drawings under a Letter of Credit, moneys set aside to pay principal or interest on any particular Bonds (including moneys held for non-presented Bonds or held by the Trustee under the Indenture), or Tender Proceeds be used to pay any of the items listed in clause (1) of this section and Available Moneys and moneys being aged to become Available Moneys shall not be used to pay any of the items listed in clause (1) of this section until all amounts have been paid under clause (2) of this section; provided further that proceeds of a draw on a Letter of Credit and Tender Proceeds shall be used solely to pay principal, interest, premium, or Purchase Price of the Bonds as otherwise provided in the Indenture.

Trustee to Represent Bondholders

The Trustee is irrevocably appointed (and the successive respective Holders of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds, the Indenture, the Agreement, the Act and applicable provisions of any other law. Subject to the section above entitled "Events of Default; Acceleration; Waiver of Default" above, upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and upon the written request of the Holders of not less than 66-2/3% in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power therein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Holders under the Indenture, the Agreement, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under the Indenture, pending such proceedings. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of the Indenture.

Bondholders' Direction of Proceedings

Anything in the Indenture to the contrary notwithstanding, but subject thereto, the Holders of 66-2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction or for which it has not been provided adequate indemnity.

Limitation on Bondholders' Right to Sue

Subject to "Events of Default; Acceleration; Waiver of Default" above, no Holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Agreement, the Act or any other applicable law with respect to such Bond, unless (1) such Holder shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than 66-2/3% in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers thereinbefore granted or to institute such suit, action or proceeding in its own name; (3) subject to the Indenture, such Holder or said Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy thereunder or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by such Holders' action to affect, disturb or prejudice the security of the Indenture or the rights of any other Holders of Bonds, or to enforce any right under the Indenture, the Agreement, the Act or other applicable law with respect to the Bonds, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner therein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of the Indenture.

Consent to Defaults

Notwithstanding any other provisions of the Indenture, but subject thereto, so long as the Bank is not continuing wrongfully to dishonor drawings under the Letter of Credit, no Event of Default shall be declared pursuant to subsections (a), (b) or (d) of the events of default section of the Indenture (see "Events of Default; Acceleration; Waiver of Default" of this Appendix A above) (except in a case resulting from the failure of the Borrower to pay the Trustee's fees and expenses or to indemnify the Trustee), nor any remedies exercised with respect to any Event of Default other than an Event of Default declared pursuant to subsection (e) of the events of default section of the Indenture (see "Events of Default; Acceleration; Waiver of Default" of this Appendix A above) by the Trustee or by the Bondholders (except in a case resulting from the failure of the Borrower to pay the Trustee's fees and expenses or to indemnify the Trustee) and no Event of Default under the Indenture shall be waived by the Trustee or the Bondholders to the extent they may otherwise be permitted thereunder, without, in any case, the prior written consent of the Bank. So long as any Letter of Credit is in place and the Bank is not continuing wrongfully to dishonor drawings under any Letter of Credit, no Event of Default can be waived, in any circumstance, unless the Trustee has received written notice from the Bank that the Letter of Credit, if any, has been fully reinstated and is in full force and effect and that the notice from the Bank declaring an Event of Default (as defined under the Credit Agreement) under the Credit Agreement has been rescinded by the Bank. Nothing in this Section shall be deemed to limit in any respect the right of the Authority to enforce or waive any of its Retained Rights under the Loan Agreement.

The Remarketing Agent

The Authority, with the advice of the Borrower, appoints the Remarketing Agent for the Bonds. The Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed on it by the Indenture by a written instrument of acceptance delivered to the Authority and the Trustee under which the Remarketing Agent will agree to perform the obligations of the Remarketing Agent set forth in the Indenture, including setting interest rates on the Bonds and remarketing the Bonds as provided in the Indenture. Any Remarketing Agent shall be a bank, trust company or member of the Financial Industry Regulatory Authority ("FINRA") organized and doing business under the laws of the United States or any state or the District of Columbia and shall be on the State Treasurer's list of underwriters approved for negotiated offerings pursuant to California Government Code Section 5703. The initial Remarketing Agent shall be Westhoff, Cone & Holmstedt. If the Letter of Credit is terminated for any reason, or an Event of Default occurs under the Indenture, then the Remarketing Agent shall have the right to resign immediately. The appointment of any Remarketing Agent pursuant to the Indenture shall terminate (subject to renewal by the Borrower, with the consent of the Authority and the Bank, or replacement by a successor Remarketing Agent) fifteen days prior to the commencement of any Term Interest Rate Period of three years or longer duration for which such Remarketing Agent was appointed.

The Tender Agent

The Authority appoints the Trustee as initial Tender Agent, provided that if the Bonds are no longer Book-Entry Bonds, the Authority, with the advice of the Borrower, shall appoint a successor Tender Agent, subject to the conditions of the Indenture. Any successor Tender Agent shall designate its Corporate Trust Office and signify its acceptance of all of the duties and obligations imposed upon it under the Indenture by a written instrument of acceptance delivered to the Authority, the Trustee, the Bank and the Remarketing Agent. The Tender Agent shall perform the duties provided for in the Indenture and in exercising such duties shall be subject to the same standards and entitled to the same rights and immunities applicable to the Trustee as set forth in the Indenture and shall not be liable for any action or omission to act except for negligence, gross negligence or willful misconduct. The Tender Agent and any successor to the Tender Agent shall be a bank, association, corporation or trust company organized and doing business under the laws of the United States or any state, and shall either (i) have a combined capital and surplus of at least fifty million dollars ($50,000,000) and be subject to supervision or examination by federal or state authority or (ii) be a wholly-owned subsidiary of a bank, association, trust company or bank holding company meeting, on an aggregate basis, the tests set out in clause (i). If such bank, association, corporation or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this paragraph the combined capital and surplus of such bank, association, corporation or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. At all times when the Bonds are not Book-Entry Bonds, the Tender Agent shall have an office or agency for servicing the Bonds in New York, New York. The Tender Agent or the bank, association, trust company or bank holding company of which the Tender Agent is a wholly-owned subsidiary shall have a rating of at least Moody's "Baa3/P-3" or Fitch "BBB-/F3" or an equivalent rating from another Rating Agency, or be approved by the Rating Agency.

The Bond Registrar

The Authority appoints the Trustee as initial Bond Registrar provided that the Tender Agent shall act as co Bond Registrar with respect to Bonds tendered pursuant to a demand by the Holder or a mandatory tender for purchase pursuant to the Indenture. The Bond Registrar shall be a corporation or association organized and doing business under the laws of the United States or any state or the District of Columbia, be subject to supervision or examination by federal or state authority, and shall either (i) have a combined capital and surplus of at least fifty million dollars ($50,000,000) and be subject to supervision or examination by federal or state authority or (ii) be a wholly-owned subsidiary of a bank, association, trust company or bank holding company meeting, on an aggregate basis, the tests set out in clause (i). If such bank, association, corporation or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this paragraph the combined capital and surplus of such bank, association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Bond Registrar or the bank, association, trust company or bank holding company of which the Bond Registrar is a wholly-owned subsidiary shall have a rating of at least Moody's "Baa3/P-3" or Fitch "BBB-/F3" or an equivalent rating from another Rating Agency, or be approved by the Rating Agency.

Modification with Consent of Holders

The Indenture and the rights and obligations of the Authority and of the Holders of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when the written consent of the Holders of 66 2/3% in aggregate principal amount of all Bonds then Outstanding, and the Bank, shall have been filed with the Trustee. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Holder of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture, or deprive the Holders of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the Holders of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this provision, the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, to each Rating Agency then rating the Bonds and the Holders of the Bonds at the address shown on the registration books of the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Modification without Consent of Holders

The Indenture and the rights and obligations of the Authority, of the Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into without the consent of any Bondholders, but with the written consent of the Bank and only to the extent permitted by law and after receipt of an Opinion of Counsel that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Holders of the Bonds, including, without limitation, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority in the Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power therein reserved to or conferred upon the Authority;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority may deem necessary or desirable and not inconsistent with the Indenture;

(3) to modify, amend or supplement the Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute thereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(4) to conform to the terms and provisions of any Alternate Letter of Credit or Alternate Credit Facility or to obtain a rating on the Bonds;

(5) to modify, amend or supplement the Indenture in such a manner to permit the Authority, the Trustee, the Borrower or any other responsible party to comply with the requirements of S.E.C. Rule 15c2-12, as it may from time to time be amended or supplemented, with respect to the Bonds; or

(6) to modify, alter, amend or supplement the Indenture or the Agreement in any other respect, including amendments which would otherwise be described in the "Modification with Consent of Holders" section of this Appendix A above, if the effective date of such supplemental indenture or agreement is a date on which all Bonds affected thereby are subject to mandatory tender for purchase pursuant to the Indenture or if notice by first class mail, postage prepaid, of the proposed supplemental indenture or agreement is given to Holders of the affected Bonds at least 30 days before the effective date thereof and, on or before such effective date, such Bondholders have the right to demand purchase of their Bonds pursuant to the Indenture.

Discharge of Indenture

Bonds that bear interest at a Term Interest Rate to the maturity of the Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable thereunder by the Authority and related to the Bonds:

(a) paying or causing to be paid (with Available Moneys) the principal of, interest and premium, if any, on the Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Indenture) to pay or redeem (with Available Moneys) all Bonds then Outstanding; or

(c) by delivering to the Trustee, for cancellation by it, the Bonds then Outstanding.

If the Authority shall also pay or cause to be paid all other sums payable under the Indenture by the Authority, then and in that case, at the election of the Authority, and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the Authority under the Indenture shall cease, terminate, become void and be completely discharged and satisfied except only as provided in "Discharge of Liability on Bonds" below, and thereupon the Trustee shall forthwith execute proper instruments acknowledging satisfaction of and discharging the Indenture.

Discharge of Liability on Bonds

Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in the Indenture) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bond shall cease, terminate and be completely discharged, except only that the Holder thereof shall thereafter be entitled to payment of the principal of, premium, if any, and interest on such Bond by the Authority, and the Authority shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment and such money or securities shall be pledged to such payment, provided further, however, that the provisions of the Indenture regarding payment of Bonds after discharge of Indenture obligations, shall apply in all events.

Deposit of Money or Securities with Trustee

Whenever it is provided or permitted in the Indenture that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture (exclusive of the Rebate Fund, the Letter of Credit Account, the Borrower Account of the Costs of Issuance Fund, and the account described in the Indenture for unclaimed moneys for Bonds deemed tendered but not presented for purchase) and shall be:

(a) Moneys (which shall be Available Moneys if a Letter of Credit is in effect), in an equal amount to the principal amount of such Bonds, and all unpaid interest thereon to maturity except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(b) Investment Securities of the type described in clause (ii) (including funds described in clause (v) rated Fitch "AAA" or equivalent which consist solely of securities described in clause (ii)) of the definition of Investment Securities which are purchased with moneys (which shall be Available Moneys if a Letter of Credit is in effect) and which are nonredeemable and noncallable, the principal of and interest on which when due and without reinvestment will provide money sufficient to pay the principal of, premium, if any, all unpaid interest to maturity, or to the redemption date on the Bonds to be paid or redeemed, as such principal and interest become due, with maturities no longer than 30 days or as may be necessary to make the required payment on the Bonds provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by a request of the Authority) to apply such money or Investment Securities to the payment of such principal, premium, if any, and interest with respect to such Bonds and provided further that each Rating Agency then rating such Bonds, the Authority and the Trustee shall have received a report of firm of nationally-recognized independent certified public accountants selected by the Borrower that the moneys or Investment Securities on deposit are sufficient to pay the principal, premium, if any, and interest on the Bonds to maturity or the redemption date, and a legal opinion from a nationally recognized firm in bankruptcy law that payment of the Bonds from such moneys will not be a voidable preference in the event of the bankruptcy of the Borrower, any Guarantor or the Authority.

Liability of Authority Limited to Revenues

Notwithstanding anything in the Indenture or in the Bonds contained, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under the Indenture for any of the purposes in the Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of the Indenture.

Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR ANY LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement.

Limitation of Rights to Parties and Bondholders

Nothing in the Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the Bank, the Borrower, Direct Participants (as provided in the Indenture) and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision in the Bonds or the Indenture contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the Bank, the Borrower, Direct Participants (as provided in the Indenture) and the Holders of the Bonds.

Effect of Bank Default

If the Bank wrongfully dishonors a drawing under the Letter of Credit, then, so long as such wrongful dishonor continues, any provision in the Indenture requiring the Bank's approval or consent shall be of no effect.

THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement. THIS SUMMARY DOES NOT PURPORT TO BE COMPLETE OR DEFINITIVE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TERMS OF THE LOAN AGREEMENT, A COPY OF WHICH IS ON FILE WITH THE TRUSTEE.

Loan of Proceeds; Delivery of Bonds

Under the Loan Agreement, the Authority agrees to make a loan to the Borrower of the proceeds of the Bonds (conditioned on the receipt thereof by the Authority) for the purpose of financing the costs of the Project and financing the Costs of Issuance. The loan shall be made in installments as portions of the Bonds are delivered to the Underwriter on each Date of Delivery pursuant to the Indenture and the Bond Purchase Contract. Absent an Approving Opinion, the Borrower covenants to cause all Bonds to be so delivered prior to November 15, 2015. See "THE BONDS – Draw Down Structure" in this Official Statement and "THE INDENTURE—Delivery of Bonds" in this Appendix A.

Agreement to Construct the Project; Modifications of the Project

To provide funds to finance and refinance the Project, the Authority agrees that it will issue under the Indenture, sell and cause to be delivered to the purchasers thereof, the Bonds. The Authority will thereupon apply the proceeds received from the sale of the Bonds as provided in the Indenture. The Borrower agrees that it or one or more of its Participating Affiliates has or will acquire, construct, improve, renovate, rehabilitate, install and equip, or complete the acquisition, construction, improvement, renovation, rehabilitation, installation and equipping of, the Project, and will acquire, construct, improve, renovate, install, and equip all other facilities and real and personal property deemed necessary for the operation of the Project, in accordance with the description of the Project prepared by the Borrower and approved by the Authority, including any and all supplements, amendments and additions or deletions thereto or therefrom. The Borrower further agrees to proceed with due diligence to complete the Project, and reasonably expects to do so within three years. Except as otherwise permitted pursuant to the Loan Agreement, the Borrower also agrees that it or a Participating Affiliate will own the Project during the term of this Loan Agreement or, if shorter, the useful life of any component of the Project. The Borrower also agrees that it or a Participating Affiliate will operate the Project (except such portion that is transferred to a Person other than a Participating Affiliate in accordance with the Loan Agreement) during the term of this Loan Agreement or, if shorter, the useful life of any component of the Project.

In the event that the Borrower desires to alter or change the Project described in the Loan Agreement, the Borrower must first obtain the consent of the Authority (which consent shall not be unreasonably withheld) to such changes. If the Authority consents to the proposed amendment or supplement to the description of the Project, it will instruct the Trustee in writing to consent to such amendment or supplement as shall be required to reflect such alteration or change to the Project upon receipt of:

(i) a Certificate of the Borrower describing in detail the proposed changes and stating that they will not have the effect of disqualifying the Project as facilities that may be financed pursuant to the Act;

(ii) a copy of the form of amended or supplemented description of the Project approved by the Authority;

(iii) an Approving Opinion with respect to such proposed changes; and

(iv) the written approval of the Bank.

Project Fund and Costs of Issuance Fund

The Borrower will authorize and direct the Trustee or the Depository Bank, as applicable, upon compliance with the Indenture, to disburse the moneys in the Project Fund to or on behalf of the Borrower for the payment of the Costs of the Project (and not for Costs of Issuance), subject to the provisions of the Agreement. The Borrower will authorize and direct the Trustee, upon compliance with the Indenture, to disburse the moneys in the Costs of Issuance Fund to or on behalf of the Borrower only for Costs of Issuance, subject to the provisions of the Agreement.

Establishment of Completion Date; Obligation of Borrower to Complete

Upon the final disbursement from the Project Fund, an Authorized Representative of the Borrower, on behalf of the Borrower, shall evidence the completion date by providing a Final Project Fund Disbursement Certificate, which shall be acknowledged by the Bank, to the Trustee and the Authority. At the time such certificate is delivered to the Trustee, moneys remaining in the Project Fund (other than moneys relating to provisional payments permitted by the Agreement), including any earnings resulting from the investment of such moneys, shall be used as provided in the Indenture.

In the event the moneys in the Project Fund available for payment of the Costs of the Project should be insufficient to pay the costs thereof in full, the Borrower agrees to pay directly, or to deposit in the Project Fund moneys sufficient to pay, any costs of completing the Project in excess of the moneys available for such purpose in the Project Fund. The Authority makes no express or implied warranty that the moneys deposited in the Project Fund and available for payment of the Costs of the Project, under the provisions of the Loan Agreement, will be sufficient to pay all the amounts which may be incurred for such Costs of the Project. The Borrower agrees that if, after exhaustion of the moneys in the Project Fund, the Borrower should pay, or deposit moneys in the Project Fund for the payment of, any portion of the Costs of the Project pursuant to the provisions of this section, it shall not be entitled to any reimbursement therefor from the Authority, the Trustee, the Bank or the Holders of any of the Bonds, nor shall it be entitled to any diminution of the amounts payable under the Agreement.

Loan Repayments and Additional Payments

On or before each Bond Payment Date (as defined below), until the principal of, premium, if any, and interest on, the Bonds shall have been fully paid or provision for such payment shall have been made as provided in the Indenture, the Borrower covenants and agrees to pay to the Trustee as a repayment on the loan made to the Borrower from Bond proceeds pursuant to the Agreement, a sum equal to the amount payable on the next Bond Payment Date as principal of and premium, if any, and interest on, the Bonds then Outstanding provided in the Indenture ("Loan Repayments"). Such Loan Repayments shall be made in federal funds or other funds immediately available at the Corporate Trust Office of the Trustee. The term "Bond Payment Date" as used in this section shall mean any date upon which any amounts payable with respect to the Bonds shall become due, whether upon redemption, acceleration, maturity or otherwise.

Each Loan Repayment made pursuant to the Agreement shall at all times be sufficient to pay the total amount of interest and principal (whether at maturity or upon redemption or acceleration) and premium, if any, becoming due and payable on the Bonds then Outstanding on each Bond Payment Date; provided that once per year, on the third Business Day following the Bond Payment Date of each October, any amount held by the Trustee in the Revenue Fund on the due date for a Loan Repayment thereunder shall be credited against the installment due on the next Bond Payment Date to the extent available for such purpose under the terms of the Indenture; and provided further that if at any time the amounts held by the Trustee in the Revenue Fund are sufficient to pay all of the principal of and interest and premium, if any, on, the Bonds as such payments become due, the Borrower shall be relieved of any obligation to make any further payments under the provisions of this section of the Agreement. Notwithstanding the foregoing, if on any date the amount held by the Trustee in the Revenue Fund is insufficient to make any required payments of principal of (whether at maturity or upon redemption (including without limitation sinking fund redemption) or acceleration) and interest and premium, if any, on, the Bonds then Outstanding as such payments become due, the Borrower shall forthwith pay such deficiency as a Loan Repayment thereunder.

The obligation of the Borrower to make any Loan Repayment under the Agreement shall be deemed to have been satisfied to the extent of any corresponding payment made by the Bank to the Trustee under the Letter of Credit.

In addition, the Borrower agrees to pay certain Trustee fees and expenses, Remarketing Agent fees and expenses, Authority fees and expenses, costs of issuance and other miscellaneous amounts as provided in the Agreement (collectively, "Additional Payments").

In the event the Borrower should fail to make any Loan Repayments or Additional Payments required by the Agreement, such payments shall continue as obligations of the Borrower until such amounts shall have been fully paid. The Borrower agrees to pay such amounts, together with interest thereon, following a delinquency of 30 days until such amount and all interest thereon have been paid in full. Interest thereon shall be at the rate of four percent (4%) per annum or, if four percent is greater than the rate then permitted by law, at the maximum rate so permitted. Interest on overdue Loan Repayments shall be applied as provided in the Indenture.

Unconditional Obligation

The obligations of the Borrower to make the payments required by the Agreement and to perform and observe the other agreements on its part contained therein shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim it might otherwise have against the Authority, and during the term of the Loan Agreement, the Borrower shall pay all payments required to be made on account of the loan (which payments shall be net of any other obligations of the Borrower) as prescribed in the Agreement and all other payments required thereunder, free of any deductions and without abatement, diminution or set-off. Until such time as the principal of, premium, if any, sinking fund installments, if any, and interest on, the Bonds shall have been fully paid, or provision for the payment thereof shall have been made as required by the Indenture, the Borrower (i) will not suspend or discontinue any payments provided for in the Agreement; (ii) will perform and observe all of its other covenants contained in the Agreement; and (iii) except as provided in the Agreement, will not terminate the Agreement for any cause, including, without limitation, the occurrence of any act or circumstances that may constitute failure of consideration, destruction of or damage to all or a portion of those facilities or equipment comprising the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either of these, or any failure of the Authority or the Trustee to perform and observe any covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with the Agreement or the Indenture, except to the extent permitted by the Agreement.

Assignment of Authority's Rights

As security for the payment of the Bonds, the Authority assigns to the Trustee the Authority's rights under the Agreement, including the right to receive payments thereunder (except the Retained Rights), and the Authority directs the Borrower to make the payments required under the Agreement (except such payments for expenses and indemnification) directly to the Trustee. The Borrower assents to such assignment and agrees to make payments directly to the Trustee without defense or set-off by reason of any dispute between the Borrower and the Authority or the Trustee.

Certain Covenants of the Borrower

The Borrower agrees to maintain and repair, or cause to be maintained and repaired, the Project, and pay all utilities, taxes, other governmental charges and assessments due from or levied against the Project. The Borrower agrees to comply with the requirements in the Tax Certificate and the Agreement which are for the benefit of the Trustee and each and every Holder of the Bonds including the Borrower's covenant not to use Bond proceeds in such a manner that should adversely affect the exclusion from gross income for federal income taxation purposes of interest on the Bonds. The Borrower agrees to keep the Project insured and free of liens to the extent provided in the Agreement. The Borrower may not dissolve or otherwise dispose of all or substantially all of its assets and will not combine or consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it so that the Borrower is not the resulting or surviving entity (except for merger into a wholly-owned subsidiary of the Borrower) and not sell or otherwise dispose (including operating arrangements), or permit the sale or disposal (including operating arrangements), of the Project, other than equipment that has reached the end of its useful life, without the prior written consent of the Authority and the Bank, except as otherwise permitted in the Agreement.

Continuing Disclosure

The Borrower covenants and agrees to comply with the continuing disclosure requirements promulgated under S.E.C. Rule 15c2-12, as it may from time to time be amended or supplemented. The Borrower acknowledges and agrees that the Authority shall have no liability with respect to these obligations.

Loan Default Events

Any one of the following which occurs and continues shall constitute a Loan Default Event:

(a) failure of the Borrower to make any Loan Repayments required by the Agreement when due; or

(b) failure of the Borrower to observe and perform any covenant, condition or agreement on its part required to be observed or performed by the Agreement other than as provided in (a), which continues for a period of 30 days after written notice delivered to the Borrower, which notice shall specify such failure and request that it be remedied, given to the Borrower by the Authority or the Trustee, unless the Authority and the Trustee shall agree in writing to an extension of such time; provided, however, that if the failure stated in the notice cannot be corrected within such period, the Authority and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted within such period and diligently pursued until the default is corrected, and provided further that the Bank shall be given a copy of any such notice, but failure to provide such copy shall not affect the validity of such notice; or

(c) existence of an Event of Default described in subsections (a), (b), (c) or (e) under the heading "THE INDENTURE—Events of Default; Acceleration; Waiver of Default" in this Appendix A; or

(d) any representation or warranty of the Borrower set forth in the Loan Agreement at the time made or deemed made is false in any material respect.

The provisions of subsection (b) of this section are subject to the limitation that the Borrower shall not be deemed in default if and so long as the Borrower is unable to carry out its agreements under the Agreement by reason of strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State of California or any of their departments, agencies, or officials, or any civil or military authority; insurrections, riots, epidemics, landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; wars; acts of terrorism; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Borrower; it being agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Borrower, and the Borrower shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Borrower, unfavorable to the Borrower. This limitation shall not apply to any default under subsections (a), (c) or (d) of this section.

Notwithstanding any other provision of the Agreement to the contrary, so long as the Bank is not in default under the Letter of Credit, the Trustee shall not without the prior written consent or direction of the Bank exercise any remedies under the Agreement in the case of any Loan Default Event described in subsections (a), (b), (c) or (d) above; provided, however, that no consent of the Bank shall be required with respect to the Authority's exercise of any remedy provided in the Loan Agreement seeking enforcement of the Retained Rights. The Trustee may exercise any and all remedies under the Indenture and the Agreement (except acceleration) to collect any fees, expenses and indemnification from the Borrower without obtaining the consent of the Bank.

Remedies on Default

Subject to the Loan Default Events provision of the Agreement, whenever any Loan Default Event shall have occurred and shall be continuing,

(a) The Trustee, by written notice to the Authority, the Borrower and the Bank, shall declare the unpaid balance of the Loan Repayments payable under the Agreement to be due and payable immediately, provided that concurrently with or prior to such notice the unpaid principal amount of the Bonds shall have been declared to be due and payable under the Indenture. Upon any such declaration such amount shall become and shall be immediately due and payable as determined in accordance with the Indenture, and the Trustee shall immediately draw upon the Letter of Credit, if permitted by its terms and required by the terms of the Indenture, and apply the amount so drawn in accordance with the Indenture.

(b) The Trustee may have access to and may inspect, examine and make copies of the books and records and any and all accounts, data and federal income tax and other tax returns of the Borrower; provided that the Trustee shall be obligated to protect the confidentiality of such information to the extent provided by State and federal law and prevent its disclosure to the public, except the Authority.

(c) The Authority or the Trustee may take whatever other action at law or in equity as may be necessary or desirable to collect the payments and other amounts then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Agreement; provided, however, that acceleration of the unpaid balance of the loan payments is not a remedy available to the Authority.

In case the Trustee or the Authority shall have proceeded to enforce its rights under the Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Authority, then, and in every such case, the Borrower, the Trustee and the Authority shall be restored respectively to their several positions and rights under the Agreement, and all rights, remedies and powers of the Borrower, the Trustee and the Authority shall continue as though no such action had been taken.

The Borrower covenants that, in case a Loan Default Event shall occur with respect to the payment of any Loan Repayment payable under the Agreement, then, upon demand of the Trustee, the Borrower will pay to the Trustee the whole amount that then shall have become due and payable under the Agreement, with interest on the amount then overdue at the rate of four percent (4%) per annum, or, if four percent is greater than the rate then permitted by law, at the greatest rate then permitted. Such overdue rate shall be in effect following a delinquency of 30 days and shall remain in effect until such overdue amount has been paid.

In case the Borrower shall fail forthwith to pay such amounts upon such demand, the Trustee shall be entitled and empowered to institute any action or proceeding at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Borrower and collect in the manner provided by law the moneys adjudged or decreed to be payable.

In case proceedings shall be pending for the bankruptcy or for the reorganization of the Borrower under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Borrower or in the case of any other similar judicial proceedings relative to the Borrower, or the creditors or property of the Borrower, then the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to the Agreement and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Borrower, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute such amounts as provided in the Indenture after the deduction of its reasonable charges and expenses to the extent permitted by the Indenture. Any receiver, assignee or trustee in bankruptcy or reorganization is authorized to make such payments to the Trustee, and to pay to the Trustee any amount due it for reasonable compensation and expenses, including reasonable expenses and fees of counsel incurred by the Trustee up to the date of such distribution.

Options to Prepay Installments

Under the Agreement, the Borrower shall have the option to prepay the Loan Repayments by paying to the Trustee, for deposit in the Revenue Fund, the amount set forth therein, under the circumstances (as such circumstances may apply to any Bonds) described in the Agreement and the Indenture. See the captions "THE BONDS–Redemption Provisions–Optional Redemption–Optional Redemption During Weekly Interest Rate Period" and "–Optional Redemption During Term Interest Rate Period."

Mandatory Prepayment

The Borrower shall have and accepts the obligation to prepay in whole the Loan Repayments required by the Agreement, together with interest accrued, but unpaid, thereon, to be used to redeem all or a part of the Outstanding Bonds under the following circumstances:

(a) if and when as a result of any changes in the Constitution of the United States of America or the California Constitution or as a result of any legislative, judicial or administrative action, the Agreement shall have become void or unenforceable or impossible to perform in accordance with the intention and purposes of the parties thereto, or shall have been declared unlawful;

(b) if, due to the untruth or inaccuracy of any representation or warranty made by the Borrower in the Agreement or in connection with the offer and sale of the Bonds, or the breach of any covenant or warranty of the Borrower contained in the Agreement or in the Tax Certificate, interest on the Bonds, or any of them, is determined not to be Tax-exempt to the Holders thereof (other than a Holder who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) by a final administrative determination of the Internal Revenue Service or judicial decision of a court of competent jurisdiction in a proceeding of which the Borrower received notice and was afforded an opportunity to participate in to the full extent permitted by law. A determination or decision will be considered final for this purpose when all periods for administrative and judicial review have expired; or

(c) if mandatory redemption is required by the Indenture (see "THE BONDS–Redemption Provisions–Mandatory Redemption") or by any Supplemental Indenture.

Non-Liability of Authority

The Authority shall not be obligated to pay the principal of, or premium, if any, or interest on the Bonds, except from Revenues. The Borrower acknowledges that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made by the Borrower pursuant to the Agreement, together with other Revenues, including investment income on certain funds and accounts held by the Trustee under the Indenture, and agrees that if the payments to be made under the Agreement shall ever prove insufficient to pay all principal of, and premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Authority or any third party.

Amendments, Changes and Modifications

Except as otherwise provided in the Agreement or the Indenture, subsequent to the initial issuance of Bonds and prior to their payment in full, or provision for such payment having been made as provided in the Indenture, the Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee and the Bank, given in accordance with the Indenture.

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APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date]

California Pollution Control
Financing Authority
915 Capitol Mall, Room 457
Sacramento, California 95814

Re: $27,570,000
California Pollution Control Financing Authority
Variable Rate Demand Solid Waste Disposal Revenue Bonds
(Zerep Management Corporation Project)
Series 2014

(Final Opinion)

Ladies and Gentlemen:

I have acted as bond counsel in connection with the issuance by the California Pollution Control Financing Authority (the "Authority") of $27,570,000 aggregate principal amount of California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Zerep Management Corporation Project) Series 2014 (the "Bonds"), issued pursuant to the provisions of the California Pollution Control Financing Authority Act (constituting Division 27 of the Health and Safety Code of the State of California) (the "Act") and an Indenture, dated as of March 1, 2014 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Bonds are issued for the purpose of making a loan of the proceeds thereof to Zerep Management Corporation, a California corporation (the "Borrower"), pursuant to a Loan Agreement, dated as of March 1, 2014 (the "Loan Agreement"), between the Authority and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, I have reviewed the Indenture, the Loan Agreement, the Tax Certificate and Agreement, dated the date hereof (the "Tax Certificate"), between the Authority and the Borrower, opinions of counsel to the Borrower, the Authority and the Trustee, certain resolutions of the Authority, certificates of the Authority, the Trustee, the Borrower and others, and such other documents, opinions and matters as and to the extent I deemed necessary to render the opinions set forth herein. I have not undertaken to verify independently, and I have assumed, the accuracy of the factual matters represented, warranted or certified in such documents, and of the legal conclusions contained in the opinions referred to above, and I have assumed the genuineness of all documents and signatures presented to me (whether as originals or as copies) and the due and legal authorization, execution and delivery thereof by, and validity against, any parties other than the Authority.

The interest rate determination method and certain other requirements and procedures contained or referred to in the Indenture, the Loan Agreement, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to the effect upon the tax exemption of the interest on any Bond on or after any such change occurs or action that is taken or omitted upon the advice or approval of counsel other than myself.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. I have not undertaken to determine, or to inform any person, whether any such actions or events are taken or omitted or events do occur, or whether any other matters come to my attention, after the date hereof, and I have no obligation to update this opinion. Further, I have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that further actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. I call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Loan Agreement and the Tax Certificate are subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in the State of California. I also express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. Finally, I undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, I am of the following opinions:

1. When Bonds are duly authenticated and delivered by the Trustee in accordance with the provisions of the Indenture, such Bonds will constitute the valid and binding limited obligations of the Authority.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Authority. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Indenture, except the Rebate Fund and the Borrower Account of the Costs of Issuance Fund and the account established under the Indenture for unclaimed moneys held for Bonds deemed tendered but not presented for purchase, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Indenture also creates a valid assignment to the Trustee, for the benefit of the holders from time to time of the Bonds, of the right, title and interest of the Authority in the Loan Agreement (to the extent more particularly described in the Indenture).

3. The Loan Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding agreement of, the Authority.

4. The Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge and assignment. Neither the faith and credit nor the taxing power of the State of California or any local agency is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are not a debt of the State of California and said State is not liable for the payment thereof.

5. Interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the status of interest on any Bond during any period that such Bond is held by a "substantial user" of any facilities financed or refinanced with Bond proceeds or by a "related person" within the meaning of Section 147(a) of the Code. In addition, interest on the Bonds is exempt from present State of California personal income taxes. I express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds although I observe that interest on the Bonds is a specific preference item for purposes of calculating the federal individual or corporate alternative minimum taxable income.

Respectfully submitted,

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APPENDIX C

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and the Authority takes no responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of

AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture and the Loan Agreement. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered in accordance with the provisions set forth in the Indenture.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

California Pollution Control Financing Authority
Variable Rate Demand Solid Waste Disposal Revenue Bonds
(Zerep Management Corporation Project)
Series 2014

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Zerep Management Corporation (the "Borrower") in connection with the issuance of the above-named bonds (the "Bonds"). The Bonds are being issued pursuant to an Indenture, dated as of March 1, 2014 (the "Indenture"), by and between the California Pollution Control Financing Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"). The Borrower covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Borrower for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean Westhoff, Cone & Holmstedt, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Borrower a written acceptance of such designation.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Borrower shall, or shall cause the Dissemination Agent to provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate by January 15 of each year. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Certificate. If the Borrower's fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the Borrower shall provide the Annual Report to the Dissemination Agent (if other than the Borrower). If the Borrower is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Borrower shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Borrower) file a report with the Borrower certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The Borrower's Annual Report shall contain a statement to the effect that due to the fact that the Official Statement did not include financial or operating data of the Borrower, no such information is being provided as of the date of such Annual Report.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Borrower or related public entities, which have been made available to the public on the MSRB's website. The Borrower shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. Tender offers;

7. Defeasances;

8. Rating changes; or

9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) Whenever the Borrower obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Borrower shall determine if such event would be material under applicable federal securities laws.

(d) If the Borrower learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Borrower shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Borrower's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Borrower pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Westhoff, Cone & Holmstedt ("WCH"), whose appointment is set forth under the Remarketing Agreement, dated as of March 1, 2014 (the "Remarketing Agreement"), by and between WCH and the Borrower.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Borrower may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Borrower shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Certificate, in addition to that which is required by this Disclosure Certificate. If the Borrower chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Certificate, the Borrower shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the Borrower to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under this Disclosure Certificate.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: May 15, 2014.

ZEREP MANAGEMENT CORPORATION

By ______________________________________
Authorized Borrower Representative

CONTINUING DISCLOSURE EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of Borrower:	Zerep Management Corporation
Name of Bond Issue:	California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Zerep Management Corporation Project) Series 2014
Date of Issuance:	May 15, 2014

NOTICE IS HEREBY GIVEN that the Borrower has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the Borrower, dated the Date of Issuance. [The Borrower anticipates that the Annual Report will be filed by _____________.]

Dated:_______________

ZEREP MANAGEMENT CORPORATION

By ________[to be signed only if filed]________

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APPENDIX E

FORM OF LETTER OF CREDIT

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IRREVOCABLE DIRECT PAY LETTER OF CREDIT

Beneficiary: Dated: May 15, 2014

The Bank of New York Mellon Trust Company, N.A.,
as Trustee
400 South Hope, Suite 400
Los Angeles, California 90017
Attention: Corporate Trust Administration

Comerica Bank ("Bank"), 2321 Rosecrans Avenue, 5th Floor, El Segundo, CA 90245, Attention: International Trade Services #4659, hereby establishes this **Irrevocable Letter of Credit No. OSB881C,** in the total amount of **______________________________________ and No/100 Dollars ($______________)**, at the request and for the account of Zerep Management Corporation, a California corporation (the "Account Party"), 17445 Railroad Street, City of Industry, CA 91748, in your favor, as Beneficiary under this Letter of Credit and as Trustee under that certain Indenture dated as of March 1, 2014 (the "Indenture") between the California Pollution Control Financing Authority ("Bond Issuer") and you, pursuant to which $27,570,000.00 in aggregate principal amount of the California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Zerep Management Corporation Project) Series 2014 (the "Bonds") are being issued.

This Letter of Credit is effective immediately and **expires, unless extended, May 15, 2019**, (the "Expiration Date") or on any earlier termination date as hereinafter provided.

We hereby irrevocably authorize you to draw on us upon presentation of the certificate(s) in the forms of Annexes A, B and C, as appropriate, attached hereto, as provided below:

A. One or more drawings, each an **"Interest Drawing"** under **Annex A**, with respect to payment of interest on the Bonds, each Interest Drawing to be in an amount not exceeding $__________ (being 45 days' interest on the principal amount of the Bonds outstanding at an annual rate of 12% for a year of 365 days); and

B. One or more drawings, each a **"Principal Drawing"** under **Annex B**, with respect to payment of principal payments on the Bonds, whether by maturity, acceleration, optional redemption, or mandatory redemption, each Principal Drawing to be in an amount not exceeding $___________ (being the principal amount of the Bonds outstanding); and

C. One or more drawings, each a **"Purchase Drawing"** under **Annex C**, with respect to payment of the purchase price of the Bonds (based on a purchase at par plus accrued interest to the date of purchase), each Purchase Drawing to be in an amount not exceeding $______________ (being the principal amount of the Bonds outstanding plus 45 days' interest thereon at an annual rate of 12% for a year of 365 days).

The amount available for drawings will automatically reduce by the amount of any drawing that we honor under this Letter of Credit, and this amount is subject to reinstatement or further reduction as provided in the following three (3) paragraphs.

Your right to draw under this Letter of Credit will be automatically and irrevocably reinstated in the amount that we pay on any Interest Drawing effective on the seventh (7^{th}) calendar day from the date we honor the Interest Drawing, unless within four (4) calendar days from the date we honor the Interest Drawing we send our notice to you that we will not reinstate its amount. This procedure for the automatic reinstatement of the amount available for Interest Drawings will apply to successive Interest Drawings, so long as this Letter of Credit has not expired and/or terminated as set forth below.

In the event of a Principal Drawing, the amount available for payments of Principal Drawings under this Letter of Credit will be automatically and immediately reduced by the amount of such Principal Drawing, the amount available for payments of Interest Drawings and Purchase Drawings will be automatically and immediately recalculated as set forth in paragraphs A and C above, respectively, based upon the decreased principal amount of the Bonds, and the stated amount of this Letter of Credit will be reduced to be equal to the recalculated amount available for Purchase Drawings.

In the event of a Purchase Drawing, the amount available for drawings will automatically reduce by the amount of any such drawing that we honor under this Letter of Credit. You may not draw on this Letter of Credit with respect to Bank Bonds, as defined under the Indenture, held by you, unless and until (i) you have received proceeds of the remarketing of such Bonds, and (ii) you have received written confirmation from the Bank that this Letter of Credit was reinstated. After you receive such written confirmation from the Bank, the reinstatement of this Letter of Credit will be effective and irrevocable in the amount of the face amount of the remarketed Bonds.

If we receive your Interest Drawing or Principal Drawing certificate(s) at the Bank's office specified above, all in strict conformity with the terms and conditions of this Letter of Credit, prior to 10:00 a.m. Pacific time, we will honor the same by 10:00 a.m. Pacific time on the next Business Day or such later Business Day as specified in the respective certificate. With respect to such Drawing received after such time, we will honor the same by 10:00 a.m. Pacific time on the second Business Day after presentation thereof or such later Business Day as specified in the respective certificate. If we receive your Purchase Drawing certificate at such office, in strict conformity with the terms and conditions of this Letter of Credit, prior to 8:30 a.m. Pacific time, we will honor the same by 11:00 a.m. Pacific time on the same Business Day or such later Business Day as specified in the certificate. With respect to such Drawing presented after such time, we will honor the same by 11:00 a.m. Pacific time on the next Business Day after presentation thereof or such later Business Day as specified in the certificate. Payment under this Letter of Credit shall be made by transfer or deposit of immediately available funds to your account as provided in the respective certificate. We agree that all payments made by us hereunder will be made with our own funds and not with any funds that could be deemed to belong to the Account Party.

As used herein, the term "Business Day" shall mean any day other than: (i) a Saturday or Sunday or legal holiday in the State of California, (ii) a day on which commercial banks in New York, New York, Los Angeles, California or any other city or cities in which we, the Corporate Trust Office of the Trustee or the Tender Agent or are authorized or required by law to close, (iii) a day on which the New York Stock Exchange is closed, or (iv) a day on which interbank wire transfers cannot be made on the Fedwire system.

Presentation of any duly executed certificate (other than a certificate to instruct the Bank to transfer this Letter of Credit) shall be deemed effected for all purposes under this Letter of Credit upon presentation in person, by courier, or upon receipt by the Bank of facsimile transmission, to facsimile number (310) 297-2890 or such other facsimile number as we may specify in a notice delivered to you, setting forth in full the contents of such certificate. Facsimile presentations must be followed by originally executed documents which identify the date of the facsimile transmission. We shall have no duty to examine, and will not examine, the original documents confirming presentation by facsimile, and our failure to receive any such original documents shall not affect or impair the validity of any presentation otherwise properly effected.

Upon the earliest of (i) your surrendering this Letter of Credit to us for cancellation together with your signed letter, on your letterhead, addressed to Comerica Bank authorizing such cancellation, (ii) the Expiration Date, (iii) our honoring Principal and Interest Drawings for all outstanding Bonds, (iv) the fifteenth calendar day following your receipt of our written direction to you to give notice of the mandatory tender of the Bonds under Section 4.06(a)(iii) of the Indenture, or (v) the fifteenth calendar day following your receipt of our written direction to you under Section 7.01(e) of the Indenture to accelerate the Bonds, this Letter of Credit automatically shall expire and terminate.

Any notice from us to you will be sent to the address indicated on the first page of this Letter of Credit unless you notify us, in a writing sent by receipted mail or courier referencing this Letter of Credit, that your address has changed. Any such change of address notice will be deemed effective only upon actual receipt by us at our office specified above, at which time we will amend this Letter of Credit to reflect your address change.

This Letter of Credit is subject to the International Standby Practices Publication No. 590 (the "ISP98"). This Letter of Credit shall be deemed to be governed by Article 5 of the Uniform Commercial Code (the "UCC") as now in effect in the State of California. As to any matter of conflict between the provisions of the ISP98 and the UCC, the ISP98 shall govern this Letter of Credit.

This Letter of Credit is successively transferable in its entirety by means of our endorsement of the Letter of Credit to any transferee who has succeeded you as Trustee under the Indenture upon your request in the form of Annex D, duly executed and presented to Bank, provided that such transfer to such transferee would be in compliance with then applicable law and regulations, including but not limited to the regulations of the U.S. Department of Treasury and U.S. Department of Commerce.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except only the certificate(s) referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificate(s).

Very truly yours,

COMERICA BANK

By: ______________________________

____
[Printed Name and Title]

ANNEX A

Certificate For Interest Drawing

To: Comerica Bank
2321 Rosecrans Avenue, 5th Floor
El Segundo, CA 90245
Facsimile: (310) 297-2890
Attention: International Trade Services #4659

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., hereby certifies as of the date hereof to you, with reference to **Irrevocable Letter of Credit No**. **OSB881C** (the "Letter of Credit"), for the account of Zerep Management Corporation, a California corporation, issued by Comerica Bank in favor of the Beneficiary, as Trustee under the Indenture, that:

(1) It is hereby making a drawing under the Letter of Credit, the proceeds of which will be used for a payment of **interest on the Bonds**, either on a scheduled interest payment date or on a date of redemption or maturity of Bonds (whether stated or by acceleration) in the amount of $______________, which amount is (i) not greater than the amount available for Interest Drawings under the Letter of Credit, (ii) was computed in accordance with the terms and conditions of the Bonds and the Indenture, (iii) does not include any amount of interest on the Bonds which is included in any other drawing presented on or prior to the date of this Certificate and (iv) does not include any amount of interest on any Bonds owned by the Account Party or the Bond Issuer.

(2) This Certificate is dated and is being presented to Comerica Bank [prior to/after] 10:00 a.m., Pacific time, on ______________, a date that is [one Business Day prior to] the date on which interest on the Bonds with respect to which the drawing is being made is due and payable under the terms of the Bonds and the Indenture. [Delete inappropriate clauses]

(3) Please pay the requested amount on ___________________ (requested payment date) in the following manner: (include full wire instructions).

Capitalized terms used without definition herein have the meanings given to them in the Letter of Credit.

Dated _____________

The Bank of New York Mellon Trust Company, N.A., as Trustee

By ________________________________

____
[Name and Title]

ANNEX B

Certificate For Principal Drawing

To: Comerica Bank
2321 Rosecrans Avenue, 5th Floor
El Segundo, CA 90245
Facsimile: (310) 297-2890
Attention: International Trade Services #4659

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., hereby certifies as of the date hereof to you, with reference to **Irrevocable Letter of Credit No**. **OSB881C** (the "Letter of Credit"), for the account of Zerep Management Corporation, a California corporation, issued by Comerica Bank in favor of the Beneficiary, as Trustee under the Indenture, that:

(1) It is making a drawing under the Letter of Credit, the proceeds of which will be used for a **principal payment on the Bonds**, either at maturity (whether stated or accelerated) or by mandatory or optional redemption in the amount of $____________, which amount is (i) not greater than the amount available to be drawn as principal under the Letter of Credit, (ii) was computed in accordance with the terms and conditions of the Bonds and the Indenture, (iii) does not include any amount of principal on the Bonds which is included in any other drawing presented on or prior to the date of this Certificate and (iv) does not include any amount of principal on any Bonds owned by the Account Party or the Bond Issuer.

(2) We hereby authorize a reduction in the interest coverage included in the Letter of Credit by $____________ to a new interest coverage of $______________ calculated as 45 days' interest on the Bonds assuming an annual rate of 12% for a year of 365 days. The total reduction to the Letter of Credit amount is $________________, with a new available amount of $__________________.

(3) This Certificate is dated and is being presented to Comerica Bank [prior to/after] 10:00 a.m., Pacific time, on ______________, a date that is [one Business Day prior to] the date on which an unpaid principal amount on the Bonds is due and payable under the terms of the Bonds and the Indenture. [Delete inappropriate clauses]

(4) Please pay the requested amount on ___________________ (requested payment date) in the following manner: (include full wire instructions)

Capitalized terms used without definition herein have the meanings given to them in the Letter of Credit.

Dated ______________

The Bank of New York Mellon Trust Company, N.A.,
as Trustee

By ____________________________________

____
[Name and Title]

ANNEX C

Certificate For Purchase Drawing

To: Comerica Bank
2321 Rosecrans Avenue, 5th Floor
El Segundo, CA 90245
Facsimile: (310) 297-2890
Attention: International Trade Services #4659

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., hereby certifies as of the date hereof to you, with reference to **Irrevocable Letter of Credit No**. **OSB881C** (the "Letter of Credit"), for the account of Zerep Management Corporation, a California corporation, issued by Comerica Bank in favor of the Beneficiary, as Trustee under the Indenture, that:

(1) It is making a drawing under the Letter of Credit, the proceeds of which will be used for payment of the purchase price of Bonds (based on a purchase at par plus accrued interest to the date of purchase) being purchased by the Account Party and pledged to Comerica Bank pursuant to the Amended and Restated Credit Agreement dated as of March 1, 2014, by and among, among others, Account Party and Comerica Bank, in the amount of $__________, representing $_________ principal amount of the Bonds at par and $_____________ accrued interest on the Bonds to the date of purchase.

(2) The undersigned or its agent received $_________ principal amount of Bonds, being all the Bonds being purchased with the proceeds of this Purchase Drawing, in such form as to enable the undersigned to reregister said Bonds in the name of the Account Party (or, if said Bonds are held by a depository under a book-entry system, in such form as to enable said Bonds to be recorded in the books of the depository for the account of a participant designated by the Account Party).

(3) The total reduction to the Letter of Credit amount is $________________, with a new total Letter of Credit amount of $________________.

(4) This Certificate is dated and is being presented to Comerica Bank [prior to/after] 8:30 a.m., Pacific time, on ______________, a date that is [one Business Day prior to] the date on which the purchase price of the Bonds is due and payable. [Delete inappropriate clauses]

(5) Please pay the requested amount on ___________________ (requested payment date) in the following manner: (include full wire instructions).

Capitalized terms used without definition herein have the meanings given to them in the Letter of Credit.

Dated ______________	The Bank of New York Mellon Trust Company, N.A., as Trustee
	By ___________________________________ ___________________________________ [Name and Title]

ANNEX D

Certificate For Transfer[1]

To: Comerica Bank
2321 Rosecrans Avenue, 5th Floor
El Segundo, CA 90245
Attention: International Trade Services #4659

For value received, the undersigned beneficiary hereby irrevocably transfers to:

____
[Name of Transferee]

____

____
[Address]

all rights of the undersigned beneficiary to draw under **Irrevocable Letter of Credit No. OSB881C**. The undersigned represents that the transferee is the successor to the undersigned beneficiary, in its role as Trustee under the Indenture. By this transfer, all rights of the undersigned beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall hereafter have the sole rights as beneficiary thereof, including sole rights relating to any amendments, whether increases or extensions or other amendments and whether now existing or hereafter made. At such time as this transfer complies with the requirements set forth in the Letter of Credit, subsequent amendments are to be advised directly to transferee without necessity of any consent of or notice to the undersigned beneficiary.

The original Letter of Credit, including all amendments thereto, if any, is returned herewith and in accordance with the Indenture we ask you to transfer the same to the transferee by means of an endorsement.

[1] This certificate may not be presented by facsimile.

Capitalized terms used without definition herein have the meanings given to them in the Letter of Credit.

Very truly yours,	Signature Guaranteed
The Bank of New York Mellon Trust Company, N.A.	______________________________ Bank
	______________________________
By ______________________________ [Name and Title]	By ______________________________ Name
	Its: ______________________________ Title

Schedule 1

NOTICE OF EXTENSION

[Comerica Bank Letterhead]

NOTICE

[Date]

[Trustee]
____
____
____
Attention: ______________________

Ladies and Gentlemen:

This is to notify you that the "Expiration Date" of our Irrevocable Letter of Credit No. **OSB881C** (terms defined therein being used herein as therein defined) established in your favor (the "Letter of Credit") is hereby extended to ___________, which date is a Business Day and is not later than ______________.

This Notice has been sent to you by courier service and by facsimile to [insert fax number], and is effective when sent by facsimile.

COMERICA BANK

By ______________________________
Authorized Signature

APPENDIX F

UNDERWRITER'S DISTRIBUTION LETTER TO AUTHORITY

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WESTHOFF, CONE & HOLMSTEDT

March 4, 2014

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
Variable Rate Demand Solid Waste Disposal Revenue Bonds
(Zerep Management Corporation Project)
Series 2014

Dear Ms. Webster-Hawkins:

Westhoff, Cone & Holmstedt, Managing Underwriter of the Bonds, has an agreement with Alamo Capital for placement and remarketing of certain municipal securities offerings, at the original issue prices. Pursuant to said agreement, Westhoff, Cone & Holmstedt will share a portion of its Placement Agent compensation and annual remarketing fees with respect to the aforementioned Bonds with Alamo Capital.

Sincerely,

Mark A. Holmstedt

1777 Botelho Drive, Suite 345
Walnut Creek, CA 94596
Telephone: (925) 472-8740
Fax: (925) 939-5099

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