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CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Trustee

FIRST SUPPLEMENTAL INDENTURE

Dated as of November 1, 2014

RELATING TO

California Pollution Control Financing Authority
Solid Waste Disposal Refunding Revenue Bonds
(Sacramento Biosolids Project)
Series 2014A and Series 2014B (Taxable)

THIS FIRST SUPPLEMENTAL INDENTURE, made and entered into on the first day of November, 2014 (the "First Supplemental Indenture"), by and between the CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the "Authority"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States, as successor in interest to BNY Western Trust Company (the "Trustee");

WITNESSETH:

WHEREAS, the Authority and the Trustee entered into an Indenture of Trust, dated as of December 1, 2002 (the "Original Indenture"), and pursuant to such Original Indenture, the Authority issued its Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002A (the "Prior Bonds") in the aggregate principal amount of \$20,075,000, of which \$14,150,000 remains outstanding, and its California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002B in the aggregate principal amount of \$1,200,000, which are no longer outstanding; and

WHEREAS, the Authority loaned the proceeds of the Prior Bonds to Sacramento Project Finance, Inc. (the "Borrower"), pursuant to a Loan Agreement dated as of December 1, 2002 (the "Original Loan Agreement"), to provide funds used by the Borrower to purchase a biosolids processing and disposal facility located in Sacramento County, California (the "Project"), from its designer, builder and operator Synagro Organic Fertilizer Company of Sacramento Inc., a Delaware corporation (the "SOF"), and to pay other costs as described in the Original Indenture; and

WHEREAS, SOF, designed, built and currently operates the Project, pursuant to that certain "Service Contract for the Design, Construction, Financing and Operation of the Sacramento Regional County Sanitation District Biosolids Recycling Facility", dated July 24, 2002, (the "Service Contract") by and between the Sacramento Regional County Sanitation District (the "District") and SOF (as assignee); and

WHEREAS, the Borrower holds a leasehold interest in the land on which the Project was built, and took title to the Project pursuant to that certain Agreement for the Purchase and Sale of the Biosolids Recycling Facility, dated as of December 1, 2002 (the "Purchase and Sale Agreement"), by and between SOF and the Borrower, and subleased the land and leased the Project to SOF as lessee pursuant to that certain Ground Sublease and Facility Lease, dated as of December 1, 2002 (the "Facility Lease"), by and between the Borrower and SOF; and

WHEREAS, in order to secure its rent and other obligations under the Facility Lease, SOF pledged all of its right, title and interest in and to the collateral described in and pursuant to that certain Security Agreement, dated as of December 1, 2002 (the "Security Agreement"), by and between the Borrower as secured party and SOF as debtor; and

WHEREAS, to secure its loan and other obligations under the Original Loan Agreement, Borrower mortgaged, pledged and collaterally assigned the Collateral (capitalized terms used but undefined herein shall have the meanings ascribed thereto in the Original Indenture) as security

therefor; and

WHEREAS, payment of the Prior Bonds is additionally supported by a bond insurance policy issued to the Trustee by ACA Financial Guaranty Corporation (the “Bond Insurer”); and

WHEREAS, pursuant to Section 9.01(h) of the Original Indenture, it may be modified or amended by an indenture supplemental thereto, entered into by the Authority and the Trustee, without the consent of Bondholders, but only with the written consent of the Bond Insurer and the Borrower, and subject to the conditions and restrictions in the Original Indenture to provide for the issuance of Additional Bonds; and

WHEREAS, Section 6.04 of the Original Indenture authorizes the amendment or modification of any Bond Document, including the Original Indenture, with the prior written consent of the Trustee if such amendment or modification will not adversely affect the interests of Holders of the Bonds or result in any impairment of the security given for the payment of the Bonds; and

WHEREAS, Section 2.03 of the Original Indenture authorizes the issuance of Additional Bonds pursuant to the terms thereof, including among other terms, (i) agreement by the Borrower and Authority to issue Additional Bonds, and (ii) written consent of the Bond Insurer and the District; and

WHEREAS, Borrower has requested that the Authority issue Additional Bonds under the Original Indenture to refund the Prior Bonds; and

WHEREAS, the Authority, after due review of the Borrower’s application and deliberation, has adopted a resolution approving the issuance of the Refunding Bonds as Additional Bonds under the Original Indenture to refinance the Project for the Borrower; and

WHEREAS, the Bond Insurer and the District have provided written consent to the issuance of the Refunding Bonds as Additional Bonds under the Original Indenture; and

WHEREAS, the Authority has authorized the issuance of its “Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A” (the “Series 2014A Bonds”), in the aggregate principal amount of \$13,730,000 and “Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable)” (the “Series 2014B Bonds” and together with the Series 2014A Bonds, the “Refunding Bonds”), in the aggregate principal amount of \$65,000 pursuant to this First Supplemental Indenture; and

WHEREAS, proceeds of the Refunding Bonds will be used to (i) refund the Prior Bonds, (ii) fund a portion of the Refunding Bonds Reserve Fund, and (iii) pay a portion of the Costs of Issuance associated with such Refunding Bonds; and

WHEREAS, proceeds of the Series 2014B Bonds will be used to pay a portion of the Costs of Issuance associated with the Refunding Bonds; and

WHEREAS, the Authority has authorized the execution and delivery of this First Supplemental Indenture to provide for the authentication and delivery of the Refunding Bonds,

to establish and declare the terms and conditions upon which the Refunding Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any and interest thereon; and

WHEREAS, the Authority is refinancing the Project by loaning the proceeds derived from the sale of the Refunding Bonds to the Borrower pursuant to the First Supplemental Loan Agreement, which requires the Borrower to make loan payments sufficient to pay the principal of, premium, if any, and interest on, the Refunding Bonds and related expenses; and

WHEREAS, the Borrower and the Trustee will consent to this First Supplemental Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Refunding Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this First Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this First Supplemental Indenture have been in all respects duly authorized; and

WHEREAS, Refunding Bonds issued under this First Supplemental Indenture will be secured by a pledge and assignment of certain rights under the First Supplemental Loan Agreement and the Collateral (as defined in the Deed of Trust); and

NOW, THEREFORE, the Original Indenture is hereby amended and supplemented by this First Supplemental Indenture as follows:

ARTICLE XIII

REFUNDING BONDS

Section 13.01. Definitions. Terms not defined in this First Supplemental Indenture shall have the meanings ascribed thereto in the Original Indenture. Unless the context otherwise requires, the terms defined in this Section 13.01 shall, for all purposes of the Indenture and of the Loan Agreement and of any indenture supplemental hereto or agreement supplemental thereto, have the meanings herein specified, as follows:

“Authorized Denomination” means with respect to the Refunding Bonds, \$250,000 or any integral multiple of \$5,000 in excess thereof. If the Outstanding principal amount of any Series of Refunding Bonds is less than the minimum stated herein, the Authorized Denomination for such Series shall equal its Outstanding principal amount.

“Bank” means Umpqua Bank, as initial purchaser of, or any subsequent Owner of, the Refunding Bonds.

“Refunding Bond Documents” means the Indenture, the Loan Agreement, the Inducement Agreement, the Deed of Trust, the Security Agreement, the Depository Agreement, the Purchase and Sale Agreement and the Facility Lease.

“Bond Year” means, with respect to the Refunding Bonds, each one-year period commencing on December 2 and ending on the following December 1, until final maturity of the Bonds, except that the first Bond Year shall commence on the Issue Date and end on December 1, 2015.

“Continuing Covenant Agreement” means that certain agreement entered into by and between the Borrower, SOF and the Bank dated the Refunding Bonds Issue Date.

“Dated Date” means with respect to the Refunding Bonds, the Refunding Bonds Issue Date.

“Default Rate” means the interest then applicable to the Refunding Bonds plus five percent.

“Determination of Taxability” means (i) a determination by the Commissioner or any District Director of the Internal Revenue Service, (ii) a private ruling or Technical Advice Memorandum issued by the National Office of the Internal Revenue Service, (iii) a determination by any court of competent jurisdiction, or (iv) receipt by the Trustee, at the request of the Bank, of an opinion of Bond Counsel to the effect that the interest on the Series 2014A Bonds is includable in gross income for federal income tax purposes of the Owners thereof or any former Owner thereof, other than an Owner who is a “substantial user” (within the meaning of Section 147(a) of the Code) of the Project or a “related person” (as defined in Section 147(a) of the Code); provided that no such Determination of Taxability under clause (i), (ii) or (iii) shall be deemed to have occurred if (a) the Borrower and the Bank have been afforded the opportunity to contest such determination, and (b) if the Borrower or the Bank has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (A) a final determination from which no appeal may be taken with respect to such determination, or (B) abandonment of such appeal by the Borrower or the Bank.

“Depository Agreement” means that Depository and Control Agreement dated as of December 1, 2002, as supplemented by the First Supplemental Depository and Control Agreement, dated as of November 1, 2014, each among the Trustee, acting as Depository Bank, the Trustee acting in its capacity as Trustee, the Borrower and SOF.

“Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances, chemical waste, materials or substances.

“First Supplemental Indenture” means the First Supplemental Indenture, dated as of November 1, 2014, by and between the Authority and the Trustee.

“First Supplemental Inducement Agreement” means that certain First Supplemental Inducement Agreement dated as of November 1, 2014 between the Authority and SOF.

“First Supplemental Loan Agreement” means the First Supplemental Loan Agreement, dated as of November 1, 2014, between the Authority and the Borrower.

“Governmental Obligation” means a bond, note or other evidence of indebtedness issued by the State or any agency or political subdivision of the State or any local agency, which is described by Sections 103 and 141-150 of the Code.

“Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Project or to persons on or about the Project or (ii) cause the Project to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Hazardous Waste Control Law (“HWCL”), Cal. Health & Safety Code §§ 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety Code §§ 25280 et seq.; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Project or the owners and/or occupants of property adjacent to or surrounding the Project, or any other person coming upon the Project or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

“Indenture” means the Original Indenture as supplemented and amended by the First Supplemental Indenture and as it may from time to time be supplemented, modified or amended by any supplemental indenture entered into pursuant to the provisions thereof.

“Inducement Agreement” means the Original Inducement Agreement as supplemented and amended by the First Supplemental Inducement Agreement and as it may from time to time be supplemented, modified or amended by any supplemental inducement agreement entered into pursuant to the provisions thereof.

“Investment Securities” means:

(1) Cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in subsection (2) of this definition).

(2) Direct obligations of (including obligations issued or held in book entry form on the books of the Department of Treasury) the United States of America.

(3) Obligations of the following federal agencies so long as such obligations are backed by the full faith and credit of the United States of America:

- (a) U.S. Export-Import Bank (Eximbank)
- (b) Rural Economic Community Development Administration
- (c) Federal Financing Bank
- (d) U.S. Maritime Administration
- (e) U.S. Department of Housing and Urban Development (PHAs)
- (f) General Services Administration
- (g) Small Business Administration
- (h) Government National Mortgage Association (GNMA)
- (i) Federal Housing Administration
- (j) Farm Credit System Financial Assistance Corporation

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- (a) Senior debt obligations rated in the highest long-term rating category by at least two nationally recognized rating agencies issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
- (b) Senior debt obligations of the Federal Home Loan Bank System.
- (c) Senior debt obligations of other Government Sponsored Agencies approved by the Bank.

(5) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks (including the Trustee, the Bank, their respective holding companies and their affiliates) which either (a) have a rating on their short-term certificates of deposit on the date of purchase in the highest short-term rating category of at least two nationally recognized rating agencies, (b) are insured at all times by the Federal Deposit Insurance Corporation, or (c) are collateralized with direct obligations of the United States of America at one hundred two percent (102%) valued daily. All such certificates must mature no more than three hundred sixty (360) days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank).

(6) Commercial paper which is rated at the time of purchase in the highest short-term rating category of at least two (2) nationally recognized Rating Agencies and which matures not more than two hundred seventy (270) days after the date of purchase.

(7) Investments in (a) money market funds subject to the Investment Company Act of 1940 (the “Investment Company Act”) and rated in the highest short-term rating category of at least two nationally recognized rating agencies and (b) public sector investment pools operated pursuant to the Investment Company Act in which the Issuer’s deposit shall not exceed 5% of the aggregate pool balance at any time and such pool is rated in one of the two highest short-term rating categories of at least two nationally recognized rating agencies, *provided*, the Trustee may conclusively rely on direction from the Borrower that any fund or pool qualifies under the Investment Company Act, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(8) Pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and,

(a) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest long-term rating category of at least two (2) nationally recognized rating agencies; or

(b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and

(ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(9) General obligations of states with a short-term rating in one of the two (2) highest rating categories and a long-term rating in one (1) of the two (2) highest rating categories of at least two (2) nationally recognized rating agencies. In the event such obligations are variable rate obligations, the interest rate on such obligations must be reset not less frequently than annually.

(10) Investment agreements approved in writing by the Bank.

(11) Other forms of investments (including repurchase agreements) approved in writing by the Bank.

(12) Certificates of deposit, demand deposits, time deposits, deposit accounts, money market accounts, or other similar banking arrangements or investments, issued or provided by the Bank or any affiliate of the Bank.

“Loan Agreement” means the Original Loan Agreement as supplemented and amended by the First Supplemental Loan Agreement and as it may from time to time be supplemented, modified or amended by any supplemental loan agreement entered into pursuant to the provisions thereof.

“Monthly Payment” means the amount specified in Exhibit C to this First Supplemental Indenture which shall be sufficient to pay the principal and interest due on each Payment Date.

“Original Indenture” means the Indenture of Trust, dated as of December 1, 2002, by and between the Authority and the Trustee.

“Original Inducement Agreement” means that certain Inducement Agreement dated as of December 1, 2002 between the Authority and SOF, as amended from time to time.

“Original Loan Agreement” means the Loan Agreement, dated as of December 1, 2002, by and between the Authority and the Borrower.

“Outstanding,” when used as of any particular time with reference to any series of Bonds, shall (subject to the provisions of Section 12.08(d)) mean all Bonds of such series theretofore authenticated and delivered by the Registrar under this Indenture except:

(a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Registrar pursuant to the terms of Section 13.03 or Section 2.08; and

(c) Bonds for the payment or redemption of which money or securities in the necessary amount (as provided in Article X) shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided herein or provision satisfactory to the Trustee shall have been made for the giving of such notice.

“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.

“Payment Date” means with respect to the Refunding Bonds, the first day of every month commencing January 1, 2015. Whenever the term “Interest Payment Date” is used in the Indenture, it shall be deemed to refer to a Payment Date with respect to the Refunding Bonds.

“Prior Bonds” means the Outstanding California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002A.

“Prior Bonds Reserve Fund” means the means the Reserve Fund as established pursuant to Section 5.04 of the Original Indenture.

“Qualified Institutional Buyer” means a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, as in effect as of the date hereof.

“Refunding Bonds” means the Series 2014A Bonds and the Series 2014B Bonds, collectively or individually, as the case may be. The Refunding Bonds constitute Additional Bonds under the Original Indenture.

“Refunding Bonds Costs of Issuance” means the fees of the Trustee, the Registrar and the Paying Agent; legal, underwriting, financial consulting, accounting and rating agency fees and expenses and printing and engraving costs incurred in connection with the authorization, sale and issuance of the Refunding Bonds, the execution of this First Supplemental Indenture and the preparation of all other documents in connection therewith; all fees, costs and expenses (including reasonable legal fees) incurred with respect to the preparation of this First Supplemental Indenture, the First Supplemental Loan Agreement, the Refunding Bonds and all other documents in connection therewith, and all other expenses which are “costs of issuance” within the meaning of Section 147 of the Code.

“Refunding Bonds Issue Date” means November 25, 2014.

“Refunding Bond Purchase Contract” means the Bond Purchase Contract, dated October 28, 2014, among the Authority, the Treasurer of the State, the Borrower and the Bank.

“Refunding Proceeds Fund” means the fund by that name established pursuant to Section 13.06 hereof.

“Refunding Bonds Reserve Fund” means the fund by that name created pursuant to Section 13.07 hereof.

“Repayment Installment” means any amount that the Borrower is required to pay directly to the Trustee pursuant to Section 11.5(b) of the Loan Agreement as a repayment of the loan made by the Authority under the Loan Agreement, which amount is determined in accordance with Section 11.5(a) thereof.

“Reserve Fund Reduction” means an amount calculated by the Bank (with notice to the Borrower and the Trustee) as of each November 1, commencing November 1, 2015, determined by dividing the then-existing Reserve Fund Requirement by the number of years remaining until final maturity of the Series 2014A Bonds. By means of example, on November 1, 2015 the number of years remaining to maturity will be nine (9), so the Reserve Fund Reduction will be an amount equal to the then-existing Reserve Fund Requirement divided by 9.

“Reserve Fund Requirement” means, as of any date of calculation, an amount equal to the lesser of (a) the lesser of (i) 10% of the proceeds of the sale of the Series 2014A Bonds, (ii) Adjusted Maximum Annual Debt Service on the 2014A Bonds, or (iii) 125% of average annual debt service on all 2014A Bonds then Outstanding, or (b) if approved by the Bank in writing to the Trustee, an amount equal to the previous Reserve Fund Requirement reduced by the Reserve Fund Reduction, but only if and as of the date Series 2014A Bonds are redeemed pursuant to Section 13.08(b)(iii).

“Revenues” means all rents, receipts, installment payments and other income derived by the Authority or paid to the Trustee with respect to the Bonds under the Loan Agreement, the Deed of Trust or otherwise in respect of the Project and any income or revenue derived from the investment of any money in any fund or account established pursuant to the Indenture (except the Rebate Fund), including all Repayment Installments and any other payments made by the Borrower with respect to the Bonds pursuant to the Loan Agreement; but such term shall not include payments to the Authority or the Trustee or other parties pursuant to Sections 6.3, 11.5(b)(iv), 11.5(b)(v), 11.5(b)(vi), 11.11 and 11.12 of the Loan Agreement or pursuant to any Section of the Inducement Agreement, and amounts on deposit in the Rebate Fund or payments made to the Trustee for deposit in the Rebate Fund.

“Series” or “series” means the Series 2014A Bonds or the Series 2014B Bonds, as applicable.

“Series 2014A Bonds” means the California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A issued hereunder.

“Series 2014B Bonds” means the California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable), issued hereunder.

“2014A Costs of Issuance Account” means the account which is established pursuant to Section 3.04 of the Original Indenture.

“2014B Costs of Issuance Account” means the account which is established pursuant to Section 3.04 of the Original Indenture.

Section 13.02. Authorization and Terms of the Refunding Bonds.

(a) General. Two series of Additional Bonds to be issued under this First Supplemental Indenture are hereby created and such Bonds are designated as the “California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds

(Sacramento Biosolids Project) Series 2014A” and the “California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable).” The aggregate principal amount of Series 2014A Bonds which may be issued and outstanding under this Indenture shall not exceed Thirteen Million Seven Hundred Thirty Thousand Dollars (\$13,730,000), exclusive of any Bonds executed and authenticated as provided in Section 2.08 of the Indenture. The aggregate principal amount of Series 2014B Bonds which may be issued and outstanding under this Indenture shall not exceed Sixty-Five Thousand Dollars (\$65,000), exclusive of any Bonds executed and authenticated as provided in Section 2.08 of the Indenture. The Refunding Bonds are secured on a parity under the Indenture and by the Trust Estate.

The Series 2014A Bonds shall be dated as of the Dated Date, shall mature on December 1, 2024 and bear interest at the rate of 3.265 percent per annum, except that after a Determination of Taxability, interest on the Series 2014A Bonds shall accrue at the rate of 4.035 percent per annum (the “Taxable Rate”). In addition, the Borrower shall make immediately, upon demand of the Bank, a payment to the Bank sufficient to reimburse the Bank and supplement prior interest payments on the Series 2014A Bonds so that the Bank will have received total interest at the Taxable Rate during the period the Series 2014A Bonds were subject to federal income tax. Furthermore, and notwithstanding any other provision of this Indenture, during the continuance of an Event of Default the Series 2014A Bonds shall accrue interest at the Default Rate.

The Series 2014B Bonds shall be dated as of the Dated Date, shall mature on January 1, 2015 and bear interest at the rate of 4.035 percent per annum.

The Refunding Bonds shall be in substantially the form set forth in Exhibit A hereto, and shall be subject to redemption as provided in Section 13.08.

(b) (i) Interest. The Refunding Bonds shall bear interest from their Dated Date, and shall continue to bear interest until the entire principal amount of the Refunding Bonds has been paid; provided, that if, as shown by the records of the Trustee, interest on the Refunding Bonds shall be in default, Refunding Bonds issued in exchange for Refunding Bonds surrendered for transfer or exchange shall bear interest from the last date to which interest has been paid in full or duly provided for on the Refunding Bonds. Interest shall be calculated on the basis of actual days elapsed over a year of 360 days.

(ii) Payments of Principal and Interest. Principal and interest on the Refunding Bonds shall be paid on each Payment Date pursuant to the schedule attached hereto as Exhibit C. Notwithstanding any other provision of the Indenture, the Borrower shall make payments of principal and interest directly to the Bank from payments received from the Depository Bank pursuant to the Depository Agreement. The Bank shall notify the Trustee if there is any default in the payment of principal or interest on the Refunding Bonds. In the absence of such notice, the Trustee may assume that payments have been made as required. If any Payment Date is not a Business Day, the scheduled payment shall be made on the next succeeding Business Day.

(c) Conditions for Issuance of the Refunding Bonds. The Trustee shall not authenticate and deliver the Refunding Bonds to the Bank until it has received:

(A) A written statement by an Authorized Borrower Representative approving (a) the issuance and delivery of the Refunding Bonds and (b) any other matters to be approved by the Borrower pursuant to Section 3.5 of the Original Loan Agreement and Section 2.03 of the Original Indenture;

(B) A certified Resolution of the Authority authorizing the execution and delivery of the First Supplemental Loan Agreement and First Supplemental Indenture;

(C) A Written Request of the Authority approved in writing by the Borrower requesting and authorizing the Trustee to authenticate and deliver such Refunding Bonds to the Bank upon payment to the Authority of a sum specified in such written request;

(D) An opinion of Bond Counsel to the effect that the issuance and sale of the Refunding Bonds will not result in interest on the Prior Bonds or any other series of Tax-exempt Bonds becoming includable in the gross income of the Holders thereof for federal income tax purposes;

(E) Written evidence that SOF will pay Base Rent (as defined in the Facility Lease) to provide the Borrower with at least sufficient funds, along with its other sources of funds, to make all of its Repayment Installments under the Loan Agreement, as supplemented for the issuance of the Refunding Bonds.;

(F) A written consent of the Bond Insurer, consenting to the issuance of such Refunding Bonds;

(G) A written consent of the District consenting to the issuance of the Refunding Bonds, and evidence that the District will make direct payments to the Depository Bank under the Depository Agreement, pursuant to Section XII.16 of the Service Contract, in an amount sufficient to pay the principal of and interest on all outstanding Bonds, including the Refunding Bonds; and

(H) A Purchaser Letter in the form attached hereto as Exhibit B.

(I) A description of the facilities to be refinanced from the proceeds of the Refunding Bonds attached to the Original Loan Agreement as Exhibit A.

Section 13.03. Restrictions on Transfer; Transfer Provisions. The Refunding Bonds may be issued only in physical certificated form registered to the Bank, and shall not be registered or listed with the CUSIP Bureau. Upon initial issuance, the ownership of such Refunding Bonds shall be registered in the books maintained for the registration and transfer of bonds by the Trustee pursuant to Section 2.06 of the Indenture.

Any Refunding Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.06 of the Indenture, by the Person in whose name it is registered, in person or by its duly authorized attorney, upon

surrender of such registered Refunding Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Transfer of a Refunding Bond shall not be permitted by the Trustee during the period Refunding Bonds are selected for redemption or after the Record Date prior to the next succeeding Interest Payment Date.

Whenever any Refunding Bond shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Refunding Bond for a like aggregate principal amount in Authorized Denominations. The Trustee shall require the Holder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Refunding Bonds and any services rendered or expenses incurred by the Trustee in connection with any such transfer shall be paid by the Borrower.

The Refunding Bonds may only be transferred by the Owner thereof to (x) an affiliate of such Owner, (y) a trust or custodial arrangement established by such Owner or one of its affiliates, the owners of the beneficial interests in which are limited to Qualified Institutional Buyers, or (z) to a Person that is a Qualified Institutional Buyer that has executed and delivered to the Trustee, the Authority and the Borrower a Purchaser Letter in the form of Exhibit B. The Persons identified in clauses (x), (y) and (z) of the foregoing sentence shall be referred to as the “Eligible Transferee(s)”. Notwithstanding the foregoing, if the principal amount of the Outstanding Refunding Bond of a Series is less than \$250,000, such Series of Refunding Bonds may not be transferred to any Eligible Transferee without the prior written consent of the Authority and the Borrower. The Owner shall provide written notice to the Authority of each transfer made pursuant to clauses (x) or (y). The Trustee can conclusively rely on the representations and certifications contained in the Purchaser Letter referenced above.

Section 13.04. Authentication and Delivery of the Refunding Bonds. Forthwith upon the execution and delivery of this First Supplemental Indenture, upon the execution of the Refunding Bonds by the Authority and delivery thereof to the Registrar, as hereinabove provided, and without any further action on the part of the Authority, the Registrar shall authenticate the Series 2014A Bonds in an aggregate principal amount not exceeding Thirteen Million Seven Hundred Thirty Thousand Dollars (\$13,730,000) and the Series 2014B Bonds in an aggregate principal amount not exceeding Sixty-Five Thousand Dollars (\$65,000), and shall deliver the Refunding Bonds to or upon the Written Order of the Authority.

Section 13.05. Application of Proceeds of the Refunding Bonds and Other Funds.

(a) The proceeds received by the Authority from the sale of the Series 2014A Bonds (the principal amount of \$13,730,000 shall be deposited with the Trustee, who shall forthwith set aside such proceeds as follows:

(i) The Trustee shall transfer the amount of \$314,806.40 to the Refunding Bonds Reserve Fund which the Trustee shall establish and hold in trust pursuant to Section 13.07;

(ii) The Trustee shall transfer the amount of \$170,193.60 to the 2014A Costs of Issuance Account of the Costs of Issuance Fund, which the Trustee shall establish and hold in trust pursuant to Section 3.04 of the Indenture; and

(iii) The Trustee shall transfer the amount of \$13,245,000 to the Refunding Proceeds Fund which the Trustee shall establish and maintain as further provided in Section 13.06 hereof.

(b) The proceeds received by the Authority from the sale of the Series 2014B Bonds (the principal amount of \$65,000 shall be deposited with the Trustee, who shall forthwith transfer such amount to the 2014B Costs of Issuance Account of the Costs of Issuance Fund, which the Trustee shall establish and hold in trust pursuant to Section 3.04 of the Indenture.

(c) The Trustee shall transfer \$1,058,193.60 from the Prior Bonds Reserve Fund to the Refunding Bonds Reserve Fund. The Trustee shall retain \$655,000 from the Prior Bonds Reserve Fund as repayment of a loan made by the Trustee to the Borrower.

Section 13.06. Refunding Proceeds Fund. The Trustee shall establish and hold in trust the “Refunding Proceeds Fund.” The Trustee shall forthwith transfer \$13,245,000 from the Refunding Proceeds Fund to the Redemption Account of the Bond Fund established under the Indenture for the purpose of paying the principal of the Prior Bonds upon the redemption thereof.

Section 13.07. Refunding Bonds Reserve Fund. The Trustee shall establish and maintain a separate fund designated as the “Refunding Bonds Reserve Fund.” The Refunding Bonds Reserve Fund shall be funded as provided in Section 13.05 hereof and shall be maintained in an amount equal to the Reserve Fund Requirement. Amounts in the Refunding Bonds Reserve Fund (including interest earnings thereon) shall be transferred to the Bank (i) if and to the extent necessary upon written direction from the Bank (with copy to the Borrower) to make up any shortfall in moneys required to be paid to the Bank on any Payment Date, or (ii) as directed by the Borrower (A) in order to make the final payments of principal of and interest on the Refunding Bonds in the Bond Year ending December 1, 2024, (B) to redeem Refunding Bonds pursuant to Section 13.08(b)(iii), or (C) to apply moneys to remit funds to the Borrower in the Refunding Bonds Reserve Fund to the extent amounts therein exceed the Reserve Fund Requirement.

Notwithstanding anything in this Section 13.07 to the contrary, in connection with a redemption of all of the Refunding Bonds pursuant to Section 13.08(b) of this Indenture, the Trustee shall liquidate the Refunding Bonds Reserve Fund and shall apply such funds to the redemption of such Refunding Bonds or otherwise apply such funds as may be permitted by an opinion of Bond Counsel delivered to the Authority and the Trustee.

The Trustee is hereby directed to invest the moneys in the Refunding Bonds Reserve Fund with the Bank in such Investment Securities as may be directed by the Borrower; provided, however, that the Investment Securities selected by the Borrower shall consist of only the types of investments normally offered by the Bank in the normal course of the Bank’s business. Interest earnings on the Refunding Bonds Reserve Fund shall be credited to such fund.

Section 13.08. Redemption of Refunding Bonds.

(a) General. The Refunding Bonds are subject to redemption if and to the extent the Borrower is entitled or required to make and makes a prepayment pursuant to Section 11.9 of the Loan Agreement.

(b) Redemption Provisions. The Refunding Bonds shall be redeemable upon the following terms:

(i) **Optional Redemption**

(A) The Series 2014B Bonds are not subject to redemption prior to maturity.

(B) The Series 2014A Bonds shall be subject to redemption prior to their stated maturity dates at the option of the Borrower exercised pursuant to Section 11.9(b) of the Loan Agreement in whole or in part on any date at a redemption price equal to the amount set forth in the table below, plus accrued interest to the redemption date, as set forth below.

<u>Redemption Period (both dates inclusive)</u>	<u>Redemption Prices</u>
December 1, 2014 through November 30, 2017	105%
December 1, 2017 through November 30, 2019	104
December 1, 2019 through November 30, 2021	103
December 1, 2021 through November 30, 2022	102
December 1, 2022 through November 30, 2023	101
December 1, 2023 and after	100

(ii) **Optional Redemption for Damage or Condemnation**

The Series 2014A Bonds shall be subject to redemption prior to their stated maturity date at the option of the Borrower exercised pursuant to Section 11.9(b) of the Loan Agreement from proceeds of insurance or condemnation, in whole or in part on any date at a redemption price

equal to the principal amount thereof, without premium, plus accrued interest to the redemption date.

(iii) Optional Redemption from Reserve Fund Reduction

The Series 2014A Bonds shall be subject to redemption prior to their stated maturity date at the option of the Borrower, with the written consent of the Bank, in part on December 1 of any year, in the amount of the Reserve Fund Reduction calculated on the previous November 1, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date.

(c) Selection of Series 2014A Bonds for Redemption; Partial Redemption. If less than all of the Series 2014A Bonds are called for redemption, the Bank shall upon payment of the redemption price make a notation on the Schedule of Partial Repayments attached to the Series 2014A Bond of the date and the amount of the Bond redeemed, without the need for exchange of any Bonds, which shall thereupon reduce the principal amount of the Bonds Outstanding, applying the reduction in principal in inverse order from the last payment due. The Authority and the Trustee shall be fully released and discharged from all liability to the extent of payment of the redemption price for such partial redemption. The Bank will also provide a revised Payment Schedule to the Borrower and the Trustee to replace Exhibit C to the Indenture.

(d) Notice of Redemption. Pursuant to Section 11.9(d) of the First Supplemental Loan Agreement, notice of redemption shall be given by the Borrower to the Authority, the Trustee and the Bank at least fifteen (15) days before the redemption date. Such notice shall also serve as notice of redemption under this Indenture. Such notice may state that such redemption shall be conditional upon the receipt by the Bank on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Series 2014A Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Bank shall not be required to redeem such Series 2014A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and notice of such action shall be given to the Trustee and the Bank.

(e) Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price being held by the Bank, the Series 2014A Bonds or portion thereof so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption specified in such notice, interest on the Series 2014A Bonds so called for redemption shall cease to accrue, said Series 2014A Bonds or portion thereof shall cease to be entitled to any lien, benefit or security under this Indenture, and the Holders of said Series 2014A Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. Such moneys shall be held uninvested.

All Refunding Bonds fully redeemed pursuant to the provisions of this Section 13.08 shall be cancelled upon surrender thereof and may be destroyed by the Trustee, which shall thereupon deliver to the Authority a certificate evidencing such destruction.

Section 13.09. Tax Covenants. The Authority, the Borrower and SOF covenant that they will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Series 2014A Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Authority, the Borrower and SOF each covenants and agrees that it will comply with the requirements of the Borrower Tax Certificate and the SOF Tax Certificate, respectively.

Without limiting the generality of the foregoing, the Borrower agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Series 2014A Bonds. The Authority and the Borrower specifically covenant to pay or cause to be paid to the United States at the times and in the amounts determined under Section 5.09 of the Indenture the Rebate Requirements, as described in the Borrower Tax Certificate. The Trustee agrees to comply with all Rebate Instructions of the Borrower given in accordance with the Borrower Tax Certificate. Capitalized terms used in this Section 13.09 not otherwise defined shall have the meaning set forth in the Tax Certificate.

Notwithstanding any provision of this Section 13.09 hereof and Section 5.09 of the Indenture, if the Borrower or SOF shall provide to the Authority and the Trustee an opinion of Bond Counsel to the effect that any action required under this Section 13.09 and Section 5.09 of the Indenture is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Series 2014A Bonds pursuant to Section 103 of the Code, the Authority and the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

Section 13.10. Investment of Moneys. The Trustee may act as principal or agent in the acquisition or disposition of investments. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder and under the Original Indenture other than the Rebate Fund. Subject to the limitations in Section 5.03 of the Original Indenture and Sections 13.08(a) and 13.08(e) hereof, any moneys in any of the funds and accounts to be established by the Trustee pursuant to the Indenture (except for amounts in the Rebate Fund and the Reserve Fund) shall be invested, upon the written instructions of the Borrower accompanied in each case by the information if any, required to enable the Trustee to comply with the provisions of Sections 8.11, made prior to noon California time on the Business Day prior to the day the investment is to be settled, by the Trustee, in Investment Securities. In the absence of such written instructions, the Trustee shall invest in Investment Securities described in clause (7) of the definition thereof, provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received written instructions specifying a specific money market fund or investment pool and, if no such written instructions are so received, the Trustee shall hold such moneys uninvested. Moneys in any fund or account shall be invested in Investment Securities with respect to which payments of principal thereof and interest thereon are scheduled or otherwise payable not later than the date on which it is estimated that such moneys will be required by the Trustee.

For the purpose of determining the amount in any fund, all Investment Securities and

Permitted Investments credited to such fund shall be valued as follows:

(1) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(2) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(3) As to certificates of deposit and bankers acceptances, the face amount thereof; and

(4) As to any investment not specified in subsection (1), (2) or (3) above at the lesser of (a) the original cost thereof (excluding any brokerage commissions and excluding any accrued interest) or (b) the par amount thereof.

Alternatively the value of the investments set forth in subparagraphs 1 through 2 under the definition of “value” may be determined by market value utilizing its pricing service as reflected on Trustee statements or any other manner consistent with industry standards.

Any interest, profit or loss on such investments shall be credited or charged to the respective funds or accounts from which such investments are made. The Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment, and the Trustee shall not be liable or responsible for any loss resulting from such sale or redemption of such investment.

The Authority covenants with the Holders of all Bonds at any time outstanding that it will make no use of the proceeds of any of the Bonds or any other funds which will cause any of the Bonds to be “federally guaranteed obligations” within the meaning of Section 149(b) of the Code. In the event that at any time the Authority is of the opinion (which opinion shall be based on advice from Bond Counsel) that for purposes of this paragraph it is necessary to modify the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee in writing, and the Trustee shall take the action set forth in such instructions. The Trustee may rely conclusively on such directions and upon the directions with respect to investments provided by the Borrower.

Notwithstanding anything in this Section 13.10 to the contrary, the Refunding Bonds Reserve Fund shall only be invested by the Trustee in Investment Securities that mature within sixty (60) months after the next succeeding Payment Date, unless the Investment Security is a repurchase agreement, investment agreement, guaranteed investment contract or funding agreement which permits the withdrawal of monies at par three business days prior to each Payment Date and for each Bond default.

The Authority (and the Borrower by its execution of the Loan Agreement) acknowledges

that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Authority and the Borrower specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Bank and the Borrower monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

The weighted average maturity of investments in the Reserve Fund at any time may not exceed seven years, unless the Investment Security is a repurchase agreement, investment agreement, guaranteed investment contract or funding agreement which permits the withdrawal of monies at par three business days prior to each Interest Payment Date and for each Bond default. The Trustee shall determine the value of the Reserve Fund investments semi-annually as of each December 1 and June 1, commencing June 1, 2015 (and monthly from the date of any deficiency until such deficiency is cured).

Section 13.11. Assignment to Trustee; Maintenance of Security.

(A) The Authority hereby transfers, assigns and sets over to the Trustee (1) all of the Revenues and (2) any and all rights and privileges it has under the Loan Agreement, except the Authority's right to receive payments with respect to expenses and indemnification or to enforce its rights under Sections 5.1, 6.3, 11.5(b)(iv)-(vii), 11.11 and 11.12 of the Loan Agreement, and excluding express rights of indemnification, inspection, receipt of notices, certificates and opinions, and consent, but including, without limitation, the right to collect and receive directly all of the Revenues and the right to hold and enforce any security interest and all of its right, title and interest in any other Bond Document, including the Collateral. 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 shall forthwith be paid by the Authority to the Trustee. The Trustee also shall take all steps, actions and proceedings required to be taken as provided in any Opinion of Counsel delivered to it, reasonably necessary to maintain in force for the benefit of the Holders of the Bonds the Trustee's rights in and priority to the following security granted to it for the payment of the Bonds: the Trustee's rights as assignee of the Revenues under the Loan Agreement and other rights of the Authority under the Refunding Bond Documents, and as beneficiary of any other rights to security which the Trustee may receive in the future.

(B) The Trustee may, in performing the obligations set out in Section 13.11(A) above, rely and shall be protected in acting or refraining from acting upon an annual certificate or Opinion of Counsel furnished by the Borrower pursuant to Section 5.8 of the Loan Agreement.

Section 13.12. Effective Date. This First Supplemental Indenture shall take effect on the Refunding Bonds Issue Date

Section 13.13. Effect of First Supplemental Indenture. This First Supplemental Indenture and all of the terms and provisions contained herein shall form part of the Original Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Original Indenture. The Original Indenture is ratified and confirmed by this First

Supplemental Indenture and shall continue in full force and effect in accordance with the terms and provisions hereof, and as amended and supplemented by this First Supplemental Indenture. If there shall be any conflict between the terms of this First Supplemental Indenture and the terms of the Original Indenture, the terms of this First Supplemental Indenture shall prevail.

Section 13.14. Ratification of Previous Actions. All previous actions taken by the Authority, the Borrower and the Trustee in conformance with this First Supplemental Indenture are hereby ratified and confirmed.

Section 13.15. Notices. All notices required to be given under this Supplemental Indenture shall be given in writing. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Authority, the Trustee, the Borrower or the District if the same shall be duly mailed by first-class mail, postage prepaid, addressed as follows:

To the Authority: California Pollution Control Financing Authority
915 Capitol Mall, Room 457
Sacramento, California 95814
Attn: Executive Director

To the Borrower: Sacramento Project Finance, Inc.
c/o Synagro Technologies, Inc.
435 William Court, Suite 100
Baltimore, MD 21220
Attn: Controller

To the District: Sacramento Regional County Sanitation District
10060 Goethe Road
Sacramento, CA 95827
Attn: Chief Financial Officer

with copy to: Office of the County Counsel
County of Sacramento
700 H Street
Sacramento, CA 95814
Attn: John Dodds

To the Trustee: The Bank of New York Mellon Trust
Company, N.A.
400 S. Hope Street, Suite 400
Los Angeles, CA 90071
Attn: Johanna Tokunaga

To the Bank: Umpqua Bank
2998 Douglas Blvd., Suite 100
Roseville, CA 95661
Attn: Melody Stricklin

The Authority, the District, the Trustee, the Bank and the Borrower may, by notice given hereunder, designate any further or different addresses or fax numbers to which subsequent notices, certificates or other communications shall be sent. Unless specifically otherwise required by the context of this Indenture, any notices required to be given hereunder to the District, the Trustee, the Authority, the Borrower or the Registrar may be given to a party requesting the same by any form of electronic transmission capable of producing a written record. Each such party may file with the Trustee information appropriate to receiving such form of electronic transmission. A duplicate copy of each notice, certificate or other communication given hereunder by the Authority, the Trustee, the Borrower, or the District shall also be given to each of such parties.

Section 13.16. Insurer Provisions. Notwithstanding any other provision hereof or in the Original Indenture, the Original Loan Agreement or the Deed of Trust, the Bond Insurance Policies for the Prior Bonds may be cancelled and all references thereto, including Article XI of the Original Indenture and all other references to the Bond Insurer in the Original Indenture, the Original Loan Agreement and the Deed of Trust, may be disregarded pursuant to the Consent Letter of the Bond Insurer.

Section 13.17. Consent to First Supplemental Indenture. Notwithstanding any other provision hereof, (i) the Bond Insurer consents to this First Supplemental Indenture pursuant to the Consent Letter of the Bond Insurer and (ii) the Trustee and the Borrower by their execution hereof consent to this First Supplemental Indenture.

Section 13.18. Severability of Invalid Provisions. If any one or more of the provisions contained in this First Supplemental Indenture shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this First Supplemental Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this First Supplemental Indenture, and this First Supplemental Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this First Supplemental Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Refunding Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this First Supplemental Indenture may be held illegal, invalid or unenforceable.

Section 13.19. Governing Law; Venue. Section 12.06 of the Original Indenture is hereby deleted and replaced by this Section 13.19. The Indenture shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State. The Indenture shall be enforceable in the State, and any action arising out of the Indenture shall be filed and maintained in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement.

Section 13.20. Reference to and Effect on the Indenture and Loan Agreement.

(a) Upon the effectiveness of this Supplement, each reference in the Indenture to the “Indenture,” “hereunder,” “hereof,” “herein” or words of like import referring to the Indenture shall mean and be a reference to the Indenture as supplemented hereby.

(b) Except as specifically amended by this First Supplemental Indenture, the Indenture, the Loan Agreement and all other documents delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed by the Trustee and the Authority.

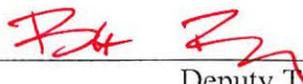
(c) Except as otherwise provided herein, the execution, delivery and effectiveness of this First Supplement Indenture shall not operate as a waiver of any right, power or remedy of Authority under any provision of the Indenture, as supplemented or the Loan Agreement nor constitute a waiver of any provision of any of such documents.

Section 13.21. Execution in Several Counterparts. This First Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY has caused this First Supplemental Indenture to be signed in its name and its seal to be hereunto affixed by its authorized officers and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this First Supplemental Indenture to be signed in its corporate name by one of the officers thereunto duly authorized all as of the day and year first above written.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By Bill Lockyer, Chairman

By  _____
Deputy Treasurer
For State Treasurer Bill Lockyer



ATTEST:

 _____
Executive Director

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.

By 
Authorized Signatory

CONSENT GRANTED:

SACRAMENTO PROJECT FINANCE INC.

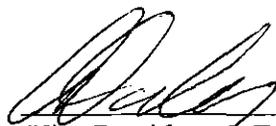
By: 
Title: Vice President & Treasurer

EXHIBIT A

FORM OF REFUNDING BOND

No. RA-___/RB-___

\$_____

THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH SECTION 13.03 OF THE INDENTURE AND AS PROVIDED HEREIN

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
SOLID WASTE DISPOSAL REFUNDING REVENUE BONDS
(SACRAMENTO BIOSOLIDS PROJECT)
SERIES 2014[A]/[B] [(TAXABLE)]

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	:
%	_____ 1, 20__	November 25, 2014	

Registered Owner: UMPQUA BANK

Principal Amount:

The CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Trust Estate, including the Revenues, each as hereinafter provided) on the maturity date set forth above to the registered owner identified above or registered assigns, the principal sum set forth above, [less any partial redemptions reflected in the "Schedule of Partial Redemptions" attached hereto][2014A only], and to pay (but only out of the Trust Estate, including the Revenues, each as hereinafter provided) interest on the balance of said principal amount from time to time remaining unpaid from and including the date hereof (as herein provided) until payment of said principal amount has been made or duly provided for, at the interest rate set forth above, and to pay (but only out of the source hereinafter provided) interest on overdue principal and, to the extent permitted by law, on overdue interest at the rate borne by this Bond, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, the principal of and premium, if any, on this Bond being payable at final maturity or redemption in lawful money of the United

States of America at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee, or its successor in trust (the “Trustee”) or such other place as designated by the Trustee. The Bonds shall bear interest from their Dated Date. Principal and interest payments on this Bond shall be made by with respect to the Bonds (as hereinafter defined), on the first day of each month, commencing January 1, 2015 (a “Payment Date”) according to the Payment Schedule attached as Exhibit C to the First Supplemental Indenture, which is incorporated herein, to the registered owner hereof as of the Record Date (as defined in the Indenture), and shall be paid by bank check mailed on the Payment Date to such Holder’s address as it appears on the registration books of the Registrar or at such other address as has been furnished to the Registrar in writing by such Holder; except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Payment Date, such defaulted interest shall be paid to the Holders in whose name any such Bonds are registered at the close of business on the Business Day next preceding the date of payment of such defaulted interest. Interest on the Bonds shall be computed upon the basis of actual days elapsed in a 360-day year. If any Payment Date is not a Business Day, the scheduled payment shall be made on the next Business Day. Notwithstanding the foregoing, the Borrower shall make monthly payments of principal and interest on the Bonds directly to the registered owner thereof.

No member or officer of the Authority, nor any person executing this Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of the Bonds.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the “California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014[A]/[B] [(Taxable)]” (the “Bonds”), limited in aggregate principal amount as provided in, and issued under and secured by, an Indenture of Trust, dated as of December 1, 2002, as amended and supplemented by a First Supplemental Indenture, dated as of November 1, 2014 (collectively, the “Indenture”), between the Authority and the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder, to all of the provisions of which Indenture the holder of this Bond, by acceptance hereof, assents and agrees. All terms not defined herein shall have the meanings ascribed thereto in the Indenture.

The Bonds are authorized to be issued pursuant to the provisions of Division 27 of the California Health and Safety Code, as amended and supplemented to the date hereof (herein called the “Act”). The Bonds are limited obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from, and secured by a pledge of and lien on, the Trust Estate, including the Revenues (as such terms are defined in the Indenture). Proceeds from the sale of the Bonds are to be loaned by the Authority to Sacramento Project Finance, Inc. (the “Borrower”) under the terms of a Loan Agreement, dated as of December 1, 2002, as amended and supplemented by a First Supplemental Loan Agreement, dated as of November 1, 2014 (the “Agreement”), between the Authority and the Borrower. The Bonds are all issued under and secured by and entitled to the benefits of the Indenture, including the security of a pledge and assignment of the Trust Estate, including certain Revenues and receipts derived by the Authority pursuant to the Agreement, and all receipts of the Trustee credited under the provisions of the

Indenture against such payments and from any other moneys held by the Trustee under the Indenture for such purpose, and there shall be no other recourse against the Authority or any property now or hereafter owned by it.

Simultaneously with the issuance of this Bond, the Authority is also issuing its “California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014[A]/[B] [(Taxable)]” to fund a portion of the loan by the Authority to the Borrower under the Agreement.

The Indenture contains provisions permitting the Authority and the Trustee, with the consent of the holders of not less than 66-2/3% in aggregate principal amount of Bonds materially affected thereby at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (1) extend the fixed maturity of this Bond or reduce the rate of interest hereon or extend the time of payment of interest, or reduce the amount of the principal hereof, or reduce any premium payable on the redemption hereof, without the consent of the Holder hereof, or (2) reduce the aforesaid percentage of Holders of Bonds whose consent is required for the execution of such supplemental indentures, or extend the time of payment, or permit the creation of any lien on the Revenues prior to or on a parity with the lien of the Indenture, or permit the creation of any preference of any Bondholder over any other Bondholder or deprive the holders of the Bonds of the lien created by the Indenture upon the Revenues, without the consent of the holders of all Bonds then outstanding.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$250,000 or any integral multiple of \$5,000 in excess thereof (herein “Authorized Denominations”). Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged at the Principal Office of the Registrar or such other place as designated by the Registrar for a like aggregate principal amount of Bonds of other Authorized Denominations.

This Bond is transferable by the registered owner hereof, in person, or by its attorney duly authorized in writing, at the Principal Office of the Trustee, as registrar, located in Los Angeles, California, or such other place as designated by the Trustee, as registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, in an Authorized Denomination, for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

[2014B only] The Bonds are not subject to redemption prior to maturity.

[2014A only - Start] The Bonds are subject to redemption prior to their stated maturity at the option of the Borrower, in whole or in part on any date at a redemption price equal to the amount set forth in the table below, plus accrued interest to the redemption date as set forth below.

Redemption Period (both dates inclusive)	Redemption Prices
December 1, 2014 through November 30, 2017	105%
December 1, 2017 through November 30, 2019	104
December 1, 2019 through November 30, 2021	103
December 1, 2021 through November 30, 2022	102
December 1, 2022 through November 30, 2023	101
December 1, 2023 and after	100

The Bonds are subject to redemption prior to their stated maturity date at the option of the Borrower from proceeds of insurance or condemnation, in whole or in part on any date at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date.

The Bonds are subject to redemption prior to their stated maturity date at the option of the Borrower, with the written consent of the Bank, in part on December 1 of any year, in the amount of the Reserve Fund Reduction calculated on the previous November 1, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date.

If less than all of the Bonds are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the Indenture. Any Bond subject to redemption not tendered on the scheduled redemption date shall no longer be outstanding and shall cease to accrue interest from and after the redemption date, and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Notice of redemption shall be given by the Borrower to the Authority, the Trustee and the Bank at least fifteen (15) days before the redemption date. **[2014A only - End]**

No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future member, director, officer, employee or agent of the Authority, or through the Authority, or any successor to the Authority, under any rule of law or equity, statute or constitution or by the enforcement of any

assessment or penalty or otherwise, and all such liability of any such member, director, officer, employee or agent as such is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of any of the Bonds.

The holder of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default (as defined in the Indenture) under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. If an Event of Default occurs and is continuing, the principal of all Bonds then outstanding issued under the Indenture may become due and payable upon the conditions and in the manner and with the effect provided in the Indenture.

The Authority, the Trustee and any agent of the Authority or the Trustee may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond is overdue, and neither the Authority, the Trustee, any paying agent nor any such agent shall be affected by notice to the contrary.

The Indenture prescribes the manner in which it may be discharged and after which the Bonds shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of payment of the principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable, including a provision that under certain circumstances the Bonds shall be deemed to be paid if certain securities, as defined therein, maturing as to principal and interest in such amounts and at such times as to insure the availability of sufficient moneys to pay the principal of, redemption premium, if any, and interest on the Bonds and all necessary and proper fees, compensation and expenses of the Trustee shall have been deposited with the Trustee.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee, as registrar.

IN WITNESS WHEREOF, the California Pollution Control Financing Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chairman, all as of the above date.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: _____
Chairman

[SEAL]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: November 25, 2014

This is one of the Bonds described in the within mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Trustee

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and do(es) hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Taxpayer ID No. _____ or Social Security No, _____

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

FORM OF PURCHASER LETTER

The Honorable Bill Lockyer
Treasurer of the State of California
915 Capitol Mall, Room 261
Sacramento, California 95814

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

Sacramento Project Finance, Inc.
c/o Synagro Technologies, Inc.
435 William Court, Suite 100
Baltimore, Maryland 21220

Re: California Pollution Control Financing Authority
Solid Waste Disposal Refunding Revenue Bonds
(Sacramento Biosolids Project) Series 2014A and Series 2014B (Taxable)

Ladies and Gentlemen:

The undersigned purchaser (the "Purchaser") of the above-referenced bonds (the "Refunding Bonds") hereby acknowledges receipt of the Refunding Bonds in fully registered form and in the aggregate principal amount of \$13,795,000, constituting all of the full face amount of the Refunding Bonds. The Refunding Bonds have been checked, inspected and approved by the Purchaser. This letter is being provided pursuant to an Indenture (the "Indenture"), dated as of December 1, 2002, as amended and supplemented by a First Supplemental Indenture, dated as of November 1, 2014, between the California Pollution Control Financing Authority (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company (the "Trustee") and a Bond Purchase Contract dated October 22, 2014 by and among the undersigned, the Issuer, the Treasurer of the State of California, as agent for sale, Umpqua Bank and Sacramento Project Finance, Inc. (the "Purchase Contract").

The undersigned acknowledges that the Refunding Bonds were issued for the purpose of assisting in the refinancing of the purchase of a biosolids processing and disposal facility located in Sacramento County, as more particularly described in that certain Loan Agreement, dated as of December 1, 2002, as amended and supplemented by a First Supplemental Loan Agreement, dated as of November 1, 2014 (the "Loan Agreement"), between the Issuer and Sacramento Project Finance, Inc. (the "Borrower"), as duly amended or supplemented from time to time in

accordance with its terms. The undersigned further acknowledges that the Refunding Bonds are secured by the Indenture, which creates a security interest in the Trust Estate, including the Revenues pledged under the Indenture for the benefit of the holders and owners of the Refunding Bonds. The Inducement Agreement, the Deed of Trust, the Security Agreement, the Depository Agreement, the Facility Lease (as defined in the Indenture), together with the Indenture, the Loan Agreement and the Purchase Contract are herein collectively referred to as the “Bond Documents.”

In connection with the purchase of the Refunding Bonds, the Purchaser hereby makes the following representations upon which representations you may rely:

1. The Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”).

2. The Purchaser has been provided, and has read and understood the Bond Documents.

3. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bond Documents and the Refunding Bonds. The Purchaser is able to bear the economic risks of such investment.

4. The Purchaser understands that the obligations of the Issuer to make payments under the Refunding Bonds are special, limited obligations payable solely from amounts paid to Issuer from Borrower pursuant to the terms of the Loan Agreement, the Indenture and the Refunding Bonds and that notwithstanding anything to the contrary contained therein, the Issuer shall not be obligated to use any other moneys or assets of the Issuer to pay any portion of the costs of the Project, the Costs of Issuance or make any other payment or advance any moneys or be liable for any other costs or expenses in connection with the Project, the Costs of Issuance, the Refunding Bonds or the Bond Documents, except from the Trust Estate, including the Revenues pledged under the Indenture, and no such payment shall constitute a charge against the general credit of Issuer. The Purchaser further understands that Issuer shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of Issuer to pay the Refunding Bonds or any portion of the costs of the Project, the Costs of Issuance or for all or any portion of such other costs or expenses.

5. The Purchaser acknowledges that it has either been supplied with, or has been given access to, information, including financial statements and other financial information which it has requested from Borrower in order to make an informed investment decision, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning Borrower, the Project, the Bond Documents, the Refunding Bonds and the security therefore, so that it has been able to make an informed investment decision. No information requested by the Purchaser was denied to the Purchaser. The Purchaser acknowledges that it has not relied upon the Issuer or its members, employees, officers or agents as to the accuracy or completeness of any information provided to the Purchaser by the Borrower concerning the Borrower, the Project, the Bond Documents, the Refunding Bonds and the security therefore.

6. The Purchaser has made its own inquiry and analysis with respect to the Bond Documents and the Refunding Bonds and the security therefore, and other material factors affecting the security and payment of such payments set forth in the Bond Documents and the tax exemption of the Refunding Bonds. The Purchaser is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Refunding Bonds. The Purchaser has examined drafts in final form of the basic legal documents relating to the Bond Documents, including the Tax Certificate and the proposed legal opinions to be delivered by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer, and Archer Norris, PLC, as Borrower's Counsel.

7. The Purchaser understands that no official statement, offering statement, prospectus, offering circular or other comprehensive offering statement with respect to the Refunding Bonds has been or will be prepared or provided.

8. The Purchaser is acquiring the Refunding Bonds solely for its own account for investment purposes and not with a view to resale, intends to hold the Refunding Bonds for an indefinite period of time, does not presently intend to make a distribution of, or to offer for sale, pledge, transfer, convey or dispose of the Refunding Bonds or any interest therein, except for the sale of the Refunding Bonds, in whole, to an Affiliate of the Purchaser or a Qualified Institutional Buyer in Authorized Denominations in accordance with the terms of the Indenture. The Purchaser further represents that in the event the Purchaser sells, transfers or assigns the Refunding Bonds to a Qualified Institutional Buyer, such sale, transfer or assignment may only be made to a Qualified Institutional Buyer. The Purchaser acknowledges that any sale of the Refunding Bonds in violation of the transfer requirements set forth in the Indenture will be null and void.

9. The Purchaser acknowledges that the Refunding Bonds have not been and will not be registered under the 1933 Act or under any state securities laws and that such registration is not legally required. The Purchaser further acknowledges: (i) that the Purchaser is solely responsible for such compliance and agrees that the Purchaser will comply with any applicable state and federal securities laws then in effect with respect to any subsequent disposition of the Refunding Bonds contemplated by, and in accordance with, paragraph (8) above, including laws relating to disclosure of material information, (ii) that any current exemptions from registration of the Refunding Bonds do not affect or diminish the requirement set forth in this paragraph (9); and (iii) that neither the Issuer nor the Borrower has agreed, or is obligated in any fashion, to supply any information or otherwise participate in any fashion in any such subsequent disposition of the Refunding Bonds.

10. The Purchaser acknowledges that the Purchaser has been informed that the Refunding Bonds: (i) have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction; (ii) will not be listed on any stock or other securities exchange; (iii) have not been assigned a rating by any national securities rating agency; and (iv) may not be readily marketable.

11. The Purchaser acknowledges that the Purchaser is responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws the Purchaser may have with respect to the

subsequent sale of the Refunding Bonds in accordance with the Indenture, if and when any such future sale of the Refunding Bonds may occur.

12. The Purchaser acknowledges that the Purchaser is aware that neither the Issuer nor its members, staff, counsel, financial advisors or agents nor any other individuals have made any independent investigation with respect to the sufficiency of the revenues of the Borrower to pay amounts owed with respect to the Refunding Bonds.

13. The Purchaser acknowledges that, (i) as between the Purchaser and the Issuer and (ii) as between the Purchaser and the Borrower, the Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Refunding Bonds. The Purchaser acknowledges that the Purchaser has not relied upon the Issuer for any information in connection with the Purchaser's purchase of the Refunding Bonds.

14. The Purchaser has the authority to purchase the Refunding Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with its purchase of the Refunding Bonds. The undersigned is a duly appointed, qualified, and acting representative of the Purchaser, is authorized to make the certifications, representations and warranties contained herein on behalf of the Purchaser and is authorized to execute and deliver this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Refunding Bonds.

15. The Purchaser agrees to indemnify and hold harmless the Issuer and the Treasurer of the State of California (the "Treasurer") and their respective members, employees, officers and agents, with respect to any claim asserted against any of them that is based upon the Purchaser's sale, transfer or other disposition in violation of the provisions hereof or of the Indenture or any inaccuracy in any statements made by us in this letter, other than any claim that is based upon the gross negligence or willful misconduct of Issuer or Treasurer.

16. The undersigned hereby waives any and all claims, actions, or causes of action which the undersigned may have from and after the date hereof against the Issuer or Treasurer or their respective members, officers, agents, and employees growing out of any action which the Issuer or Treasurer took or could have taken in connection with the authorization, execution, delivery, and sale of the Refunding Bonds or the purchase thereof by the Purchaser or in connection with any statements or representations which induced the Purchaser to purchase the Refunding Bonds.

17. The Purchaser has executed and delivered this letter in connection with the execution and delivery of the Bond Documents as an inducement to the Issuer to cause the execution and delivery of the Bond Documents. Only the addressees hereof may rely upon this letter.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

[PURCHASER]

By _____
Name _____
Title _____

EXHIBIT C
PAYMENT SCHEDULE

DETAILED BOND DEBT SERVICE

California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Facility Project) Series 2014A and Series 2014B (Taxable)

Tax-Exempt Term Bond (T E)

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
01/01/2015	14,269.59	46,073.68	60,343.27	
02/01/2015	87,050.68	38,562.16	125,612.84	
03/01/2015	91,003.56	34,609.28	125,612.84	
04/01/2015	87,551.28	38,061.55	125,612.83	
05/01/2015	89,017.29	36,595.55	125,612.84	
06/01/2015	88,047.71	37,565.13	125,612.84	
07/01/2015	89,499.05	36,113.78	125,612.83	
08/01/2015	88,546.89	37,065.95	125,612.84	
09/01/2015	88,795.84	36,817.00	125,612.84	
10/01/2015	90,225.09	35,387.75	125,612.84	
11/01/2015	89,299.16	36,313.67	125,612.83	
12/01/2015	90,713.54	34,899.30	125,612.84	1,442,084.48
01/01/2016	89,805.27	35,807.56	125,612.83	
02/01/2016	90,057.76	35,555.07	125,612.83	
03/01/2016	92,588.50	33,024.33	125,612.83	
04/01/2016	90,571.28	35,041.56	125,612.84	
05/01/2016	91,948.08	33,664.76	125,612.84	
06/01/2016	91,084.44	34,528.40	125,612.84	
07/01/2016	92,446.08	33,166.75	125,612.83	
08/01/2016	91,600.44	34,012.40	125,612.84	
09/01/2016	91,857.98	33,754.86	125,612.84	
10/01/2016	93,196.77	32,416.06	125,612.83	
11/01/2016	92,378.26	33,234.57	125,612.83	
12/01/2016	93,701.69	31,911.15	125,612.84	1,507,354.02
01/01/2017	92,901.43	32,711.41	125,612.84	
02/01/2017	93,162.63	32,450.21	125,612.84	
03/01/2017	96,539.55	29,073.29	125,612.84	
04/01/2017	93,695.98	31,916.86	125,612.84	
05/01/2017	94,980.49	30,632.35	125,612.84	
06/01/2017	94,226.45	31,386.39	125,612.84	
07/01/2017	95,495.29	30,117.55	125,612.84	
08/01/2017	94,759.86	30,852.98	125,612.84	
09/01/2017	95,026.28	30,586.56	125,612.84	
10/01/2017	96,271.49	29,341.35	125,612.84	
11/01/2017	95,564.12	30,048.72	125,612.84	
12/01/2017	96,793.44	28,819.39	125,612.83	1,507,354.07
01/01/2018	96,104.93	29,507.90	125,612.83	
02/01/2018	96,375.14	29,237.70	125,612.84	
03/01/2018	99,449.33	26,163.51	125,612.84	
04/01/2018	96,925.70	28,687.14	125,612.84	
05/01/2018	98,114.81	27,498.02	125,612.83	

DETAILED BOND DEBT SERVICE

California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Facility Project) Series 2014A and Series 2014B (Taxable)

Tax-Exempt Term Bond (T E)

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
06/01/2018	97,474.06	28,138.77	125,612.83	
07/01/2018	98,646.98	26,965.86	125,612.84	
08/01/2018	98,025.46	27,587.37	125,612.83	
09/01/2018	98,301.06	27,311.77	125,612.83	
10/01/2018	99,449.55	26,163.29	125,612.84	
11/01/2018	98,857.05	26,755.79	125,612.84	
12/01/2018	99,989.11	25,623.73	125,612.84	1,507,354.03
01/01/2019	99,416.11	26,196.73	125,612.84	
02/01/2019	99,695.62	25,917.22	125,612.84	
03/01/2019	102,456.91	23,155.93	125,612.84	
04/01/2019	100,263.98	25,348.86	125,612.84	
05/01/2019	101,354.48	24,258.35	125,612.83	
06/01/2019	100,830.83	24,782.00	125,612.83	
07/01/2019	101,904.60	23,708.24	125,612.84	
08/01/2019	101,400.83	24,212.01	125,612.84	
09/01/2019	101,685.92	23,926.92	125,612.84	
10/01/2019	102,734.43	22,878.41	125,612.84	
11/01/2019	102,260.65	23,352.18	125,612.83	
12/01/2019	103,292.18	22,320.65	125,612.83	1,507,354.04
01/01/2020	102,838.57	22,774.27	125,612.84	
02/01/2020	103,127.70	22,485.13	125,612.83	
03/01/2020	104,849.60	20,763.24	125,612.84	
04/01/2020	103,712.44	21,900.40	125,612.84	
05/01/2020	104,701.09	20,911.75	125,612.84	
06/01/2020	104,298.40	21,314.44	125,612.84	
07/01/2020	105,269.74	20,343.10	125,612.84	
08/01/2020	104,887.61	20,725.23	125,612.84	
09/01/2020	105,182.50	20,430.34	125,612.84	
10/01/2020	106,127.73	19,485.11	125,612.84	
11/01/2020	105,776.60	19,836.23	125,612.83	
12/01/2020	106,704.28	18,908.55	125,612.83	1,507,354.05
01/01/2021	106,374.00	19,238.84	125,612.84	
02/01/2021	106,673.07	18,939.76	125,612.83	
03/01/2021	108,776.84	16,835.99	125,612.83	
04/01/2021	107,278.82	18,334.02	125,612.84	
05/01/2021	108,162.12	17,450.71	125,612.83	
06/01/2021	107,884.54	17,728.30	125,612.84	
07/01/2021	108,749.95	16,862.89	125,612.84	
08/01/2021	108,493.61	17,119.23	125,612.84	
09/01/2021	108,798.64	16,814.20	125,612.84	
10/01/2021	109,637.06	15,975.78	125,612.84	

DETAILED BOND DEBT SERVICE

California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Facility Project) Series 2014A and Series 2014B (Taxable)

Tax-Exempt Term Bond (T E)

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
11/01/2021	109,412.78	16,200.06	125,612.84	
12/01/2021	110,233.06	15,379.78	125,612.84	1,507,354.05
01/01/2022	110,030.32	15,582.52	125,612.84	
02/01/2022	110,339.67	15,273.16	125,612.83	
03/01/2022	112,097.92	13,514.91	125,612.83	
04/01/2022	110,965.06	14,647.77	125,612.83	
05/01/2022	111,739.49	13,873.35	125,612.84	
06/01/2022	111,591.20	14,021.63	125,612.83	
07/01/2022	112,347.14	13,265.70	125,612.84	
08/01/2022	112,220.81	13,392.03	125,612.84	
09/01/2022	112,536.32	13,076.51	125,612.83	
10/01/2022	113,264.34	12,348.50	125,612.84	
11/01/2022	113,171.17	12,441.67	125,612.84	
12/01/2022	113,880.43	11,732.40	125,612.83	1,507,354.02
01/01/2023	113,809.53	11,803.31	125,612.84	
02/01/2023	114,129.51	11,483.33	125,612.84	
03/01/2023	115,530.62	10,082.21	125,612.83	
04/01/2023	114,775.21	10,837.63	125,612.84	
05/01/2023	115,437.09	10,175.75	125,612.84	
06/01/2023	115,422.45	10,190.38	125,612.83	
07/01/2023	116,065.22	9,547.62	125,612.84	
08/01/2023	116,073.29	9,539.55	125,612.84	
09/01/2023	116,399.63	9,213.21	125,612.84	
10/01/2023	117,013.53	8,599.30	125,612.83	
11/01/2023	117,055.88	8,556.96	125,612.84	
12/01/2023	117,650.40	7,962.44	125,612.84	1,507,354.05
01/01/2024	117,715.76	7,897.08	125,612.84	
02/01/2024	118,046.72	7,566.11	125,612.83	
03/01/2024	118,845.34	6,767.50	125,612.84	
04/01/2024	118,712.75	6,900.09	125,612.84	
05/01/2024	119,258.33	6,354.50	125,612.83	
06/01/2024	119,381.81	6,231.02	125,612.83	
07/01/2024	119,907.63	5,705.20	125,612.83	
08/01/2024	120,054.58	5,558.25	125,612.83	
09/01/2024	120,392.12	5,220.72	125,612.84	
10/01/2024	120,888.10	4,724.74	125,612.84	
11/01/2024	121,070.49	4,542.35	125,612.84	
12/01/2024	1,494,546.43	4,066.41	1,498,612.84	2,880,354.03
	13,730,000.00	2,651,270.84	16,381,270.84	16,381,270.84

DETAILED BOND DEBT SERVICE

California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Facility Project) Series 2014A and Series 2014B (Taxable)

Taxable Term Bond (TAX)

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
01/01/2015 12/01/2015	65,000	269.56	65,269.56	65,269.56
	65,000	269.56	65,269.56	65,269.56

CERTIFICATE OF THE EXECUTIVE DIRECTOR
(Attesting to Action of the Authority)
Sacramento, California

I, Reneé Webster-Hawkins, Executive Director of the California Pollution Control Financing Authority, hereby certify that the foregoing is a full, true and correct copy of an FINAL BOND RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY RELATING TO REFINANCING OF SOLID WASTE DISPOSAL FACILITIES AND EQUIPMENT FOR SACRAMENTO PROJECT FINANCE, INC. AND/OR ITS AFFILIATES duly adopted at a meeting of the California Pollution Control Financing Authority held in the Fifth Floor Conference Room, 915 Capitol Mall, Room 587, Sacramento, California 95814, on October 21, 2014 for which meeting all of the members of said Authority had due notice and that at the meeting the Resolution was adopted by the following votes:

AYES: Michael Paparian for Bill Lockyer, State Treasurer
Alan Gordon for John Chiang, State Controller
Eraina Ortega for Michael Cohen, Director of Finance

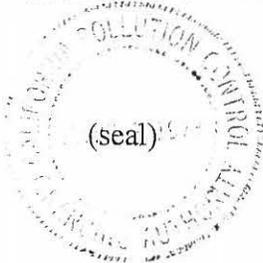
NOES: None

ABSTAINS: None

ABSENT: None

I further certify that the original minutes of that meeting and a copy of the original Resolution adopted at said meeting are on file in the California Pollution Control Financing Authority office and that the Resolution has not been amended, modified, or rescinded in any manner since the date of adoption and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the California Pollution Control Financing Authority hereto.



October 27, 2014

A handwritten signature in black ink, appearing to read "Renee Webster-Hawkins", written over a horizontal line.

Reneé Webster-Hawkins
Executive Director

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

October 21, 2014

WHEREAS, the California Pollution Control Financing Authority (the "Authority") has received the application of Sacramento Project Finance, Inc., a Delaware corporation (the "Borrower") and Synagro Organic Fertilizer Company of Sacramento, Inc. (the "Operator" and with the Borrower, collectively, the "Company"), for financial assistance to refinance the acquisition and construction of a biosolids processing and disposal facility located in Sacramento County, California, as more particularly described in the Term Sheet (the "Term Sheet") attached hereto as Exhibit A and incorporated herein (the "Prior Project"); and

WHEREAS, the Authority has previously issued its California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002A (the "Prior Bonds") pursuant to an Indenture of Trust, dated as of December 1, 2002 (the "Original Indenture"); and

WHEREAS, the Authority loaned the proceeds of the Prior Bonds to the Borrower, pursuant to a Loan Agreement dated as of December 1, 2002 (the "Original Loan Agreement"), to provide funds used by the Borrower for the Prior Project; and

WHEREAS, the Authority has previously entered into an Inducement Agreement dated as of December 1, 2002 with the Operator (the "Original Inducement Agreement") concerning covenants relating to, among other things, the operation and maintenance of the Project; and

WHEREAS, the Company now wishes to refund the Prior Bonds; and

WHEREAS, the Company has requested the Authority to issue additional bonds under the Original Indenture as supplemented by a first supplemental indenture (the "First Supplemental Indenture, and collectively, the "Indenture") in an amount not to exceed \$13,800,000 to assist in the refunding of the Prior Bonds: and

WHEREAS, the proceeds of such additional bonds will be loaned to the Borrower under the Original Loan Agreement as supplemented by a first supplemental loan agreement (the "First Supplemental Loan Agreement, and collectively, the "Loan Agreement") with the Authority; and

WHEREAS, the Operator will enter into a first supplemental inducement agreement (the "First Supplemental Inducement Agreement," and collectively with the Original Inducement Agreement, the "Inducement Agreement") to extend its prior covenants to match the terms of the refunding bonds to be issued; and

WHEREAS, final approval of the terms of such additional bonds and certain documents relating to such additional bonds is now sought; and

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

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

Section 2. Pursuant to the Act, revenue obligations of the Authority, designated as the "California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A" (the "Series 2014A Bonds"), and "California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable)" (the "Series 2014B Bonds" and together with the Series 2014A Bonds, the "Refunding Bonds"), or such alternate designation as may be approved by the Executive Director of the Authority, in an aggregate principal amount not to exceed \$13,800,000 are hereby authorized to be issued. The Refunding Bonds may be issued at one time, or from time to time, in one or more series separately or differently identified, and may be issued in a tax exempt or taxable mode, in accordance with the First Supplemental Indenture as finally executed. The proceeds of the Refunding Bonds shall be used to make a loan to the Borrower to refinance the Project, to fund a portion of a Reserve Fund, and to pay the costs of issuance of the Refunding Bonds.

Section 3. The Treasurer of the State of California (the "Treasurer") is hereby authorized to sell the Refunding Bonds, at one time or from time to time on or before December 31, 2014, by negotiated sale, at such price, at such interest rate or rates and in such mode (taxable or tax-exempt) as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Agreement.

Section 4. The following documents:

- i. a First Supplemental Loan Agreement supplementing the Original Loan Agreement between the Authority and the Borrower ;
- ii. a First Supplemental Indenture supplementing the Original Indenture , between the Authority and the trustee named in the Term Sheet (the "Trustee");

- iii. a First Supplemental Inducement Agreement (the "First Supplemental Inducement Agreement") between the Authority and the Operator; and
- iv. a purchase contract relating to the Refunding Bonds among the Authority, the Treasurer of the State of California and the purchaser named in the Term Sheet (the "Purchaser"), and approved by the Borrower. (the "Purchase Agreement")

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate) in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the First Supplemental Loan Agreement, the First Supplemental Indenture, the First Supplemental Inducement Agreement and the Purchase Agreement.

Section 5. The Authority understands and agrees that pursuant to the terms of the Loan Agreement and the Inducement Agreement the obligations of the Borrower or the Operator may, under some circumstances, be carried out or assumed by a successor or assignee entity or by Affiliates of such Borrower or Operator. For purposes of this Resolution, an "Affiliate" means any person or entity which meets the definition of "Participating Party" in the Act and controls, is controlled by, or is under common control with, the Borrower or the Operator, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.

Section 6. The dates, maturity dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of each series of the Refunding Bonds shall be as provided in the First Supplemental Indenture, as finally executed.

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

Section 8. The Authority hereby dedicates and confirms its allocation to the Refunding Bonds not to exceed \$500,000 of a portion of the 2011 State Ceiling on qualified private activity bonds as previously received, carried forward or to be received from the California Debt Limit Allocation Committee to fund a portion of the Reserve Fund and pay a portion of the costs of issuance of the Refunding Bonds, so as to satisfy the requirements of Section 146(e) of the Internal

Revenue Code of 1986, with respect to the Refunding Bonds. The final amount of Volume Cap used will be set forth in the Tax Certificate for the Refunding Bonds.

Section 9. Each officer of the Authority, acting alone, is hereby authorized and directed to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Refunding Bonds, and otherwise to effectuate the purposes of this Resolution and the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Inducement Agreement and the Purchase Agreement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including, without limitation, any certifications, one or more tax certificates, and a consent agreement from the bond insurer for the Prior Bonds in form and substance satisfactory to the Executive Director and Authority's counsel.

Section 10. The provisions of the resolution of the Authority entitled "Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings" adopted by the Authority on January 21, 2014, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

Section 11. The Authority hereby approves and ratifies each and every action taken by its officers, agents, members and employees prior to the date hereof in furtherance of the purposes of this Resolution.

Section 12. This Resolution shall take effect immediately upon its passage. The adoption by the Authority of this Resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

EXHIBIT A

TERM SHEET

Name of Issue:	California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A and California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable) (the "Refunding Bonds")
Maximum Amount of Issue:	\$13,800,000
Issuer:	California Pollution Control Financing Authority (the "Authority"), Sacramento, CA
Borrower:	Sacramento Project Finance, Inc., a Delaware corporation
Operator:	Synagro Organic Fertilizer Company of Sacramento, Inc., a Delaware corporation
Trustee:	The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company
Underwriter:	Not applicable
Purchaser:	Umpqua Bank
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP, San Francisco, CA
Remarketing Agent:	Not applicable
Prior Project:	<p>A portion of such Refunding Bond proceeds will refund a prior series of the Authority's revenue bonds issued in December, 2002 (the "Prior Bonds").</p> <p>The Prior Bonds were used to finance costs of the permitting, acquisition, design, construction, improvement and equipping of a biosolids recycling facility located at 8521 Laguna Station Rd., Elk Grove, California.</p>

Maximum Bond Term:	Not to exceed final maturity of the Prior Bonds (December 1, 2024)
Type of Sale:	Negotiated sale; private placement
Description of Minimum Denominations:	\$250,000 or any integral multiple of \$5,000 in excess thereof
Financing Structure:	Fixed Rate; transferable in whole by Purchaser to either an affiliate of the Purchaser or, upon delivery of a purchaser letter, a "Qualified Institutional Buyer", as defined in Rule 144A of the Securities Act of 1933.
Maximum Interest Rate:	12%
Letter of Credit:	Not applicable
Other Credit Enhancement:	Not applicable
Anticipated Refunding Bond Rating:	Unrated
Type of Financing:	Solid waste disposal revenue bonds
Prepared by:	Mark Holmstedt, (925) 472-8747

Attachment A

SALE AND REMARKETING GUIDELINES

1. Purchasers of the Bonds (in both primary and secondary markets) limited to "Qualified Institutional Buyers" (QIB), as QIBS are defined under SEC Rule 144A, promulgated under the Securities Act of 1933.
2. Bonds may be initially placed with and remarketed to no more than 35 QIBs in any one offering.
3. Bonds must be issued in minimum denominations of \$250,000 or any integral multiple of \$5,000 above this amount, with the requirement that all Bonds must equal the chosen denomination.
4. All sale restriction information must be prominently printed on the cover and described in the body of any offering materials. The Indenture's "Registration and Transfer of Bonds" section must clearly describe all sale and purchase restrictions, and the Bond certificates in their legends must note all sale and purchase restrictions.
5. Sinking fund maturities must match the Bond denomination.
6. Participatory shares of Bonds in trusts which include any of the Bonds may be sold only to QIBs, and such trust shares must be sold only in increments equal to the Bond's minimum denomination unless (i) the participatory shares are credit enhanced to an "A-" level or higher and the purchasers of such shares are not exposed to credit risk of the borrower, or (ii) participatory shares are not directly made in the bonds, but are part of a diversified portfolio in a regulated investment company, where the bonds constitute not more than 5% of the total portfolio.
7. The initial purchaser and subsequent purchasers shall provide the Authority with an Investment Representation Letter.

FIRST SUPPLEMENTAL LOAN AGREEMENT

Between

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

And

SACRAMENTO PROJECT FINANCE INC.

Dated as of November 1, 2014

RELATING TO

California Pollution Control Financing Authority
Solid Waste Disposal Refunding Revenue Bonds
(Sacramento Biosolids Project)
Series 2014A and Series 2014B (Taxable)

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FIRST SUPPLEMENTAL LOAN AGREEMENT

THIS FIRST SUPPLEMENTAL LOAN AGREEMENT, dated as of November 1, 2014, between the CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the "Authority"), and SACRAMENTO PROJECT FINANCE INC., a Delaware corporation (the "Borrower"),

WITNESSETH:

WHEREAS, the Authority and The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company (the "Trustee") entered into an Indenture of Trust, dated as of December 1, 2002 (the "Original Indenture"), and pursuant to such Original Indenture, the Authority issued its Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002A (the "Prior Bonds") in the aggregate principal amount of \$20,075,000, of which \$14,150,000 remains outstanding, and its California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002B in the aggregate principal amount of \$1,200,000, which are no longer outstanding; and

WHEREAS, the Authority loaned the proceeds of the Prior Bonds to Sacramento Project Finance, Inc. (the "Borrower"), pursuant to a Loan Agreement dated as of December 1, 2002 (the "Original Loan Agreement"), to provide funds used by the Borrower to purchase a biosolids processing and disposal facility located in Sacramento County, California (the "Project"), from its designer, builder and operator Synagro Organic Fertilizer Company of Sacramento Inc., a Delaware corporation (the "SOF"), and to pay other costs as described in the Original Indenture; and

WHEREAS, SOF, designed, built and currently operates the Project, pursuant to that certain "Service Contract for the Design, Construction, Financing and Operation of the Sacramento Regional County Sanitation District Biosolids Recycling Facility", dated July 24, 2002, (the "Service Contract") by and between the Sacramento Regional County Sanitation District (the "District") and SOF (as assignee); and

WHEREAS, the Borrower holds a leasehold interest in the land on which the Project was built, and took title to the Project pursuant to that certain Agreement for the Purchase and Sale of the Biosolids Recycling Facility, dated as of December 1, 2002 (the "Purchase and Sale Agreement"), by and between SOF and the Borrower, and subleased the land and leased the Project to SOF as lessee pursuant to that certain Ground Sublease and Facility Lease, dated as of December 1, 2002 (the "Facility Lease"), by and between the Borrower and SOF; and

WHEREAS, in order to secure its rent and other obligations under the Facility Lease, SOF pledged all of its right, title and interest in and to the collateral described in and pursuant to that certain Security Agreement, dated as of December 1, 2002 (the "Security Agreement"), by and between the Borrower as secured party and SOF as debtor; and

WHEREAS, to secure its loan and other obligations under the Original Loan Agreement, Borrower mortgaged, pledged and collaterally assigned the Collateral (capitalized

terms used but undefined herein shall have the meanings ascribed thereto in the Original Indenture) as security therefor; and

WHEREAS, payment of the Prior Bonds is additionally supported by a bond insurance policy issued to the Trustee by ACA Financial Guaranty Corporation (the “Bond Insurer”); and

WHEREAS, Section 3.5 of the Original Loan Agreement authorizes the issuance of Additional Bonds pursuant to the terms thereof, including Additional Bonds to finance the costs of refunding, to the extent permitted, any Bonds then Outstanding; and

WHEREAS, the Borrower and SOF have duly caused an application to be filed with the Authority for financial assistance to refinance Project; and

WHEREAS, the Authority after due investigation and deliberation has adopted its resolution approving said application, together with the issuance of Additional Bonds under the Original Indenture and authorizing the making of a loan of the proceeds thereof to the Borrower for the purpose of refunding the Prior Bonds; and

WHEREAS, the Authority has authorized the issuance of its “Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A” (the “Series 2014A Bonds”), in the aggregate principal amount of \$13,730,000 and “Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable)” (the “Series 2014B Bonds” and together with the Series 2014A Bonds, the “Refunding Bonds”), in the aggregate principal amount of \$65,000 to (i) refund the Prior Bonds, (ii) fund a portion of the Refunding Bonds Reserve Fund, and (iii) pay a portion of the Costs of Issuance associated with such Refunding Bonds; and

WHEREAS, the Authority will enter into a First Supplemental Indenture, dated as of November 1, 2014 (the “First Supplemental Indenture”), with the Trustee supplementing the Original Indenture pursuant to which the Refunding Bonds will be issued; and

WHEREAS, the proceeds of the Refunding Bonds will be loaned to the Borrower pursuant to this First Supplemental Loan Agreement, for the purpose of providing funds to refinance the Project described in Exhibit A of the Original Loan Agreement, and other costs as described above; and

WHEREAS, Section 10.4 of the Original Loan Agreement authorizes the amendment, change, modification or alteration thereof with the written consent of the Trustee and the Bond Insurer, together with written notice thereof to the Rating Agency; and

WHEREAS, Section 6.04 of the Original Indenture authorizes the amendment or modification of any Bond Document, including the Original Loan Agreement, with the prior written consent of the Trustee if such amendment or modification will not adversely affect the interests of Holders of the Bonds or result in any impairment of the security given for the payment of the Bonds; and

WHEREAS, the Trustee and the Bond Insurer will consent to this First Supplemental Loan Agreement; and

NOW, THEREFORE, in consideration of the premises and the respective representations and covenants herein contained, the parties hereto agree as follows:

ARTICLE XI

REFUNDING BONDS

Section 11.1. DEFINITIONS

(a) **DEFINITION OF TERMS.** Unless the context otherwise requires, the terms used in this First Supplemental Loan Agreement shall have the meanings specified in Sections 1.01 and 13.01 of the Indenture, as originally executed or as it may from time to time be supplemented or amended as provided therein.

(b) **NUMBER AND GENDER.** The singular form of any word used herein, including the terms defined in Section 1.01 and 13.01 of the Indenture, shall include the plural, and vice versa. The use herein of a word of any gender shall include all genders.

(c) **ARTICLES, SECTIONS, ETC.** Unless otherwise specified, references to Articles, Sections and other subdivisions of this First Supplemental Loan Agreement are to the designated Articles, Sections and other subdivisions of the Loan Agreement, including this First Supplemental Loan Agreement as originally executed. The words “hereof,” “herein,” “hereunder” and words of similar import refer to this First Supplemental Loan Agreement as a whole. The headings or titles of the several articles and sections, and the table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

Section 11.2. REPRESENTATIONS

(a) **FINDINGS OF THE AUTHORITY.** The Authority makes the following findings.

(i) On June 24, 2002, the Authority gave its preliminary approval for the financing of the Project. On October 31, 2002, the Authority adopted its resolution authorizing the issuance of the Prior Bonds. On December 9, 2002, a public hearing with respect to the Prior Bonds and the Project was held in accordance with the provisions of the Code. On October 21, 2014, the Authority approved the issuance of the Refunding Bonds.

(ii) (a) The Borrower and SOF, together with their Participating Affiliates, is a “participating party” as such term is defined in the Act; (b) the Project is a “project” as such term is defined in the Act; (c) the loan to be made hereunder with the proceeds of the Refunding Bonds will promote the purposes of the Act by providing funds to reduce the cost of financing the Project; (d) said loan is in the public interest, serves the public purposes and meets the requirements of the Act; and (e) the portion of such loan allocable to refunding the

Prior Bonds and other costs associated with the issuance of the Refunding Bonds does not exceed the total cost thereof as determined by the Borrower and approved by the Authority.

(iii) No member of the Authority, or any officer or employee of the Authority who participated in the making of the First Supplemental Loan Agreement, is financially interested (within the meaning of Government Code Section 1090) in the Borrower, SOF or in the Loan Agreement or the Indenture.

(b) Representations of the Authority. The Authority makes the following representations as the basis for its undertakings herein contained:

(i) The Authority is a public instrumentality and political subdivision of the State of California. Under the provisions of the Act, the Authority has the power to enter into the transactions contemplated by this First Supplemental Loan Agreement, the First Supplemental Indenture, the First Supplemental Inducement Agreement and the Refunding Bonds Purchase Contract and to carry out its obligations hereunder and thereunder. By proper action, the Authority has duly authorized the execution, delivery and this First Supplemental Loan Agreement, the First Supplemental Indenture, the First Supplemental Inducement Agreement and the Refunding Bonds Purchase Contract and the performance of its obligations hereunder and thereunder.

(ii) The representations of the Authority in the Tax Certificate are true and correct as of the date hereof (subject to the qualifications set forth, and in reliance upon the sources of information described, in the Tax Certificate).

(iii) The Authority will issue the Refunding Bonds under, and the Refunding Bonds will be secured by, the Indenture, pursuant to which the Authority's interest in the Loan Agreement (except certain rights of the Authority to payment for fees and expenses and its rights to indemnification, inspection, enforcement; and consent and receipt of notices, certificates and opinions) will be pledged to the Trustee as security for payment of the principal of, premium, if any, and interest on the Refunding Bonds as provided in the Indenture.

(iv) The Authority has not pledged and will not pledge its interest in this Loan Agreement and the Refunding Bonds for any purpose other than as provided in the Indenture.

(v) The Authority is not in default under any of the provisions of the laws of the State of California, which default would affect its existence or its powers referred to in subsection (b)(i) of this Section 11.2.

Section 11.3. Representations of the Borrower. The Borrower makes the following representations as the basis for its undertakings herein contained:

(a) The Borrower is a corporation duly organized and existing under the laws of the State of Delaware, is qualified to do business in the State of California, has duly authorized, by proper action, the execution and delivery of this First Supplemental Loan Agreement and the Refunding Bond Purchase Contract (the "Borrower Documents"), and all other documents contemplated hereby to be executed by the Borrower and has the power to enter

into and consummate the transactions contemplated by the Borrower Documents and the Loan Agreement and all other documents contemplated hereby to be executed by the Borrower. The Borrower Documents have been duly authorized, executed and delivered by the Borrower. This First Supplemental Loan Agreement, when assigned to the Trustee pursuant to the First Supplemental Indenture and the Loan Agreement, will constitute the legal, valid and binding agreement of the Borrower enforceable against the Borrower by the Trustee in accordance with its terms for the benefit of the Holders of the Refunding Bonds, and any rights of the Authority and obligations of the Borrower not so assigned to the Trustee constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower by the Authority in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(b) Neither the execution and delivery of the Borrower Documents, the consummation of the transactions contemplated therein or in the Loan Agreement, nor the fulfillment of or compliance with the terms and conditions thereof, conflicts with or results in a breach of any of the terms, conditions or provisions of the Borrower's articles of incorporation or by-laws or of any material agreement or instrument to which the Borrower is now a party or by which it is bound, or constitutes a default (with due notice or the passage of time or both) under any of the foregoing.

(c) No consent or approval of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness of or other provider of credit or liquidity of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or "blue sky" laws, for perfection of liens or for the use or operation of the Project which were obtained by the Borrower prior to the use or operation of the Project, as the case may be) is necessary in connection with the execution and delivery of the Borrower Documents, or the consummation of any transaction contemplated therein or in the Loan Agreement, or the fulfillment of or compliance with the terms and conditions thereof, except as have been obtained or made and as are in full force and effect.

(d) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Borrower, after reasonable investigation, threatened against or affecting the Borrower or the assets, properties or operations of the Borrower which, if determined adversely to the Borrower or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, the Borrower Documents or the Loan Agreement, and the Borrower, to the best of its knowledge after reasonable inquiry, is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Documents or the Loan Agreement. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating the Project.

(e) The costs necessary to refund the Prior Bonds are as set forth in the Borrower Tax Certificate dated the Dated Date. All the information and representations in the Borrower Tax Certificate are true and correct as of the date thereof.

(f) The Project consists of the buildings, equipment and facilities described in Exhibit A of the Original Loan Agreement.

(g) The Borrower and/or one or more of its Participating Affiliates has or will have title to or the right to acquire or use the property comprising the Project sufficient to carry out the purposes of this First Supplemental Loan Agreement and the Loan Agreement.

(h) All certificates, approvals, permits and authorizations of applicable local governmental agencies, the State of California and the federal government which are necessary for the use and operation of the Project have been obtained and continue in force.

(i) No event has occurred and no condition exists which would constitute an Event of Default (as defined in the Indenture) or which, with the passing of time or with the giving of notice or both, would become such an Event of Default.

(j) To the best of the knowledge of the Borrower, without independent investigation, no member, officer, or other official of the Authority has any financial, ownership or managerial interest in the Borrower, any affiliate of the Borrower, the Loan Agreement or the Indenture or in the transactions contemplated by the Loan Agreement or the Indenture.

(k) The Borrower and all Persons anticipated by the Borrower to be an owner or operator of the Project or a portion thereof are engaged in operations within California that require refinancing pursuant to this First Supplemental Loan Agreement and the Act to aid and assist in the control, remediation or elimination of pollution of the environment of the State of California.

(l) The Project constitutes a “project” and the Borrower together with its Participating Affiliates (including SOF) is a “participating party,” as such terms are defined in the Act.

(m) No disbursement to be paid or reimbursed from proceeds of the Refunding Bonds shall have been previously paid or reimbursed from the proceeds of any other Governmental Obligations, whether issued by the Authority or any other party.

Section 11.4. ISSUANCE OF THE REFUNDING BONDS

(a) **REFINANCE OF THE PROJECT.** To provide funds to refinance the Project, the Authority agrees that it will issue under the First Supplemental Indenture, sell and cause to be delivered to the Bank, the Refunding Bonds. The Authority will thereupon apply the proceeds received from the sale of the Refunding Bonds as provided in the First Supplemental Indenture.

(b) **DISBURSEMENTS FROM THE COSTS OF ISSUANCE FUND AND REFUNDING PROCEEDS FUND.**

(i) The Borrower will authorize and direct the Trustee, upon compliance with Section 3.04 of the Indenture, to disburse the moneys in the 2014A Costs of Issuance Account and the 2014B Costs of Issuance Account to or on behalf of the Borrower only for Costs of Issuance. Each of the payments referred to in this Section 11.4 shall be made upon receipt by the Trustee of a written requisition in the form prescribed by Section 3.04 of the Original Indenture, signed by an Authorized Borrower Representative.

(ii) The Borrower hereby authorizes the Trustee to make disbursements from the Refunding Proceeds Fund as provided in Section 13.06 of the First Supplemental Indenture.

Section 11.5. LOANS OF PROCEEDS; REPAYMENT PROVISIONS

(a) **LOAN OF BOND PROCEEDS.** The Authority covenants and agrees, upon the terms and conditions in this First Supplemental Loan Agreement, to make a loan to the Borrower, from the proceeds of the Refunding Bonds, for the purpose of providing funds to refinance the Project, to fund the Refunding Bonds Reserve Fund and to pay a portion of the Costs of Issuance. The Authority further covenants and agrees that it shall take all actions within its authority to keep the Loan Agreement in effect in accordance with its terms. Pursuant to said covenants and agreements, the Authority will issue the Refunding Bonds upon the terms and conditions contained in this First Supplemental Loan Agreement and the Indenture and will cause the proceeds thereof to be applied as provided in Section 13.05 of the Indenture. Except as provided in Section 13.05 of the Indenture, such proceeds shall be disbursed to or on behalf of the Borrower as provided in Section 11.4(b) hereof.

(b) REPAYMENT AND PAYMENT OF OTHER AMOUNTS PAYABLE.

(i) The Borrower covenants and agrees to pay in the manner hereinafter provided as Repayment Installments on the loan to the Borrower of Refunding Bond proceeds pursuant to Section 11.5 hereof, on or before each date on which any such amounts are due pursuant to the First Supplemental Indenture (a "Payment Date"), amounts sufficient to pay the principal of (whether at maturity, or by redemption or acceleration), premium, if any, and interest on the Refunding Bonds coming due on such Payment Date. Without limiting the foregoing, the Borrower further covenants and agrees as follows:

(A) Subject to subsections (B) and (C) below, the Borrower will, on the first day of each month, commencing January 1, 2015, until the principal of, premium, if any, and interest on the Refunding Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, cause to be transferred by the Depository Bank to the Bank a sum equal to the Monthly Payment. The Bank will notify the Borrower and the Trustee prior to December 1 of each year the amount of the Monthly Payments for the succeeding Bond Year.

(B) Notwithstanding subsection (A) above, if payments under the Service Contract will terminate prior to November, 2024

(i) the Borrower will set aside and make payments toward the final monthly interest payments due on the first day of each month in

calendar year 2024 in equal installments based on the number of months from and including December, 2023 to the month in which the District will make its last payment to the Depository Bank, as applicable, and

(ii) the Borrower will set aside and make payments toward the final principal payment due on the first day of each month in calendar year 2024 in equal installments based on the number of months from and including December, 2023 to the month in which the District will make its last payment to the Depository Bank.

(C) Notwithstanding subsections (A) and (B) above, during the last Bond Year ending December 1, 2024, the Borrower shall have credit against its Repayment Installment due on December 1, 2024 under this Section 11.5(b)(i) from moneys available in the Refunding Bonds Reserve Fund, to be paid by the Trustee to the Bank upon written direction of the Borrower.

(D) After a Determination of Taxability, the Borrower shall pay the Bank on demand as additional interest the amount stated in Section 13.02(a) of the Indenture.

Subject to the provisions of this paragraph, if at any time the amounts held by the Trustee in the Bond Fund are sufficient to pay all of the principal of and interest and premium, if any, on the Refunding 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. The Borrower covenants that all payments made pursuant to this Section 11.5(b) shall be made with moneys belonging or owed to the Borrower.

(ii) The Borrower also agrees to cause the Depository Bank to make a transfer to the Trustee on or before the 15th day of each month one-twelfth (1/12th) of the amount of payments required to make up any deficiency in the Refunding Bonds Reserve Fund caused by any use of moneys in the Refunding Bonds Reserve Fund to pay debt service on the Refunding Bonds, until such deficiency has been fully paid. The Borrower also agrees to cause the Depository Bank to make payments to the Trustee on or before the 15th day of each month sufficient to restore the Refunding Bonds Reserve Fund to the Reserve Fund Requirement in four consecutive equal monthly installments beginning in the month following any calculation of the value of the Refunding Bonds Reserve Fund at an amount less than the Reserve Fund Requirement.

(iii) Any payment made directly to the Bank by the Depository Bank pursuant to the Depository Agreement for amounts due under Subsections 11.5(b)(i) or 11.5(b)(ii) shall discharge the Borrower's obligation to make such deposits to the extent of such payment.

(iv) The Borrower also agrees to pay to the Trustee, (i) the annual fees of the Trustee for its ordinary services rendered as trustee, and its ordinary expenses (including reasonable legal fees and expenses) incurred under the Indenture, as and when the same become due, (ii) the reasonable fees, charges and expenses of the Registrar, and the reasonable fees of

the Paying Agent on the Refunding Bonds as provided in the Indenture, as and when the same become due, (iii) the reasonable fees, charges and expenses of the Trustee for the necessary extraordinary services rendered by it and necessary extraordinary expenses incurred by it under the Indenture, as and when the same become due, including expenses of collection, just and reasonable compensation to the Trustee for its services and the services of counsel, agents and employees by it properly engaged and employed, and all other expenses and liabilities reasonably incurred, and (iv) any amounts required to be deposited in the Rebate Fund to comply with the provisions of Section 5.6 hereof and Section 13.09 of the Indenture.

(v) The Borrower also agrees to pay, (i) as soon as practicable after receipt of request for payment thereof, all expenses required to be paid by the Borrower under the terms of the Refunding Bond Purchase Contract with respect to the sale of the Refunding Bonds, (ii) all reasonable expenses of the Authority related to the Project which are not otherwise required to be paid by the Borrower under the terms of this First Supplemental Loan Agreement; provided that the Authority shall have obtained the prior written approval of an Authorized Borrower Representative for any expenditures other than those expressly provided for herein or in the Refunding Bond Purchase Contract, (iii) the cost of printing any Refunding Bonds required to be furnished by the Authority at the expense of the Authority, and (iv) the Authority's Administrative Fee (as described in the Tax Certificate) .

(vi) The Borrower also agrees to pay fees and expenses of independent certified public accountants necessary for the preparation of annual or other audits, reports or summaries thereof required by the Indenture or by the Authority, including a report of an independent certified public accountant with respect to any fund established under the Indenture; and reasonable expenses of the Authority pursuant to Sections 44525 and 44548 of the California Health and Safety Code, and any agency of the State of California selected by the Authority to act on its behalf in connection with the Refunding Bonds.

(vii) In the event that the Borrower should fail to make any of the payments required by Subsections 11.5(b)(i)-(vi) of this Section, 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 until paid, to the extent permitted by law, at the Default Rate or, if less, at the maximum rate permitted by law. Interest on overdue payments required under subsection 11.5(b)(i) above shall be paid to Bondholders as provided in the Indenture.

(viii) The provisions of Sections 11.5(b)(i)(D), 11.5(b)(iv) and 11.5(b)(v) shall survive the termination of this Loan Agreement, the retirement of the Refunding Bonds or any resignation or removal of the Trustee.

(c) **UNCONDITIONAL OBLIGATION.** The obligations of the Borrower to make the payments required by Section 11.5 hereof and to perform and observe the other agreements on its part contained herein 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, the Trustee or the District, 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 Section 11.5 and all other payments

required hereunder, 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 Refunding 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 Section 11.5 hereof; (ii) will perform and observe all of its other covenants contained in the Loan Agreement; and (iii) except as provided in Section 11.9 hereof, will not terminate the Loan Agreement for any cause, including, without limitation, failure to complete the Project, 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 and 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, the Trustee, SOF or the District to perform and observe any covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with the Loan Agreement, the Service Contract, the Facility Lease, the Security Agreement, the Purchase and Sale Agreement or the Indenture.

(d) **ASSIGNMENT OF AUTHORITY'S RIGHTS.** As security for the payment of the Refunding Bonds, the Authority will assign to the Trustee the Authority's rights under this First Supplemental Loan Agreement, including the right to receive payments hereunder (except the right of the Authority to receive certain payments, if any, with respect to expenses and indemnification or to enforce its rights under Sections 5.1 and 6.3 of the Original Loan Agreement and 11.5(b)(iv)-11.5(b)(vii), 11.11 and 11.12 hereof and its express rights of indemnification, inspection, receipt of notices, certificates and opinions, and consent), and the Authority hereby directs the Borrower to make the payments required hereunder (except such payments for expenses of the Authority and indemnification) directly to the Trustee. The Borrower hereby 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.

Section 11.6. TAX-EXEMPT STATUS OF SERIES 2014A BONDS. It is the intention of the parties hereto that interest on the Tax-exempt Bonds shall be and remain Tax-exempt, and to that end the covenants and agreement of the Authority and the Borrower in this Section are for the benefit of the Trustee and each and every holder of the Series 2014A Bonds.

The Borrower covenants and agrees to comply with all of the undertakings required of the Borrower in the Borrower Tax Certificate, and reconfirms all of its representations and warranties in the Tax Certificate, which undertakings, representations and warranties are incorporated by reference herein. The Borrower will make all calculations of rebate required by the Tax Certificate, and shall provide a copy of such calculations to the Authority and the Trustee. The Borrower covenants and agrees to comply with the requirements of Sections 6.6 and 13.09 of the Indenture.

The Authority covenants and agrees that it has not taken and will not take any action which results in interest paid on the Tax-exempt Bonds to not be Tax-exempt to the holders of the Tax-exempt Bonds, and the Borrower covenants and agrees that it has not taken or permitted to be taken and will not take or permit to be taken any action which will cause the interest on the Tax-exempt Bonds to not be Tax-exempt; provided that neither the Borrower nor the Authority

shall be deemed to have violated these covenants if the interest on any of the Series 2014A Bonds becomes taxable to a person solely because such person is a “substantial user” of the Project or a “related person” within the meaning of Section 147(a) of the Code; and provided further that none of the covenants and agreement herein contained shall require either the Borrower or the Authority to enter an appearance or intervene in any administrative, legislative or judicial proceeding in connection with, or to comply with, any changes in applicable laws, rules or regulations or in connection with any decisions of any court or administrative agency or other governmental body affecting the taxation of interest on the Series 2014A Bonds.

Section 11.7. EVENTS OF DEFAULT. Any one of the following which occurs and continues shall constitute an Event of Default:

(i) Failure by the Borrower to pay or cause to be paid any amount required to be paid under this First Supplemental Loan Agreement with respect to payments of principal of, premium, if any, and interest on the Refunding Bonds when due and payable hereunder.

(ii) Any material breach by the Borrower of any representation or warranty made in the Loan Agreement or failure in any material respect by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (a)(i) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied, given to the Borrower by the Trustee or the Authority (which remedy in the case of a failure to give a notice required to be given by a particular time may consist of the giving of such notice within 10 days of the request to remedy such failure by the Trustee or the Authority), unless (i) the Trustee and the Authority shall agree in writing to an extension of such time prior to its expiration or (ii) if the default be such that it cannot be corrected within the applicable period, corrective action is instituted by the Borrower within the applicable period and diligently pursued until the default is corrected.

The foregoing provisions of subsection 11.7(i) hereof are subject to the following limitations: If by reason of force majeure the Borrower is unable in whole or in part to carry out its agreement on its part herein contained, the Borrower shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall mean a cause or event not within the Borrower’s control, including, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; order 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; earthquakes; fires; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission lines, pipes or canals; partial or entire failure of utilities; failure of suppliers; provided, “force majeure” excludes any action or default of SOF or any other affiliate of the Borrower and acts arising from Borrower’s failure to exercise reasonable diligence. The Borrower agrees, however, to use best efforts to remedy with due diligence the cause or causes preventing the Borrower from carrying out its agreements; provided, 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.

(iii) The occurrence and continuance of an Event of Default under the Indenture.

(iv) The occurrence and continuance of an event of default under the Purchase and Sale Agreement, the Facility Lease, the Deed of Trust or the Continuing Covenant Agreement after giving effect to any applicable cure period and regardless of whether such event of default has been waived.

Section 11.8. REMEDIES ON DEFAULT. Whenever any Event of Default shall have occurred and shall continue,

(a) Interest on the Bonds shall during such period accrue at the Default Rate.

(b) If so directed in writing by the Bank, the Trustee, by written notice to the Borrower and the Authority shall declare the unpaid balance of the loan payable under Section 11.5(b) of the Loan Agreement to be due and payable immediately, whether or not the unpaid principal amount of the Refunding 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.

(c) 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 and the Bank.

(d) The Authority or the Trustee may take whatever 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 Loan Agreement.

In case the Trustee or the Authority shall have proceeded to enforce its rights under the Loan 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 hereunder, 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 an Event of Default shall occur with respect to the payment of any Repayment Installment payable under Section 11.5(b) hereof, 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 said Section, with interest, to the extent permitted by law, on the amount then overdue at the Default Rate or, if lower, the maximum rate permitted by law until such 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 Loan 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 hereby 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 it up to the date of such distribution.

With regard to the Deed of Trust, the exercise of any remedies is subject to Section 7.12 of the Indenture, as applicable.

Section 11.9. PREPAYMENT

(a) **REDEMPTION OF SERIES 2014A BONDS WITH PREPAYMENT MONEYS.** By virtue of the assignment of the rights of the Authority under this First Supplemental Loan Agreement to the Trustee as is provided in Section 11.5(d) hereof, the Borrower agrees to and shall pay directly to the Bank any amount permitted or required to be paid by it under this Section 11.9. The Bank shall use the moneys so paid to it by the Borrower to redeem the Series 2014A Bonds on the date set for such redemption pursuant to Section 11.9(d) hereof. The Series 2014A Bonds shall be called for redemption as required by Section 13.08 of the First Supplemental Indenture or as requested by the Borrower pursuant to the First Supplemental Indenture or this First Supplemental Loan Agreement.

(b) **OPTIONS TO PREPAY INSTALLMENTS.**

(i) The Borrower shall have the option to prepay the amounts payable under Section 11.5 hereof with respect to the Series 2014A Bonds, in whole or in part by paying to the Bank, for deposit in the Bond Fund, the amount set forth in Section 11.9(c) hereof, under any of the circumstances set forth in Section 13.08(b)(i)(B) of the First Supplemental Indenture.

(ii) Upon the exercise by the District of its option to purchase the Project pursuant to the Service Contract or to terminate the Service Contract for convenience or if the Service Contract is terminated due to default of the District, the Borrower covenants and agrees to prepay the amounts due under Section 11.5 hereof and to cause the optional redemption of the Series 2014A Bonds at the earliest date permitted under Section 13.08(b)(i)(B) of the Indenture.

(iii) The Borrower covenants and agrees to prepay the amounts due under Section 11.5(b) hereof in whole or in part, and to cause the redemption of the Series 2014A Bonds at the earliest date permitted under Section 13.08(b)(ii) of the Indenture, from proceeds of insurance or condemnation, under the circumstances described in Section 11.10 of the Loan Agreement, to the extent any such proceeds are not used to repair or replace the Project.

(iv) The Borrower, with the written consent of the Bank, shall have the option to prepay the amounts payable under Section 11.5 hereof, in part on December 1 of any year, in the amount of the Reserve Fund Reduction calculated on the previous November 1, pursuant to Section 13.08(b)(iii) of the Indenture.

(c) **AMOUNT OF PREPAYMENT.** In the case of a prepayment of the entire amount due hereunder pursuant to Section 11.9(b) hereof, the amount to be paid shall be a sum sufficient, together with other funds and the yield on any securities deposited with the Trustee and available without reinvestment for such purpose, as certified by an independent certified public accounting firm, to pay (1) the principal of all Series 2014A Bonds outstanding on the redemption date specified in the notice of redemption, plus interest accrued and to accrue to the payment or redemption date, plus premium, if any, pursuant to the Indenture, (2) all reasonable and necessary fees and expenses of the Authority, the Trustee and any Paying Agent accrued and to accrue through final payment of the Series 2014A Bonds and (3) all other liabilities of the Borrower accrued and to accrue with respect to the Series 2014A Bonds under the First Supplemental Loan Agreement.

In the case of partial prepayment of the Repayment Installments, the amount payable shall be a sum sufficient to pay the principal amount of and premium, if any, and accrued interest on the Series 2014A Bonds to be redeemed, as provided in the Indenture, and to pay expenses of redemption of the Series 2014A Bonds. All partial prepayments of the Repayment Installments shall be applied as directed by the Borrower.

(d) **NOTICE OF PREPAYMENT.** To exercise an option granted in or to perform an obligation required by this Section 11.9, the Borrower shall give at least fifteen (15) days' written notice to the Authority, the Trustee and the Bank specifying the amount to be prepaid and the date upon which any prepayment will be made.

Section 11.10. DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF PROCEEDS

(a) **OBLIGATION TO CONTINUE PAYMENTS.** If prior to full payment of the Refunding Bonds (or provision for payment thereof in accordance with the provisions of the Indenture) (i) the Project or any portion thereof is destroyed (in whole or in part) or is damaged

by fire or other casualty, or (ii) title to, or the temporary use of, the Project or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Borrower shall nevertheless be obligated to continue to pay the amounts specified in Section 11.5 hereof, to the extent not prepaid in accordance with Section 11.9 hereof.

(b) **APPLICATION OF PROCEEDS.** The Borrower shall be entitled to the proceeds, if any, of any insurance or condemnation awards resulting from the damage, destruction or condemnation of the Project or any portion thereof, provided that all proceeds shall be deposited by the Borrower in an escrow account held by the Trustee and shall be applied, and by written notice to the Authority, the Bank and the Trustee, in one or more of the following ways at the election of the Borrower, and if the amount of such insurance or condemnation award is greater than \$3 million, with the prior written approval of the Bank:

(i) The prompt repair, restoration, relocation, modification or improvement of the stage of completion of construction of the damaged, destroyed or condemned portion of the Project to enable such portion of the Project to accomplish at least the same function as such portion of the Project was designed to accomplish prior to such damage or destruction or exercise of such power of eminent domain. Any balance of the proceeds remaining after such work has been completed shall be deposited in the Redemption Account of the Bond Fund to be applied to the payment of principal of and premium, if any, and interest on the Series 2014A Bonds, or, if the Series 2014A Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), any balance remaining in the Redemption Account of the Bond Fund shall be paid to the Borrower.

(ii) Prepayment of all or a portion of the amounts payable hereunder, in accordance with Section 11.9 hereof, and redemption of Series 2014A Bonds; provided that no part of the proceeds may be applied for such purpose unless (1) all of the amounts payable under this First Supplemental Loan Agreement are so prepaid and all Outstanding Series 2014A Bonds are to be redeemed in accordance with the Indenture, or (2) in the event that less than all of the amounts payable hereunder are so prepaid, the Borrower shall furnish to the Authority, the Bank and the Trustee a certificate of the Authorized Borrower Representative acceptable to the Authority and the Trustee stating (i) that the property forming part of the portion of the Project that was damaged or destroyed by such casualty or was taken by such condemnation proceedings is not essential to the Borrower's use or possession of such portion of the Project or compliance with the Service Contract or (ii) that such part of the portion of the Project theretofore completed has been repaired, replaced, restored, relocated, modified or improved to enable such portion of the Project to accomplish at least the same function as such portion of the Project was designed to accomplish prior to such damage or destruction or the taking by such condemnation proceedings and in either case that upon completion of the work the Project will be in compliance with the Service Contract and there has been no change in the amounts payable under the Service Contract as a result of any title defect in, damage to or condemnation of, the Project, and no default hereunder will exist.

(c) **INSUFFICIENCY OF PROCEEDS.** If the Project or a portion thereof is to be repaired, restored, relocated, modified or improved pursuant to Section 11.10(b) hereof, and if the proceeds are insufficient to pay in full the cost of such repair, restoration, relocation,

modification or improvement, the Borrower will nonetheless complete the work or cause the work to be completed and will pay or cause to be paid any cost in excess of the amount of the proceeds held in escrow.

(d) **DAMAGE TO OR CONDEMNATION OF OTHER PROPERTY.** The Borrower shall be entitled to the proceeds of any insurance or condemnation award or portion thereof made for damages to or takings of its property not included in the Project.

Section 11.11. EXPENSES. The Borrower covenants and agrees to pay and to indemnify the Authority against all costs and charges, including reasonable fees and disbursements of attorneys, accountants, consultants and other experts, incurred in good faith in connection with this First Supplemental Loan Agreement, the Refunding Bonds or the Indenture.

Section 11.12. INDEMNIFICATION. The Borrower releases the Authority and the Trustee from, and covenants and agrees that neither the Authority nor the Trustee shall be liable for, and covenants and agrees, to the extent permitted by law, to indemnify and hold harmless the Authority and the Trustee and their members, officers, employees and agents from and against, any and all losses, claims, damages, liabilities or expenses (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments), of every conceivable kind, character and nature whatsoever (including, without limitation, federal and state securities laws) arising out of, resulting from or in any way connected with (1) the Project, or the conditions, occupancy, use, possession, conduct or management of, or work done in or about the Project or the other facilities of the Borrower or its affiliates, or from the planning, design, acquisition, construction, rehabilitation, renovation, improvement, installation or equipping of the Project or any part thereof; (2) the issuance, sale or resale of any Refunding Bonds or any certifications or representations made in connection therewith, the execution and delivery of this First Supplemental Loan Agreement, the First Supplemental Indenture or the Tax Certificate or any amendment thereto and the carrying out of any of the transactions contemplated by the Refunding Bonds, the Indenture and this First Supplemental Loan Agreement; (3) the Trustee's acceptance or administration of the trusts under the Indenture, or the exercise or performance of any of their powers or duties under the Indenture or this First Supplemental Loan Agreement; (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact required to be stated or necessary to make the statements made, in light of the circumstances under which they were made, not misleading, in any official statement or other offering circular utilized by the Authority or any underwriter or placement agent in connection with the sale or remarketing of any Bonds or in any disclosure made by Borrower to comply with the requirements of S.E.C. Rule 15c2-12; (5) any violation of any Environmental Regulations or the release of any Hazardous Substance from, on or near the Project or any other facilities of the Borrower or its affiliates; (6) the defeasance and/or redemption, in whole or in part, of the Refunding Bonds; or (7) any declaration of taxability of interest on the Refunding Bonds, or allegations that interest on the Bonds is taxable or any regulatory audit or inquiry regarding whether interest on the Refunding Bonds is taxable; provided that with respect to indemnification of the Authority and its members, officers, employees and agents, such indemnity shall not be required for damages that result from the gross negligence or willful misconduct on the part of the party seeking such

indemnity and with respect to any other indemnified party, such indemnity shall not be required for damages that result from the negligence or willful misconduct on the part of the party seeking such indemnity. The Borrower further covenants and agrees, to the extent permitted by law, to pay or to reimburse the Authority and the Trustee and their members, officers, employees and agents for any and all costs, reasonable attorneys fees and expenses, liabilities or other expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, expenses or actions, except to the extent that the same arise out of the gross negligence or willful misconduct of the Authority and its members, officers, employees and agents claiming such payment or reimbursement or out of the negligence or willful misconduct of the Tender Agent and the Trustee and their members, officers, employees and agents claiming such payment or reimbursement. The provisions of this Section and shall survive any resignation or removal of the Trustee, the retirement of the Refunding Bonds and the termination of this Loan Agreement.

Section 11.13. NO PREVAILING PARTY. Nothing in the Loan Agreement shall be construed to provide for the award of attorneys' fees and costs to the Authority or the Borrower for the enforcement of the Loan Agreement, as described in Section 1717 of the California Civil Code. Nothing in this Section shall affect the rights of the Trustee, as provided herein.

Section 11.14. MISCELLANEOUS

(a) NOTICES. All notices, certificates or other communications shall be deemed sufficiently given on the second day following the day on which the same have been mailed by first class mail, postage prepaid, addressed to the Authority, the Borrower or the Trustee, as the case may be, as follows:

To the Authority: California Pollution Control Financing Authority
915 Capitol Mall, Room 457
Sacramento, California 95814
Attn: Executive Director

To the Borrower: Sacramento Project Finance, Inc.
c/o Synagro Technologies, Inc.
435 William Court, Suite 100
Baltimore, MD 21220
Attn: Controller

To the Trustee: The Bank of New York Mellon Trust
Company, N.A.
400 S. Hope Street, Suite 400
Los Angeles, CA 90071
Attn: Johanna Tokunaga

To the Bank: Umpqua Bank
2998 Douglas Blvd., Suite 100
Roseville, CA 95661
Attn: Melody Stricklin

A duplicate copy of each notice, certificate or other communication given hereunder by either the Authority or the Borrower to the other shall also be given to the Trustee. The Authority, the Borrower, the Trustee or the Bank may, by notice given hereunder, designate any different or additional addresses to which subsequent notices, certificates or other communications shall be sent.

(b) SEVERABILITY. If any provision of this First Supplemental Loan Agreement shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

(c) EXECUTION OF COUNTERPARTS. This First Supplemental Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; provided, however, that for purposes of perfecting a security interest in the Loan Agreement by the Trustee under Article 9 of the California Uniform Commercial Code, only the counterpart delivered, pledged, and assigned to the Trustee shall be deemed the original.

(d) AMENDMENTS, CHANGES AND MODIFICATIONS. Except as otherwise provided in this First Supplemental Loan Agreement or the Indenture, subsequent to the initial issuance of Refunding Bonds and prior to their payment in full, or provision for such payment having been made as provided in the Indenture, this First Supplemental Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee and the Bank.

(e) Effective Date of First Supplemental Loan Agreement. This First Supplemental Loan Agreement shall take effect on the Refunding Bonds Issue Date.

(f) First Supplemental Indenture. The Borrower acknowledges having read the First Supplemental Indenture and agrees to perform all duties imposed on it by the First Supplemental Indenture. The Borrower further agrees that Refunding Bond proceeds shall be applied as set forth in the First Supplemental Indenture. Insofar as any section of the First Supplemental Indenture imposes duties and responsibilities on the Borrower it is specifically incorporated herein by reference.

(g) Insurer Provisions. Notwithstanding any other provision hereof or in the Original Loan Agreement, the Bond Insurance Policies for the Prior Bonds may be cancelled and all references thereto, including references to the Bond Insurer in the Original Loan Agreement, the Original Indenture and the Deed of Trust, deleted or disregarded pursuant to the Consent Letter of the Bond Insurer.

(h) Consent to First Supplemental LOAN Agreement. Notwithstanding any other provision hereof, (i) the Bond Insurer consents to this First Supplemental Loan Agreement pursuant to the Consent Letter of the Bond Insurer and (ii) the Trustee by its execution hereof consents to this First Supplemental Loan Agreement.

Section 11.15. Effect of First Supplemental Loan Agreement. This First Supplemental Loan Agreement and all of the terms and provisions contained herein shall form part of the Original Loan Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Original Loan Agreement. Articles I, II, VII, and IX and Sections 4.1-4.4, 5.6, 6.1, 6.2, 8.2, 8.3 and 10.1-10.4 of the Original Loan Agreement are superseded by corresponding sections of this First Supplemental Loan Agreement. The Original Loan Agreement is ratified and confirmed by this First Supplemental Loan Agreement and shall continue in full force and effect in accordance with the terms and provisions hereof, and as amended and supplemented by this First Supplemental Loan Agreement. If there shall be any conflict between the terms of this First Supplemental Loan Agreement and the terms of the Original Loan Agreement, the terms of this First Supplemental Loan Agreement shall prevail.

IN WITNESS WHEREOF, the California Pollution Control Financing Authority has caused this First Supplemental Loan Agreement to be executed in its name and its seal to be hereunto affixed and attested by its duly authorized officers, and Sacramento Project Finance Inc. has caused this First Supplemental Loan Agreement to be executed in its name by a duly authorized officer, all as of the date first above written.

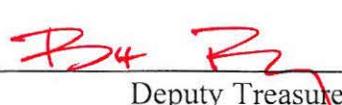


Attest

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: Bill Lockyer, Chairman

By:  _____
Executive Director

By:  _____
Deputy Treasurer

SACRAMENTO PROJECT FINANCE INC.

By:  _____
Title: Vice President & Treasurer

CONSENT GRANTED:

THE BANK OF NEW YORK
MELLON TRUST COMPANY, N.A., as Trustee

By: 

Authorized Officer

\$13,730,000	\$65,000
California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A	California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable)

BOND PURCHASE CONTRACT

October 28, 2014

The Honorable Bill Lockyer
Treasurer of the State of California
915 Capitol Mall, Room 261
Sacramento, California 95814

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

Ladies and Gentlemen:

The undersigned, Umpqua Bank, as purchaser (the "Purchaser"), hereby offers to enter into this Bond Purchase Contract, including the appendices hereto (the "Purchase Contract") with the California Pollution Control Financing Authority (the "Authority") and the Honorable Bill Lockyer, Treasurer of the State of California (the "State Treasurer"), as agent for sale on behalf of the Authority, and Sacramento Project Finance, Inc., a Delaware corporation (the "Borrower"), for the purchase by the Purchaser and the issuance and sale by the Authority of the Bonds, as defined below. This offer is made subject to acceptance by the State Treasurer and the Authority and the approval by the Borrower prior to 11:59 p.m., California time, on the date hereof, and upon such acceptance this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the State Treasurer, the Authority, the Purchaser and the Borrower. Any capitalized term used herein and not otherwise defined shall have the meaning given such term as set forth in the Indenture hereinafter defined.

1. Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchaser hereby agrees to purchase the Bonds identified in this sentence from the Authority and the State Treasurer, on behalf of the Authority, agrees to sell, and the Authority hereby agrees to deliver to the Purchaser, a series of bonds of the Authority designated, "California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A," in the aggregate principal amount of \$13,730,000 (the "Series 2014A Bonds"), and a series of bonds of the Authority designated as, "California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable)," in the aggregate principal

amount of \$65,000 (the “Series 2014B Bonds,” and, together with the Series 2014A Bonds, the “Bonds”), each to be dated and delivered as described herein and in the Indenture hereinafter defined. The purchase price for the Series 2014A Bonds shall be \$13,730,000, and the purchase price for the Series 2014B Bonds shall be \$65,000 (collectively, the “Purchase Price”). The Bonds shall be delivered in physical form and registered in the name of Umpqua Bank.

2. The Bonds will be issued under the provisions of the California Pollution Control Financing Authority Act, commencing with Section 44500 of the California Health and Safety Code, as now in effect and as it may from time to time hereafter be amended or supplemented (the “Act”). The Bonds shall be substantially in the form and subject to redemption as described in, and shall be issued and secured under and pursuant to the provisions of an Indenture, dated as of December 1, 2002 (the “Original Indenture”), as supplemented by the First Supplemental Indenture, dated as of November 1, 2014 (the “First Supplemental Indenture” and collectively with the Original Indenture, the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company (the “Trustee”). The Bonds are secured by payments made by the Borrower to the Authority pursuant to a Loan Agreement, dated as of December 1, 2002 (the “Original Loan Agreement”), as supplemented by the First Supplemental Loan Agreement, dated as of November 1, 2014 (the “First Supplemental Loan Agreement” and collectively with the Original Loan Agreement, the “Loan Agreement”), between the Authority and the Borrower. The proceeds of sale of the Bonds will be loaned to the Borrower to (i) refund the Authority’s Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002A (the “Prior Bonds”), outstanding in the aggregate principal amount of \$14,150,000; (ii) fund a Reserve Fund; and (iii) and to pay costs of issuance of the Bonds.

The proceeds of the Prior Bonds were used to finance and refinance the costs of permitting, designing, acquiring, constructing and equipping a biosolids recycling facility (the “Project”) and finance certain other costs, including a Bond Insurance Policy issued by ACA Financial Guaranty Corporation (the “Bond Insurer”). The Borrower acquired the Project from Synagro Organic Fertilizer Company of Sacramento, Inc., as Project operator and lessee (the “Lessee”) pursuant to an agreement for the Purchase and Sale of the Biosolids Recycling Facility dated as of December 1, 2002. Thereafter, the Borrower leased the Project to the Lessee pursuant to a Ground Sublease and Facility Lease, dated as of December 1, 2002, among the Borrower, as lessor, and the Lessee, as lessee (the “Project Lease”), and the principal source of repayment of the Borrower’s obligations under the Loan Agreement are Base Rental Payments made by the Lessee pursuant thereto. The obligations of the Lessee under the Project Lease are further secured by a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of December 1, 2002, executed by the Lessee in favor of the Borrower and by a Security Agreement dated as of December 1, 2002, executed by the Lessee in favor of the Borrower.

The Purchaser understands that the Sacramento Regional County Sanitation District (the “District”) and the Synagro-WWT, Inc. (“Synagro-WWT”) (assigned by Synagro-WWT to the Lessee) have entered into a Service Contract for the Design, Construction, Financing and Operation of the Sacramento Regional County Sanitation District Biosolids Recycling Facility, dated as of July 24, 2002 (as amended and supplemented, including as amended by that certain 5th Amendment thereof, dated October 27, 2014 (the “Service Contract”), which provides for

payment by the District of a service fee which will be paid directly to The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company, as Depository Bank (the “Depository Bank”), pursuant to a Depository and Control Agreement, dated as of December 1, 2002 (the “Original Depository Agreement”), as supplemented by the First Supplemental Depository and Control Agreement, dated as of November 1, 2014 (the “First Supplemental Depository Agreement” and together with the Original Depository Agreement, the “Depository Agreement”), each between the Borrower, the Trustee and the Depository Bank and the Lessee. The Purchaser further understands that the Authority and the District consented to the transaction represented by the Prior Bonds, respectively, pursuant to an Inducement Agreement, dated as of December 1, 2002 (the “Original Inducement Agreement”), between the Lessee and the Authority and pursuant to a Consent, Acknowledgment and Release Agreement dated as of December 1, 2002, among the District, Synagro Technologies, Inc., Synagro-WWT, the Lessee and the Borrower. The Purchaser further understands that the Authority and the District have consented to the transaction represented by the Bonds, respectively, pursuant to a First Supplemental Inducement Agreement, dated as of November 1, 2014 (the “First Supplemental Inducement Agreement” and together with the Original Inducement Agreement, the “Inducement Agreement”), between the Lessee and the Authority and a Certificate of Consent, dated October 22, 2014, executed by the District (the “Consent Certificate”).

Certain other documents involved in the refinancing will include (i) the Tax Certificate and Agreement with respect to the Series 2014A Bonds between the Authority and the Borrower, dated the Closing Date defined below (the “Borrower Tax Certificate”), (ii) the Tax Certificate and Agreement with respect to the Series 2014A Bonds between the Authority and the Lessee, dated the Closing Date (the “Lessee Tax Certificate” and together with the Borrower Tax Certificate, the “Tax Certificates”), and (iii) a Continuing Covenants Agreement by and between the Purchaser, the Lessee and the Borrower, dated as of November 1, 2014 (the “Continuing Covenants Agreement”).

3. The Purchaser shall deliver to the State Treasurer, the Authority and the Borrower, an executed Purchaser’s Letter, the form of which is attached as Exhibit B to the First Supplemental Indenture (the “Purchaser’s Letter”).

4. The Authority, subject to the limitations provided herein, represents to and agrees with the Purchaser with respect to the Bonds that:

(a) The Authority is a public instrumentality and a political subdivision of the State of California authorized under the Act to issue the Bonds and to exercise all rights and powers permitted under the Act.

(b) The Authority has complied with the provisions of the Act and all other applicable laws, rules and regulations and has the requisite power and authority to (i) execute and deliver this Purchase Contract, the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Inducement Agreement and the Tax Certificates, (ii) issue and deliver the Bonds, and (iii) consummate the transactions on its part contemplated by, and perform its obligations under, this Purchase Contract, the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Inducement Agreement and the Tax Certificates.

(c) By the adoption of its authorizing resolution on October 21, 2014, the Authority has duly authorized and approved the execution and delivery of, and the due performance by the Authority of the obligations on its part contained in this Purchase Contract, the Bonds, the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Inducement Agreement and the Tax Certificates and the consummation by the Authority of the refinancing transactions contemplated thereby and hereby.

(d) When executed and delivered in accordance with the provisions of this Purchase Contract and assuming the due authorization, execution and delivery by the other respective parties thereto, if any, the First Supplemental Indenture, the Bonds, the First Supplemental Loan Agreement, the First Supplemental Inducement Agreement, the Tax Certificates and this Purchase Contract will constitute legally valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as their enforceability may be limited by reasons of bankruptcy, insolvency, reorganization or other laws generally affecting creditors' remedies; the application of equitable principles regardless of whether equitable remedies are sought; by provisions of State of California law governing claims against public agencies; and by matters of public policy.

(e) To the best knowledge of the Authority, the execution and delivery by the Authority of this Purchase Contract, the Bonds, the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Inducement Agreement and the Tax Certificates and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Authority is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties, or (except with respect to the liens of the Indenture) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority pledged to pay the principal of and interest on the Bonds, which conflict, violation or breach or default or imposition of lien, charge or security interest or encumbrance would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of the Bonds, the First Supplemental Indenture, the First Supplemental Loan Agreement, and the First Supplemental Inducement Agreement, the Tax Certificates or this Purchase Contract; provided, however, that no representation is made regarding compliance with any federal or state securities or "blue sky" laws.

(f) There is no action, suit, or proceeding at law or in equity before or by any court or inquiry or investigation before or by any governmental agency, public board or body with respect to which service of process on the Authority has been completed, or to the best knowledge of the Authority, without independent investigation, threatened against the Authority, seeking to prohibit, restrain or enjoin the execution and delivery of the Bonds by the Authority or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds; contesting or seeking to affect the validity or enforceability of the Bonds, the First Supplemental Indenture, the First Supplemental

Loan Agreement, the First Supplemental Inducement Agreement, the Tax Certificates or this Purchase Contract; contesting the powers of the Authority to enter into, adopt or perform its obligations under any of the foregoing documents wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby, or which would materially adversely affect the validity of the Bonds, the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Inducement Agreement, the Tax Certificates or this Purchase Contract.

(g) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Authority that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Authority of the financing transactions on its part contemplated by this Purchase Contract, except as such may be required for the state securities or blue sky laws, for final filings or notice to the California Debt Limit Allocation Committee or the California Debt and Investment Advisory Commission and for filings to be made to the Internal Revenue Service on Form 8038.

(h) To the best knowledge of the Authority, without independent investigation, the Authority is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject; and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument, which breach or default would materially adversely affect the transactions contemplated hereby or which, in any way would materially adversely affect the validity of the First Supplemental Indenture, the Bonds, the First Supplemental Loan Agreement, the First Supplemental Inducement Agreement, the Tax Certificates or this Purchase Contract; provided that no representation is made regarding compliance with any federal or state securities or “blue sky” laws.

Any certificate signed by any officer of the Authority and delivered to the Purchaser shall be deemed a representation and warranty of the Authority to the Purchaser as to the statements made therein.

The execution and delivery of this Purchase Contract by the Authority shall constitute a representation by the Authority to the Purchaser that the representations and agreements contained in this Section 4 are true as of the date hereof; provided, however, that it is specifically understood and agreed that the Authority makes no representations or warranties as to the Borrower or any party to the agreements or instruments described herein other than the Authority and does not represent or warrant in any respect as to any of the statements, information (financial or otherwise), action taken or to be taken, representations or certifications furnished, or to be made and furnished, by the Borrower or any parties to the agreements or instruments described herein other than the Authority in connection with the execution and delivery of the Bonds. Additionally, as to matters of law other than federal tax law the Authority is relying on

the advice of Bond Counsel to the Authority; and as to matters of federal tax law the Authority is relying on the advice of Bond Counsel.

No member of the governing body of the Authority, or any officer or employee of the Authority, shall be individually liable for the breach of any representation, warranty or agreement contained herein.

5. In order to induce the State Treasurer, the Authority and the Purchaser to enter into the Purchase Contract, the Borrower hereby represents, covenants and agrees with each of such parties, as follows:

(a) The Borrower is a Delaware corporation duly organized and in good standing under the laws of the State of Delaware and qualified to do business in the State of California, and has full power and authority to enter into this Purchase Contract, the Borrower Tax Certificate, the First Supplemental Loan Agreement, the First Supplemental Depository Agreement, and the Continuing Covenants Agreement (collectively, the "Borrower Documents"), and to approve the Indenture, and to carry out and consummate all transactions contemplated by the Borrower Documents and the First Supplemental Indenture and by proper action has duly authorized the execution and delivery of the Borrower Documents and the approval of the First Supplemental Indenture.

(b) The authorized representative of the Borrower, acting on behalf of the Borrower, executing the Borrower Documents and approving the Indenture is duly and properly authorized to execute the same on behalf of the Borrower.

(c) The First Supplemental Indenture has been duly approved by the Borrower and the Borrower Documents have been duly authorized, executed and delivered by the Borrower and on the Closing Date will have been duly executed and delivered by the Borrower; and (i) the Loan Agreement assigned to the Trustee pursuant to the Indenture, will, to the extent of such assignment, constitute the valid and binding agreements of the Borrower with the Trustee enforceable against the Borrower in accordance with their terms for the benefit of the Holders of the Bonds; and (ii) the Borrower Documents, to the extent that any rights of the Authority and obligations of the Borrower thereunder are not so assigned to the Purchaser, will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms; except as enforcement of each of the above-named documents may be limited by bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights generally and by the application of such equitable principles as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or at law and except as the indemnification provisions contained in any of the above-named documents may be found to be contrary to public policy.

(d) The Borrower is not in any material way in breach of or default under (i) any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or (ii) any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Borrower is a party or is

otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument, except as disclosed in writing to the Authority and the Purchaser.

(e) The approval of this Purchase Contract; the execution and delivery of the First Supplemental Indenture, the Bonds, the First Supplemental Loan Agreement, the First Supplemental Depository Agreement, the Tax Certificates and the Continuing Covenants Agreement; the consummation of the transactions contemplated by, and the fulfillment of or compliance with the terms and conditions of the Borrower Documents, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the articles of incorporation of the Borrower, its bylaws or any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Documents or the financial condition, assets, properties or operations of the Borrower.

(f) No consent or approval of any trustee or holder of any indebtedness of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except in connection with “blue sky” laws) is necessary in connection with (i) the execution and delivery of this Purchase Contract; (ii) the execution and delivery of the First Supplemental Loan Agreement and the Continuing Covenants Agreement and the other Borrower Documents at the Closing (as defined below); (iii) the approval of the First Supplemental Indenture; or (iv) the consummation of any transaction contemplated in the Borrower Documents, except as have been obtained or made and as are in full force and effect (or will be obtained or made and will be in full force and effect at the Closing).

(g) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other government authority pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or the assets, properties or operations of the Borrower which, if determined adversely to the Borrower or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Borrower Documents, or the financial condition, assets, properties or operations of the Borrower.

(h) The proceeds of the Bonds will be used in connection with the refinancing of a “project” as defined in the Act and the refunding of the Prior Bonds. The Borrower and each Participating Affiliate of Borrower (as defined in the Indenture), each constitute a “participating party” as defined in the Act.

(i) The Borrower has all necessary power and authority to conduct the business now being conducted by it and as contemplated by the Borrower Documents.

(j) The Borrower has not incurred any material liability, direct or contingent, nor has there been any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the Borrower which has not been described in writing to the Authority, the State Treasurer and the Purchaser, whether or not arising from transactions in the ordinary course of business.

(k) The Borrower agrees to indemnify and hold harmless each of the State Treasurer, the Authority and the Purchaser, and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended) any of the State Treasurer, the Authority, or the Purchaser and the officers, directors, members, agents and employees of the State Treasurer, the Authority or the Purchaser (an "Indemnitee") against any and all losses, claims, damages, liabilities, penalties and expenses to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any alleged untrue statement or omission in any financial information provided by the Borrower. Any Indemnitee shall have the right to retain separate counsel in any such action and to participate in the defense thereof but shall bear the fees and expenses of such counsel unless (i) the Attorney General of the State of California assumes the defense of the State Treasurer or the Authority or any officer, member, agent or employee thereof, (ii) the Borrower shall have specifically authorized the retaining of such counsel, (iii) the Borrower has failed to assume the defense and employ counsel reasonably acceptable to the Indemnitee or (iv) the parties to such suit include such Indemnitee and the Borrower, and such Indemnitee has been advised by such counsel that one or more legal defenses may be available to it which may not be available to the Borrower or that representation of such indemnitee and the Borrower by the same counsel would be inappropriate under applicable standards of professional conduct due to actual or potential differing interests between them, in which case the Borrower shall not be entitled to assume the defense of such suit notwithstanding its obligation to bear the fees and expenses of such counsel.

(l) The representations, warranties, agreements and indemnities herein shall survive the Closing Date under this Purchase Contract and any investigation made by or on behalf of any Indemnitee of any matters described in or related to the transactions contemplated hereby and by this Purchase Contract and the Bonds.

6. At 11:00 a.m., California time, on November 25, 2014, or at such other time or on such earlier or later date as the Authority, the Borrower and the Purchaser mutually agree upon (the "Closing Date"), the Authority will deliver or cause to be delivered to the Purchaser the Bonds duly executed and authenticated. The Authority will deliver or cause to be delivered the Bonds at the offices of Orrick, Herrington & Sutcliffe LLP, 405 Howard Street, San Francisco California 94105 (or such other location as may be designated by the Purchaser and approved by the Authority). The Authority will further deliver or cause to be delivered to the Purchaser the other documents herein mentioned. The Purchaser will pay the Purchase Price of the Bonds, as set forth in Section 1 hereof, by wire transfer to the Trustee, for the account of the Authority. This payment for and delivery of the Bonds, together with the delivery of the other documents

described herein, is called the “Closing.” The Bonds shall be made available to the Purchaser not less than one business day before the Closing for purposes of inspection.

7. The Purchaser has entered into this Purchase Contract in reliance upon the representations and agreements of the Authority and the Borrower herein, the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the date of Closing, the opinion of counsel to the Borrower and the Lessee and the representations made by the Borrower in the First Supplemental Loan Agreement, the Lessee in the First Supplemental Inducement Agreement and the Authority in this Purchase Contract. The Purchaser’s obligations under this Purchase Contract are and shall be subject to the following further conditions:

(a) At the time of Closing, this Purchase Contract, the Indenture (as amended), the Loan Agreement (as amended), the Inducement Agreement (as amended), the Depository Agreement (as amended), the Service Contract (as amended) and the Continuing Covenants Agreement, shall each be in full force and effect as valid and binding agreements between or among the various parties thereto, and said documents shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Purchaser and there shall be in full force and effect such resolutions as, in the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), shall be necessary in connection with the transactions contemplated hereby.

(b) At the time of Closing, the Bonds shall have been duly authorized, executed and authenticated in accordance with the provisions of the Indenture.

(c) At or prior to the Closing, the Purchaser shall receive the following documents with respect to the Bonds, in each case satisfactory in form and substance to the Purchaser and its counsel:

(i) Certified copies of the Authorizing Resolution and any other resolutions adopted by the Authority which relate to the Bonds;

(ii) The Original Indenture, the Original Loan Agreement, the Original Depository Agreement, the Original Inducement Agreement, the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Depository Agreement, the First Supplemental Inducement Agreement, the Tax Certificates, the amendment to the Service Contract and the Continuing Covenants Agreement, duly executed and delivered by the respective parties thereto, together with such amendments, modification or supplements as may have been agreed to in writing by the Purchaser;

(iii) The approving opinion of Bond Counsel, dated the date of Closing and addressed to the Authority, in substantially the form attached hereto as Exhibit A, together with a reliance letter addressed to the Trustee;

(iv) The approving opinion of Bond Counsel, acceptable to the Authority, in substantially the form attached hereto as Exhibit B, dated the date of Closing and addressed to the Authority to the effect that the issuance and sale of the Bonds will not result in the Prior Bonds or any other series of Tax-Exempt

Bonds becoming includable in the gross income of the Holders thereof for federal income tax purposes;

(v) An opinion of Bond Counsel, acceptable to the Authority, in substantially the form attached hereto as Exhibit C, dated the date of Closing and addressed to the Authority and the Trustee to the effect that (i) the First Supplemental Indenture executed pursuant to the provisions of Article IX of the Original Indenture complies with the requirements thereof and (ii) such amendments or modifications of the Original Indenture, the Original Loan Agreement, the Original Inducement Agreement, the Original Depository Agreement and the Service Contract will not adversely affect the interests of the Holders of the Prior Bonds and Additional Bonds or result in any impairment of the security thereby given for the payment of the Prior Bonds and Additional Bonds;

(vi) The opinion of the Attorney General of the State of California, counsel to the Authority, addressed to the Authority, dated the date of Closing, in substantially the form attached hereto as Exhibit D;

(vii) Copies of the articles of incorporation of the Borrower and a good standing certificate of recent date for the Borrower, each certified by the Delaware Secretary of State; a certificate of qualification to do business of recent date for the Borrower certified by the California Secretary of State; a good standing certificate of recent date for the Borrower certified by the Franchise Tax Board of the State; a copy of the bylaws of the Borrower; and a resolution or unanimous written consent of the board of directors of the Borrower authorizing the execution and delivery of the Borrower Documents;

(viii) Copies of the articles of incorporation of the Lessee and a good standing certificate of recent date for the Lessee each certified by the Delaware Secretary of State; a certificate of qualification to do business of recent date for the Lessee certified by the California Secretary of State; a good standing certificate of recent date for the Lessee certified by the Franchise Tax Board of the State; a copy of the bylaws of the Lessee; and a resolution or unanimous written consent of the board of directors of the Lessee authorizing the execution and delivery of the First Supplemental Inducement Agreement, the First Supplemental Depository Agreement, the Lessee Tax Certificate and the amendment to Service Contract;

(ix) The opinion of Archer Norris, PLC, Counsel to the Borrower, addressed to the Authority, the Purchaser and Bond Counsel, dated the date of Closing, in substantially the form set forth as Exhibit E hereto;

(x) The opinion of Archer Norris, PLC, Counsel to the Lessee, addressed to the Authority, the Purchaser and Bond Counsel, dated the date of Closing, in substantially the form set forth as Exhibit F hereto;

(xi) Evidence of required filings with the California Debt and Investment Advisory Commission;

(xii) A certificate of an authorized officer of the Borrower, dated the date of Closing, acceptable to the Authority to the effect that: (i) no material and adverse change has occurred in the financial position or results of operation of the Borrower which has not been described in writing to the Authority and the Purchaser; (ii) the Borrower has not incurred any material liabilities other than in the ordinary course of business which have not been described in writing to the Authority and the Purchaser; (iii) no litigation is pending or, to the knowledge of such officer, threatened (a) to restrain or enjoin the issuance or delivery of any of the Bonds or the payments to be made by the Borrower under the Loan Agreement, (b) in any way contesting or affecting the authority for the issuance or delivery of the Bonds or the validity of the Bonds, the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Depository Agreement, the First Supplemental Inducement Agreement, the Indenture, the Loan Agreement, the Inducement Agreement, the Continuing Covenants Agreement, the Borrower Tax Certificate or this Purchase Contract, or the resolutions of the Borrower relating to the Bonds, (c) in any way contesting the corporate existence or powers of the Borrower; (iv) the issuance and delivery of the Bonds as Additional Bonds under the Loan Agreement is approved; (v) the execution and delivery of the First Supplemental Indenture and the First Supplemental Depository Agreement are approved; and (vi) the representations and warranties of the Borrower contained in this Purchase Contract are true and correct as of the Closing Date;

(xiii) A certificate of an authorized officer of the Lessee, dated the date of Closing, acceptable to the Authority to the effect that: (i) no material and adverse change has occurred in the financial position or results of operation of the Lessee which has not been described in writing to the Authority and the Purchaser; (ii) the Lessee has not incurred any material liabilities other than in the ordinary course of business which have not been described in writing to the Authority and the Purchaser; (iii) no litigation is pending or, to the knowledge of such officer, threatened (a) to restrain or enjoin the issuance or delivery of any of the Bonds or the payments to be made by the Lessee under the Project Lease, (b) in any way contesting or affecting the authority for the issuance or delivery of the Bonds or the validity of the Project Lease, the First Supplemental Depository Agreement, the First Supplemental Inducement Agreement, the Inducement Agreement, the Continuing Covenants Agreement, the Lessee Tax Certificate, the Service Contract or this Purchase Contract, or the resolutions of the Lessee relating to the Bonds, or (c) in any way contesting the corporate existence or powers of the Lessee; (iv) the payment of Base Rent (as defined in the Project Lease) provides the Borrower with at least sufficient funds, along with other sources of funds, to make all of the Borrower's Repayment Installments under the Loan Agreement, as supplemented for the issuance of the Bonds as Additional Bonds; and (v) the execution and delivery of the First Supplemental Depository Agreement is approved;

(xiv) Certified copies of the resolution of the Board of Directors of the District approving a continuing disclosure certificate dated the date of Closing (the “Continuing Disclosure Certificate”), an amendment to the Service Contract and the Consent Certificate providing the following: (i) consent to the issuance of the Bonds as Additional Bonds under the Indenture; (ii) consent to the optional redemption of the Prior Bonds under the Indenture; and (iii) confirmation that the District will make direct payments to the Depository Bank under the Depository Agreement, pursuant to Article XIII.16 of the Service Contract, in an amount sufficient to pay the principal and interest on the Prior Bonds and Additional Bonds;

(xv) An opinion of counsel to the Trustee, acting in its capacity as Trustee and Depository Bank, as applicable, addressed to the Authority and the Purchaser, dated the Closing Date, to the effect that: (i) the Trustee is a national banking association with trust powers and being qualified to accept and administer funds, duly created and lawfully existing under the laws of the United States of America and having the authority to exercise trust powers in the State of California; (ii) the Trustee has duly authorized by all necessary corporate action the execution, delivery, and performance of the First Supplemental Indenture and the First Supplemental Depository Agreement; (iii) the Trustee has full power and corporate authority to accept the duties and obligations imposed on it by the First Supplemental Indenture and the First Supplemental Depository Agreement and to authenticate the Bonds and has the full legal power and authority to own its properties and to carry on its business; (iv) upon execution and delivery of the First Supplemental Indenture and the First Supplemental Depository Agreement, by a duly authorized officer of the Trustee, the First Supplemental Indenture and the First Supplemental Depository Agreement will constitute the valid and binding agreement of the Trustee, enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium, and other laws affecting the enforcement of creditors’ remedies generally and to the application of equitable principles, regardless of whether equitable remedies are sought; and (v) no authorization, consent or other order of any State of California or federal government authority or agency having jurisdiction in the matter is required to be obtained by the Trustee for the valid authorization, execution, delivery and performance by the Trustee of the First Supplemental Indenture and the First Supplemental Depository Agreement.

(xvi) A certificate of the Trustee, acting in its capacity as Trustee and Depository Bank, as applicable, dated the Closing Date, to the effect that: (i) The Trustee is the Trustee under the First Supplemental Indenture and the Trustee and Depository Bank under the First Supplemental Depository Agreement, relative to the issuance and delivery of the Bonds; (ii) the Trustee is duly organized, validly existing, in good standing under the laws of the United States of America, and has the authority to exercise trust powers in the State of California, and is empowered, authorized, and duly qualified to serve as (a) trustee and registrar pursuant to the First Supplemental Indenture and the other documents relating to the issuance of the Bonds, and (ii) as Depository Bank pursuant to the First Supplemental

Depository Agreement; (iii) the First Supplemental Indenture and the First Supplemental Depository Agreement have been duly executed, acknowledged, and delivered on behalf of the Trustee, acting in its capacity as Trustee and Depository Bank, respectively, by an authorized officer; (iv) the Bonds have been duly authenticated and delivered by the Trustee, acting as registrar pursuant to the First Supplemental Indenture; (v) the Trustee has received executed counterparts of the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Depository Agreement, the First Supplemental Inducement Agreement, the Tax Certificates and the Continuing Covenants Agreement; (vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or to the best of the Trustee's knowledge, threatened against the Trustee affecting the existence of the Trustee or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the authentication of the Bonds by the Trustee, or contesting the powers of the Trustee or its authority to perform its obligations as Trustee under the First Supplemental Indenture or the Bonds and as Depository Bank and Trustee under the First Supplemental Depository Agreement, and (vii) the Trustee, in reliance on an opinion of Bond Counsel, has consented to the execution and delivery of the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Depository Agreement, the First Supplemental Inducement Agreement and the amendment to the Service Contract;

(xvii) The opinion of the County Counsel of the County of Sacramento, as counsel to the District, dated the date of Closing and addressed to the Authority, the Purchaser and Bond Counsel to the effect that: (i) the District is a governmental body duly organized and validly existing under the laws of the State; (ii) the Continuing Disclosure Certificate, the Consent Certificate and the amendment to the Service Contract have been duly authorized, executed and delivered by the District; (iii) the resolution of the District approving and authorizing the execution and delivery of the Continuing Disclosure Certificate, the amendment to the Service Contract and the Consent Certificate was duly adopted at a meeting of the Board of Directors of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout; (iv) the execution and delivery of the Continuing Disclosure Certificate, the amendment to the Service Contract and the Consent Certificate and compliance with the provisions thereof, under the circumstances contemplated thereby and hereby, do not in any material respect conflict with or constitute on the part of the District a breach of or default under any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the District is subject; (v) the amendment to the Service Contract, the Continuing Disclosure Certificate and the Consent Certificate have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the respective other parties thereto, are valid and binding obligations of the District, enforceable in accordance with their terms, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights

generally, to the application of equitable principles and to limitations on legal remedies under California law; and (vi) there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body known to be pending or threatened against the District wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the amendment to the Service Contract, the Continuing Disclosure Certificate or the Consent Certificate;

(xviii) A Purchaser's Letter, dated the date of Closing, addressed to the Authority, executed by the Purchaser;

(xix) A certificate of the Authority, dated the date of Closing, in substantially the form set forth as Exhibit F hereto;

(xx) A completed and executed Form 8038 or evidence of filing thereof with the Internal Revenue Service;

(xxi) Written consent of the Bond Insurer of the Prior Bonds approving (i) the issuance of the Bonds as Additional Bonds, (ii) the execution and delivery of the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Depository Agreement, the First Supplemental Inducement Agreement and the Amendment to the Service Contract; (iii) the prepayment of all amounts payable under the Original Loan Agreement; and (iv) the redemption of the Prior Bonds under the Original Indenture.

(xxii) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel or counsel to the Authority may reasonably request to evidence compliance by the Authority, the Borrower, and the Lessee with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and the due performance or satisfaction by the Authority, Borrower and Lessee, at or prior to such time, of all agreements then to be performed and all conditions then to be satisfied.

(d) All matters relating to this Purchase Contract, the Bonds and the offering and sale thereof, the Indenture, the Loan Agreement, the Inducement Agreement, the Depository Agreement and the consummation of the transactions contemplated by this Purchase Contract shall have been approved by the Purchaser and counsel for the Purchaser, such approval not to be unreasonably withheld.

8. The Authority's obligations hereunder to deliver the Bonds at the Closing shall be subject to the following conditions:

(a) The performance by the Borrower of its obligations, to be performed hereunder at or prior to the delivery;

(b) No order, decree, injunction, ruling or regulation of any court, regulatory agency, public board or body shall have been issued, nor shall any legislation have been

enacted, with the purpose or effect, directly or indirectly, of prohibiting the sale, issuance or delivery of the Bonds as contemplated hereby or by the Indenture;

(c) The representations of the Authority in Section 4 hereof are true and correct as of the date of delivery as if made on the date of delivery;

(d) At or before the delivery, the Authority shall have received:

(i) Executed counterparts (or copies thereof) of this Purchase Contract, the First Supplemental Indenture, the First Supplemental Loan Agreement, and the First Supplemental Inducement Agreement; and

(ii) Duly executed copies of the letters, documents, certificates and opinions referred to in Section 7(c) hereof; such other certificates, opinions and documents reasonably required by and in form satisfactory to the Authority; and

(e) Evidence of payment or provision for payment of the fees of the Authority and the State Treasurer, as agent for sale, and the California Debt Limit Allocation Committee.

In addition, not later than 10 days after the Closing, the Purchaser shall submit or cause to be submitted to the Authority the report(s) required by Section 1899.532 of Article 4 of Subchapter 4 of Chapter 4 of Division 2 of Title 2 of the California Code of Regulations.

9. The Purchaser shall not be under any obligation to pay, and the Borrower shall pay all expenses and costs incident to the performance by the Authority and the State Treasurer of their obligations in connection with the authorization, issuance and delivery of the Bonds to the Purchaser. The Borrower shall pay all costs of issuance associated with the Bonds; however, the fees payable to the California Debt and Investment Advisory Commission shall be paid by the Purchaser, as required by State law.

10. Any notice or other communication to be given under this Purchase Contract:

(a) To the State Treasurer may be given by delivering the same in writing to the Treasurer of the State of California, 915 Capitol Mall, Room 261, Sacramento, California 95814;

(b) To the Authority may be given by delivering the same in writing to the California Pollution Control Financing Authority, 915 Capitol Mall, Room 457, Sacramento, California 95814, Attention: Executive Director;

(c) To the Purchaser may be given by delivering the same in writing to Umpqua Bank, 2998 Douglas Blvd., Suite 100, Roseville, CA 95661, Attention: Melody Stricklin; and

(d) To the Borrower may be given by delivering the same in writing to Sacramento Project Finance, Inc. c/o Synagro Technologies, Inc., 435 William Court, Suite 100, Baltimore, MD 21220, Attn: Controller.

All notices or communications hereunder by any party shall be given and served upon each other party. The approval of the Purchaser when required hereunder or the determination of satisfaction as to any document referred to herein shall be in writing signed by the Purchaser and delivered to the party requesting such approval or determination of satisfaction.

11. The Purchaser represents and warrants to and agrees with the Authority and the State Treasurer that it is authorized to take any action under this Purchase Contract required to be taken by it and that this Purchase Contract is a binding contract of such Purchaser enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium, and other laws affecting the enforcement of creditors' rights generally and by the application of such equitable principles as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or at law and except as the indemnification provisions contained herein may be found to be contrary to public policy.

12. This Purchase Contract shall be binding upon and inure solely to the benefit of each of the State Treasurer, the Authority, the Purchaser and the Borrower and, to the extent set forth herein, persons controlling any of such parties, and their respective officers, members, employees, agents and personal representatives, successors and assigns, and no other person or firm shall acquire or have any right under or by virtue of this Purchase Contract. All representations, warranties and agreements of the Purchaser, the Borrower and the Authority in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Purchaser and shall survive the delivery of and payment for the Bonds.

No recourse under or upon any obligation, covenant or agreement contained in this Purchase Contract shall be had against any officer or director of the Borrower as individuals, except as caused by their bad faith.

13. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. This Purchase Contract shall be governed exclusively by and construed in accordance with the applicable laws of the State of California applicable to contracts made and performed in the State of California. This Purchase Contract shall be enforceable in the State of California and any action arising out of this Purchase Contract shall be filed with and maintained in Sacramento County Superior Court, Sacramento County, California; provided that the Authority may waive the requirement of venue.

The parties agree that the terms and conditions of this Purchase Contract supersede those of all previous agreements between the parties relating to the subject matter at hand, and that this Purchase Contract contains the entire agreement between the parties hereto relating to the subject matter at hand.

Very truly yours,

UMPQUA BANK

By: 
Dmitry A. Semenov, Vice President

[Signature Page to Bond Purchase Contract – Sacramento Biosolids Project]

Accepted:

TREASURER OF THE STATE OF CALIFORNIA

By: Blake Fowler
Deputy Treasurer
For California State Treasurer Bill Lockyer

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY

By: Renee Webster-Hawkins
Renee Webster-Hawkins, Executive Director

[Signature Page to Bond Purchase Contract – Sacramento Biosolids Project]

Agreed to and accepted:

SACRAMENTO PROJECT FINANCE, INC.

By: 
Name: DIANA K. FEBO
Title: General Counsel & CEO

[Signature Page to Bond Purchase Contract – Sacramento Biosolids Project]

EXHIBIT A

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

California Pollution Control
Financing Authority
Sacramento, California

Umpqua Bank
Roseville, California

California Pollution Control Financing Authority
Solid Waste Disposal Refunding Revenue Bonds
(Sacramento Biosolids Project)
Series 2014A and Series 2014B (Taxable)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the California Pollution Control Financing Authority (the “Authority”) in connection with the issuance of \$13,730,000 aggregate principal amount of California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A (the “Series 2014A Bonds”) and \$65,000 aggregate principal amount of California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable) (the “Series 2014B Bonds” and together with the Series 2014A Bonds, the “Bonds”), issued pursuant to an indenture, dated as of December 1, 2002 (the “Original Indenture”), as supplemented by a first supplemental indenture, dated as of November 1, 2014 (the “First Supplemental Indenture” and collectively with the Original Indenture, the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company (the “Trustee”). The Indenture provides that the Bonds are issued for the stated purpose of making a loan of the proceeds thereof to Sacramento Project Finance, Inc., a Delaware corporation, qualified to do business in the State of California (the “Borrower”), pursuant to a loan agreement, dated as of December 1, 2002 (the “Original Loan Agreement”), as supplemented by a first supplemental loan agreement, dated as of November 1, 2014 (the “First Supplemental Loan Agreement” and collectively with the Original Loan Agreement, 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, we have reviewed the Indenture, the Loan Agreement, the Tax Certificate and Agreement, between the Authority and the Borrower, the Tax Certificate and Agreement, between the Authority and Synagro Organic Fertilizer Company of Sacramento Inc. (the “Lessee”), each dated the date hereof (together, the “Tax Certificates”), opinions of counsel

to the Authority, the Trustee, the Lessee and the Borrower, certificates of the Authority, the Trustee, the Borrower, the Lessee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

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. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement and the Tax Certificates, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2014A Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Loan Agreement and the Tax Certificates and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other 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 authorities of the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of any 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, we are of the following opinions:

1. The Bonds 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 Trust Estate, including the Revenues and any other amounts held by the Trustee in any fund or account established pursuant

to the Indenture, except the Rebate Fund, 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.

3. The Loan Agreement has been duly executed and delivered by, and constitutes a 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. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof or any local agency is pledged to the payment of the principal of 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 Series 2014A 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 Series 2014A Bonds during any period that such Series 2014A Bonds is held by a "substantial user" of any facilities financed or refinanced by the Series 2014A Bonds or by a "related person" within the meaning of Section 147(a) of the Code. We observe, however, that interest on the Series 2014A Bonds is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. Interest on the Series 2014B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. We are further of the opinion that interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

EXHIBIT B

**FORM OF NO ADVERSE AFFECT OPINION OF BOND COUNSEL
REGARDING ADDITIONAL BONDS**

[Closing Date]

California Pollution Control Financing Authority
Sacramento, California

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

California Pollution Control Financing Authority
Solid Waste Disposal Revenue Bonds
(Sacramento Biosolids Facility Project),
Series 2002A and Series 2002B

Ladies and Gentlemen:

Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002A (the “2002A Bonds”), in the aggregate principal amount of \$20,075,000, of which \$14,150,000 remains outstanding (the “2002A Bonds”) and Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002B, in the aggregate principal amount of \$1,200,000, which are no longer outstanding, were issued by the California Pollution Control Financing Authority (the “Issuer”) on December 23, 2002, pursuant to an indenture, dated as of December 1, 2002 (the “Original Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A. as successor in interest to BNY Western Trust Company, as trustee (the “Trustee”).

Pursuant to Section 2.03 of the Original Indenture, the Issuer is issuing \$13,730,000 aggregate principal amount of California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A and \$65,000 aggregate principal amount of California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable) (collectively, the “Refunding Bonds”), as Additional Bonds pursuant to a First Supplemental Indenture, dated as of November 1, 2014 (the “Supplemental Indenture” and together with the Original Indenture, the “Indenture”) between the Issuer and the Trustee. The Indenture provides that the Refunding Bonds are issued for the stated purpose of making a loan of the proceeds thereof to Sacramento Project Finance, Inc., a Delaware corporation, qualified to do business in the State of California (the “Borrower”), pursuant to a loan agreement, dated as of December 1, 2002 (the “Original Loan Agreement”), as supplemented by a first supplemental loan agreement, dated as of November 1, 2014 (the “First Supplemental Loan Agreement” and collectively with the Original

Loan Agreement, the “Loan Agreement”), between the Issuer and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In connection with such, as bond counsel to the Issuer, we have reviewed the Indenture, the Loan Agreement, the Tax Certificate and Agreement, between the Issuer and the Borrower, the Tax Certificate and Agreement, between the Issuer and Synagro Organic Fertilizer Company of Sacramento Inc. (the “Lessee”), each dated the date hereof (together, the “Tax Certificates”), the Inducement Agreement, opinions of counsel to the Issuer, the Trustee, the Lessee and the Borrower, certificates of the Authority, the Trustee, the Borrower, the Lessee and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinion set forth herein.

The opinion expressed herein is based on an analysis of existing laws, regulations, rulings and court decisions and covers certain matters not directly addressed by such authorities. Such opinion may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any party other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture the Loan Agreement, the Inducement Agreement and the Tax Certificates (including any supplements or amendments thereto), including (without limitation) covenants and agreements compliance with which is necessary to assure that actions, omissions or events on and after the date of issuance of the 2002A Bonds have not caused and will not cause interest on the 2002A Bonds to be included in gross income for federal income tax purposes. We have not undertaken to determine compliance with any of such covenants and agreements or any other requirements of law, and, except as expressly set forth below, we have not otherwise reviewed any actions, omissions or events occurring after the date of issuance of the 2002A Bonds or the exclusion of interest on the 2002A Bonds from gross income for federal income tax purposes. Accordingly, no opinion is expressed herein as to whether interest on the 2002A Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2002A Bonds. Nothing in this letter should imply that we have considered or in any manner reaffirm any of the matters covered in any prior opinion we rendered with respect to the 2002A Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness any offering material relating to the 2002A Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the opinion that the issuance and sale of the Refunding Bonds as Additional Bonds in accordance with the provisions of the Indenture will not result in interest on the 2002A Bonds or any other series of Tax-Exempt Bonds becoming includable in the gross income of the Holders thereof for federal income tax purposes.

This opinion is furnished by us as bond counsel to the Issuer solely for purposes of Section 2.03(4) of the Indenture. No attorney-client relationship has existed or exists between our firm and the Trustee in connection with the 2002A Bonds or by virtue of this opinion, and we disclaim any obligation to update this opinion. This opinion is delivered to the addressees hereof pursuant to the Section 2.03(4) of the Indenture and is not to be used or relied upon for any other purpose or by any person. This opinion is not intended to, and may not, be relied upon by owners of 2002A Bonds or any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

EXHIBIT C

FORM OF NO ADVERSE AFFECT OPINION OF BOND COUNSEL REGARDING SUPPLEMENTAL DOCUMENTS

[Closing Date]

California Pollution Control Financing Authority
Sacramento, California

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

California Pollution Control Financing Authority
Solid Waste Disposal Revenue Bonds
(Sacramento Biosolids Facility Project),
Series 2002A and Series 2002B

Ladies and Gentlemen:

Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002A (the “2002A Bonds”), in the aggregate principal amount of \$20,075,000, of which \$14,150,000 remains outstanding (the “2002A Bonds”) and Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2002B, in the aggregate principal amount of \$1,200,000, which are no longer outstanding (the “2002B Bonds” and together with the 2002A Bonds, the “Bonds”), were issued by the California Pollution Control Financing Authority (the “Issuer”) on December 23, 2002, pursuant to an indenture, dated as of December 1, 2002 (as amended and supplemented, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A. as successor in interest to BNY Western Trust Company, as trustee (the “Trustee”).

The Indenture provides that the Bonds are issued for the stated purpose of making a loan of the proceeds thereof to Sacramento Project Finance, Inc., a Delaware corporation (the “Borrower”) pursuant to a loan agreement, dated as of December 1, 2002 (the “Loan Agreement”), between the Issuer and the Borrower. The Borrower used the proceeds of the loan for the purpose of financing the acquisition of a biosolids recycling facility (the “Project”) from Synagro Organic Fertilizer Company of Sacramento Inc., a Delaware corporation (“Lessee”). In order to induce the Authority to enter into the Loan Agreement and to issue the Bonds, Lessee entered into the Inducement Agreement with the Authority, dated as of December 1, 2002 (the “Inducement Agreement”).

The Borrower's sole source of funds to make Repayment Installments under the Loan Agreement is the Base Rent received from Lessee pursuant to that certain Ground Sublease and Facility Lease, dated as of December 1, 2002, by and between Corporation and Lessee. Lessee designed, built and operates the Project pursuant to that certain Service Contract for the Design, Construction, Financing and Operation of the Sacramento Regional County Sanitation District Biosolids Recycling Facility, dated July 24, 2002, (as amended and supplemented, the "Service Contract") by and between the District and Lessee (as assignee) and Lessee's principal source of funds to pay Base Rent is the Service Fee payable by the District under the Service Contract. Deposit and disbursement of the funds received from the Service Fee is provided for in that certain Depository and Control Agreement, dated as of December 1, 2002 (the "Depository Agreement"), among the Trustee, acting in its capacity as Depository Bank and Trustee, the Borrower and Lessee. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

Pursuant to Sections 6.04, 9.01(h) and 9.04 of the Indenture, the Indenture is being supplemented by a First Supplemental Indenture, dated as of November 1, 2014 (the "Supplemental Indenture") between the Issuer and the Trustee. Pursuant to Section 6.04 of the Indenture and Section 10.4 of the Loan Agreement, the Loan Agreement is being supplemented by a First Supplemental Loan Agreement (the "Supplemental Loan Agreement"), dated as of November 1, 2014, between the Issuer and the Borrower. Pursuant to Section 6.04 of the Indenture and Section 5.4 of the Depository Agreement, the Depository Agreement is being supplemented by a First Supplemental Depository and Control Agreement (the "Supplemental Depository Agreement"), dated as of November 1, 2014, among the Trustee, acting in its capacity as Depository Bank and Trustee, the Borrower and Lessee. Pursuant to Section 6.04 of the Indenture and Section 10.4 of the Inducement Agreement, the Inducement Agreement is being supplemented by a First Supplemental Inducement Agreement (the "Supplemental Inducement Agreement"), dated as of November 1, 2014, among the Issuer and Lessee. The Service Contract, pursuant to terms thereof and Section 6.04 of the Indenture and Section 10.4 of the Inducement Agreement, is being amended by a Fifth Amendment to Service Contract (the "Amended Service Contract"), dated October 27, 2014, by and between the District and the Lessee.

In connection with such Supplemental Indenture, Supplemental Loan Agreement, Supplemental Depository Agreement and Supplemental Inducement Agreement and Amended Service Contract, as bond counsel to the Issuer, we have reviewed the Indenture, the Supplemental Indenture, the Loan Agreement, the Supplemental Loan Agreement, the Inducement Agreement, the Supplemental Inducement Agreement, the Depository Agreement, the Supplemental Depository Agreement, the Service Contract and the Amended Service Contract, Opinions of counsel to the Lessee and the District and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. The Borrower and the Bond Insurer have consented to the execution and delivery of the Supplemental Indenture and the Supplemental Loan Agreement. The Bond Insurer has consented to execution and delivery of the Supplemental Inducement Agreement and the Amended Service Contract. The Bond Insurer and all parties thereto have consented to the execution and delivery of the Supplemental Depository Agreement.

With your permission, we have relied upon the opinions of counsel to the Lessee and the District regarding the authorization, execution and delivery and validity of the Amended Service

Contract for the purposes of Section 6.04 of the Indenture and Section 10.4 of the Inducement Agreement.

The opinions expressed herein is based on an analysis of existing laws, regulations, rulings and court decisions and covers 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. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any party other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the fifth and sixth paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement, the Depository Agreement, the Inducement Agreement, the Service Agreement, the Borrower Tax Certificate and the Lessee Tax Certificate (including any supplements or amendments thereto), including (without limitation) covenants and agreements compliance with which is necessary to assure that actions, omissions or events on and after the date of issuance of the Bonds have not caused and will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We have not undertaken to determine compliance with any of such covenants and agreements or any other requirements of law, and, except as expressly set forth below, we have not otherwise reviewed any actions, omissions or events occurring after the date of issuance of the Bonds or the exclusion of interest on the 2002A Bonds from gross income for federal income tax purposes. Accordingly, no opinion is expressed herein as to whether interest on the 2002A Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2002A Bonds. Nothing in this letter should imply that we have considered or in any manner reaffirm any of the matters covered in any prior opinion we rendered with respect to the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness any 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, we are of the following opinions:

1. The provisions of the Supplemental Indenture executed pursuant to the provisions of Article IX of the Indenture comply with the requirements of Article IX of the Indenture.
2. The provisions of the Supplemental Indenture do not materially adversely affect the Holders of Bonds or the Bond Insurer.
3. The Supplemental Indenture, the Supplemental Loan Agreement, the Supplemental Inducement Agreement, the Supplemental Depository Agreement and the Amended Service Contract will not adversely affect the interest of the Holders of the Bonds or result in any impairment of the security given for the payment of the Bonds.

This opinion is furnished by us as bond counsel to the Issuer solely for purposes of Sections 6.04, 9.01(h) and 9.04 of the Indenture. No attorney-client relationship has existed or exists

between our firm and the Trustee or our firm in connection with the Bonds or by virtue of this opinion, and we disclaim any obligation to update this opinion. This opinion is delivered to the addressees hereof pursuant to the Sections 6.04, 9.01(h) and 9.04 of the Indenture and is not to be used or relied upon for any other purpose or by any person. This opinion is not intended to, and may not, be relied upon by owners of Bonds or any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

EXHIBIT D

FORM OF OPINION OF COUNSEL TO THE AUTHORITY

[Closing Date]

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

RE: \$13,795,000 California Pollution Control Financing Authority
Solid Waste Disposal Refunding Revenue Bonds
(Sacramento Biosolids Project) Series 2014A and Series 2014B (Taxable)

Ladies and Gentlemen:

This opinion is delivered to you pursuant to Section 7(c)(vi) of a Bond Purchase Contract, dated October 28, 2014 (the “Purchase Contract”), among the Treasurer of the State of California (the “Treasurer”), the California Pollution Control Financing Authority (the “Authority”), Umpqua Bank, as purchaser (the “Purchaser”), and agreed to and accepted by Sacramento Project Finance, Inc. (the “Borrower”), in connection with the issuance by the Authority of the above referenced bonds (the “Bonds”).

The Bonds are being issued pursuant to the provisions of the California Pollution Control Financing Authority Act, Division 27 of the Health and Safety Code (commencing with section 44500) (the “Act”) and an Indenture, dated as of December 1, 2002, as supplemented by a First Supplemental Indenture, dated as of November 1, 2014 (collectively, the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company. The proceeds of the Bonds are being loaned by the Authority to the Borrower pursuant to a Loan Agreement, dated as of December 1, 2002, as supplemented by a First Supplemental Loan Agreement, dated as of November 1, 2014 (collectively, the “Loan Agreement”), between the Authority and the Borrower. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture.

Additionally, the Authority has entered into an inducement agreement with Synagro Organic Fertilizers Company of Sacramento, Inc., dated as of December 1, 2002, as supplemented by a First Supplemental Inducement Agreement, dated as of November 1, 2014 (collectively, the “Inducement Agreement”)

The Authority’s only sources of payment for the principal of, premium, if any, or interest on the Bonds are the Revenues from payments by the Borrower and from certain other limited sources provided for and described in the Indenture. The Authority is not obligated to pay the principal of, premium, if any, or interest on the Bonds except from such Revenues and other limited sources provided for and described in the Indenture. Neither the faith and credit nor the taxing power of the State of California or any 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 with which to provide for payment of the principal of, premium, if any, or interest on the Bonds, nor does it have the power to commit the faith and credit or the taxing power of the State of California or any subdivision thereof, or any local agency, to payment of the principal of, premium, if any, or interest on the Bonds.

As to questions of fact material to this opinion, we have relied upon representations contained in the Indenture, the Loan Agreement, the Inducement Agreement and the Purchase Contract (collectively, the “Authority Documents”) and in certain certificates, documents, records, statements, and opinions furnished by, or on behalf of, the Authority and the Borrower, without undertaking to verify such facts by independent investigation. We have reviewed the Authority Documents, certificates of the Authority and others, and such other documents, opinions and matters to the extent deemed necessary to render the opinions set forth herein. In addition, we have assumed compliance with the covenants and agreements contained in the Authority Documents.

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. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof, and we disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We express no opinion as to whether interest on the Bonds is excluded from gross income for federal income tax purposes or exempt from State of California personal income taxes or as to any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. Although one or more Authority Documents may reference or incorporate the Tax Certificates, we express no opinion regarding the Tax Certificates. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the preceding fourth paragraph hereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the opinion that:

1. The Authority is a public instrumentality duly organized and validly existing under the Constitution and laws of the State of California.
2. The “Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Relating to Bond Financings,” adopted on January 21, 2014, and Final Resolution No. 540 of the Authority, adopted on October 21, 2014, approving and authorizing the execution and delivery of the Authority Documents and the Bonds, were duly adopted at meetings of the governing body of the Authority which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

3. There is no action, suit or proceeding pending (with service of process against the Authority having been accomplished) before any court, governmental agency, public board or body, or to our knowledge threatened, against the Authority to restrain or enjoin the issuance or delivery of the Bonds, the collection of Revenues pledged under the Indenture, the assignment of the Loan Agreement under the Indenture or the loaning of the proceeds of the Bonds to the Borrower under the Loan Agreement, or contesting any authority for the issuance of the Bonds, the validity of the Bonds or the Authority Documents, or contesting the existence or powers of the Authority with respect to the issuance of the Bonds or the security therefor wherein an unfavorable decision, ruling or finding would have a material adverse effect on the transactions contemplated by the Authority Documents or the validity of the Bonds (it being understood that we have made no docket search of state or federal courts or any other similar inquiry regarding such matters).

4. The execution and delivery of the Bonds and the Authority Documents by the Authority and the Authority's compliance with the provisions thereof under the circumstances contemplated thereby do not and will not conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument known to us to which the Authority is a party or by which it is bound, or under any existing law, regulation, court order or consent decree to which the Authority is subject, which conflict, breach or default would have a material adverse effect on the validity of the Bonds or the Authority Documents; provided that no representation is made regarding compliance with any federal or state securities or "blue sky" laws.

5. The Authority Documents have been duly authorized, executed, and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, are valid and binding obligations of the Authority enforceable in accordance with their respective terms, and the Bonds delivered on the date hereof have been duly authorized, executed and delivered by the Authority and, assuming due authentication by the Trustee, constitute the valid and binding limited obligations of the Authority, subject to the laws relating to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws related to or affecting creditors' remedies generally and to the application of equitable principles as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or law, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, severability, or waiver provisions contained in the Authority Documents. We express no opinion in this paragraph regarding any other Bonds.

6. The representations of the Authority set forth in Section 4 of the Purchase Contract are, as to all matters of law, true and accurate in all material respects at and as of the date hereof as though made on this date; and such representations are, as to all other matters, to our knowledge, true and accurate in all material respects at and as of the date hereof as though made on this date.

We are furnishing this letter to you as your counsel. It is being delivered to you as issuer of the Bonds, is solely for your benefit as such issuer, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Sincerely,

Deputy Attorney General

For: KAMALA D. HARRIS
Attorney General

EXHIBIT E

FORM OF OPINION OF BORROWER'S COUNSEL

[Closing Date]

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

Umpqua Bank
2998 Douglas Blvd., Suite 100
Roseville, CA 95661

Orrick Herrington & Sutcliffe
405 Howard Street
San Francisco, CA 94105

Re: California Pollution Control Financing Authority
Solid Waste Disposal Refunding Revenue Bonds
(Sacramento Biosolids Facility Project) Series 2014A and Series 2014B (Taxable)

Ladies and Gentlemen:

This firm has acted as counsel for Sacramento Project Finance, Inc., a Delaware corporation (the "Borrower"), and renders the following opinion pursuant to the Bond Purchase Contract, dated as of October 28, 2014 (the "Purchase Contract"), by and among the Treasurer of the State of California (the "Treasurer"), the California Pollution Control Financing Authority (the "Authority"), Umpqua Bank (the "Bank"), and accepted and agreed to by the Borrower, in connection with the sale by the Authority of its "California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A," in the aggregate principal amount of \$13,730,000 (the "Series 2014A Bonds"), and its, "California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable)," in the aggregate principal amount of \$65,000 (the "Series 2014B Bonds," and, together with the Series 2014A Bonds, the "Bonds"), issued pursuant to the provisions of the California Pollution Control Financing Authority Act, commencing with Section 44500 of the California Health and Safety Code, as now in effect and as it may from time to time hereafter be amended or supplemented and an Indenture of Trust, dated as of December 1, 2002, together with the First Supplemental Indenture, dated as of November 1, 2014 (collectively, the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company, as trustee (the "Trustee") and pursuant to a Loan Agreement between the Borrower and the Authority dated as of December 1, 2002, together with the First

Supplemental Loan Agreement, dated as of November 1, 2014 (collectively, the “Loan Agreement”). This opinion is rendered pursuant to paragraph 7(c)(ix) of the Purchase Contract.

In connection herewith, we have made such inquiries and examined, among other things, originals or copies certified or otherwise identified as being true copies of such records, documents and certificates of public officials as we have deemed necessary for the purposes of this opinion. We have reviewed the following documents, which may be amended, supplemented or modified prior to the Closing Date specified in the Purchase Contract, collectively, the “Transaction Documents”:

1. The Purchase Contract.
2. The Loan Agreement.
3. The Indenture.
4. The Continuing Covenants Agreement, dated as of November 1, 2014, by and between the Borrower, Synagro Organic Fertilizer Company of Sacramento, Inc., a Delaware corporation (the “Lessee”), and the Bank.
5. The Inducement Agreement, dated as of December 1, 2002, as supplemented by that certain First Supplemental Inducement Agreement, dated as of November 1, 2014, by and between the Authority and the Lessee (collectively, the “Inducement Agreement”).
6. The Tax Certificate and Agreement by and between the Authority and the Borrower relating to the Series 2014A Bonds.
7. The Tax Certificate and Agreement by and between the Authority and the Lessee relating to the Series 2014A Bonds.
8. The Depository and Control Agreement, dated as of December 1, 2002, as supplemented by that certain First Supplemental Depository and Control Agreement, dated as of November 1, 2014, by and between the Trustee, as Depository Bank (the “Depository Bank”) and as Trustee, the Borrower, and the Lessee (collectively, the “Depository Agreement”).
9. The Service Contract for the Design, Construction, Financing and Operation of the Sacramento Regional County Sanitation District Biosolids Recycling Facility, dated as of June 24, 2002 (as amended and supplemented, the “Service Contract”), by and between the District and the Lessee (as assignee).

We have reviewed documents obtained from public officials, corporate documents, and other records in connection with this transaction. In all such examinations, we have assumed the

genuineness of all signatures, the authenticity of all documents submitted to us as conformed or photocopies thereof, and the authenticity of the originals of all such latter documents.

Whenever our opinion herein with respect to the existence or absence of facts is indicated to be based on our knowledge, it is intended to signify that during the course of our representation as herein described, no information has come to our attention which would give us current actual knowledge of facts contrary to the existence or absence of the facts indicated. However, except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to our knowledge of the existence or absence of such facts should be drawn from such statement or our representation of the Borrower as special counsel.

We have relied on the representations made by the Borrower in the Borrower's Certificate of Reliance of Counsel which is attached hereto as Exhibit A and have performed no independent investigation of the facts on which those representations are based.

Based on the foregoing, and subject to the qualifications and limitations set forth herein, we are of the opinion that:

(i) Borrower is a corporation duly organized and validly existing under the laws of the State of Delaware and is in good standing and qualified to do business in the State of California and Borrower has all requisite power and authority to own its property, to carry on its business as now conducted and as contemplated by the Loan Agreement, Indenture, and Continuing Covenants Agreement;

(ii) Borrower has all requisite power and authority to enter into, execute, deliver and perform its obligations under the Transaction Documents to which it is a party;

(iii) the Transaction Documents to which Borrower is a party have been validly authorized, executed and delivered by Borrower and constitute the legal, valid and binding agreements of Borrower, enforceable against Borrower in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights generally and to the application of such equitable principles as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or at law; or except as rights of indemnity may be limited by principles of public policy;

(iv) to the best of our knowledge, except as have been obtained, no consent, approval, authorization or order of any court or governmental body is required to be obtained by the Borrower for the consummation by the Borrower of the transactions contemplated herein except such as may be required under the state securities or Blue Sky laws;

(v) to the best of our knowledge, based on due inquiry, the execution and delivery of the Loan Agreement, Indenture, and Continuing Covenants Agreement by Borrower and the other Transaction Documents to which it is a party, and the performance by the Borrower of its obligations thereunder, (a) will not conflict with or result in a breach of any of the material terms, conditions or provisions of any material agreement or instrument to which the Borrower is party, or constitute a material default thereunder and (b) will not violate any order, decree, judgment, action, suit proceeding, inquiry or investigation at law or in equity by or before any court or any provision of any statute, rule or regulation applicable to or binding on the Borrower or affecting any of their property; and

(vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of our knowledge, threatened against the Borrower involving any of the property or assets under the control of the Borrower that involves the possibility of any judgment or uninsured liability which may result in any materially adverse change in the business, properties, assets or in the condition, financial, physical, legal or otherwise, of the Borrower.

Our opinions set forth hereinabove are specifically subject to and limited by the following:

A. The opinions set forth herein are subject to: (i) the effect of applicable bankruptcy, insolvency, fraudulent conveyances or transfers, reorganization, arrangement, moratorium and other, similar laws now or hereafter relating to or affecting the rights of creditors generally; (ii) general principles of equity including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing regardless of whether enforceability is considered in a proceeding in equity or at law to provide relief even though such equitable principles may be applied contrary to the provisions of the Transaction Documents; (iii) the possible unavailability of specific performance, injunctive relief and other equitable remedies other than judicial foreclosure as a remedy for noncompliance with the Transaction Documents; and (iv) the limitations on the enforceability of indemnification or contribution provisions pursuant to federal or State securities law or which are found to be contrary to public policy.

B. We express no opinion regarding the rights or remedies available to any party: (i) insofar as such party may take discretionary action that is arbitrary, unreasonable or capricious, or is not taken in good faith or in a commercially reasonable manner, whether or not such action is permitted under the Transaction Documents; (ii) for violations or breaches of any provisions which are immaterial or for violations or breaches of any provisions, the enforcement of which a court determines would be unreasonable under the then existing circumstances or would constitute a violation of the implied covenant of good faith and fair dealing; or (iii) for material violations or breaches which are the proximate result of actions taken by any party other than the party against whom enforcement is sought which actions the other party is not entitled to take pursuant to the relevant agreement or instrument or applicable laws.

C. We express no opinion with respect to: (i) the legality, validity, binding nature or enforceability of any provision of any of the Transaction Documents to the effect that rights or remedies are not exclusive; (ii) that every right or remedy is cumulative and may be exercised in addition to or with any other right or remedy; (iii) that election of some particular remedy or remedies does not preclude recourse to one or more other remedies; (iv) that failure to exercise or a delay in the exercise of rights or remedies will not operate as a waiver of any such right or remedy; or that (v) oral or other modifications, amendments or waivers could not be agreed upon between the parties and that the doctrine of promissory estoppel or other equitable principals might not apply thereto.

D. Our opinion is limited by the unenforceability under certain circumstances of contractual provisions respecting various self-help or summary remedies without notice or opportunity for hearing or correction, especially if their operation would work a substantial forfeiture or impose a substantial penalty upon the burdened party.

E. Our opinion is subject to limitations imposed by California law and court decisions relating to the strict enforcement of certain covenants in debt instruments absent a showing of damage to the lender, impairment of the value of collateral or impairment of the Borrower's ability to pay.

F. We express no opinion with respect to the legality, validity, binding nature or enforceability of: (i) a waiver of rights existing, or duties owed, that is broadly or vaguely stated or does not describe the right or duty purportedly waived with reasonable specificity; (ii) any waivers or other provision of the Transaction Documents which are found by California courts to be unconscionable or against public policy or which are ineffective pursuant to California statutes and judicial decisions; (iii) any provision of any Transaction Documents which provide for the payment or reimbursement of costs and expenses or for claims, losses or liabilities in excess of a reasonable amount determined by any court or other tribunal; and (iv) any provisions in the Transaction Documents purporting to establish evidentiary standards or to render determinations by any party conclusive.

G. We express no opinion as to the legality, validity, binding nature, enforceability of, or limitations on the rights of a lender in connection with: (i) the validity or enforceability of any late charge, penalty, forfeiture, increase in interest rate upon default, due-on-encumbrance provisions, waiver of marshaling of assets, or any partial foreclosure rights or provisions for survival of rights after foreclosure contained in the Transaction Documents; (ii) the imposition of penalties for late payment or defaults by the Borrower if it is determined that such penalties bear no reasonable relation to the damages suffered by the lender as a result of such delinquencies or default; (iii) or as to the remedies available to a lender for non-material violations or breaches of the Transaction Documents. In this regard, we have assumed that any party other than the Borrower will enforce its rights under the Transaction Documents in circumstances in which it is commercially reasonable to do so and in a commercially reasonable manner.

H. We express no opinion with respect to the priority of any security interest or lien in any real or personal property or the descriptions thereof provided for in any of the Transaction Documents.

I. We express no opinion as to any provision of the Transaction Documents purporting to impose a unilateral obligation upon the Borrower to pay attorneys' fees in the event of any claimed default or dispute under the Transaction Documents irrespective of which party may be deemed to be the "prevailing party" in any resulting action or proceeding.

J. We express no opinion regarding the enforceability of provisions in the Transaction Documents purporting by their terms to survive foreclosure of any Deed of Trust or repayment of all obligations under the Loan Agreement and other Transaction Documents.

K. The opinions set forth in this letter are limited to matters expressly set forth in this opinion letter, and no opinion is to be implied or may be inferred beyond the matters expressly so stated.

This opinion is furnished by us as Counsel for the Borrower, speaks only as the date hereof and is not to be used, circulated, quoted or referred to other than in connection with, and with the parties to whom this letter is addressed, this transaction without our prior written consent. We are opining herein as to the effect on the subject transactions only of federal laws and the laws of the State of California and we assume no responsibility as to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction. We have no obligation to advise you (or any third party) of changes of law or fact that occur after the date of this Opinion Letter, even though the change may affect the analysis, a legal conclusion or an informational confirmation in the opinions expressed herein. This opinion is rendered as of the date set forth above, and we express no opinion as to circumstances or events that may occur subsequent to said date.

Very truly yours,

ARCHER NORRIS

Richard E. Norris

CERTIFICATE OF RELIANCE FOR COUNSEL

The undersigned, Daniel R. Sulzbach, President of Synagro Organic Fertilizer Company of Sacramento, Inc., a Delaware corporation (the “Lessee”), sole owner of Sacramento Project Finance, Inc., a Delaware corporation (the “Borrower”) on behalf thereof in connection with the issuance by the California Pollution Control Financing Authority (the “Authority”) of its “California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A,” in the aggregate principal amount of \$13,730,000 (the “Series 2014A Bonds”), and its, “California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable),” in the aggregate principal amount of \$65,000 (the “Series 2014B Bonds,” and, together with the Series 2014A Bonds, the “Bonds”) has requested Archer Norris as Counsel for the Borrower, to prepare certain opinions (the “Opinion Letter”) which will be rendered to the Authority, Umpqua Bank, as the Purchaser, and Orrick, Herrington and Sutcliffe, as Bond Counsel.

A. Initially capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Opinion Letter to which this certificate is attached or, if not defined therein, in the Indenture as defined therein.

B. I certify that I am the duly elected and qualified President of the Lessee, sole owner of the Borrower. I am actively involved in the business operations of the Borrower and am generally familiar with all of the Borrower’s corporate and business affairs. I am familiar with the Transaction Documents and the transactions contemplated thereby. Before executing this certificate, I have reviewed the Opinion Letter of Archer Norris to which this certificate is attached and I have the requisite power and authority to execute this certificate on behalf of the Borrower.

By my signature below, I certify, on behalf of the Borrower, that to the best of my knowledge:

1. The Opinion Letter does not contain any false, inaccurate or misleading statements.
2. All federal, state, and local tax returns and payments due and owing have been filed with or paid to the proper authorities. The Borrower is a corporation duly organized and validly existing under the laws of the State of Delaware and in good standing under the laws of the State of California and of all local jurisdictions in which it operates, with full authority to own its properties, conduct its business, and to enter into the transactions contemplated by the Transaction Documents. I am not aware of any information that might indicate that the Borrower’s good standing or authority as described above could be jeopardized.
3. Each Transaction Document to which Borrower is a party has been duly authorized by all necessary corporate action on the part of the Borrower.
4. Neither the Borrower nor its affiliates have received any correspondence, memoranda, notices or other communications from any federal, state, or local governmental or regulatory

agency or other authority indicating it might bring any proceedings against or involving the Borrower or its affiliates or indicating its disapproval of any matters relating directly or indirectly to the Transaction Documents or the transactions contemplated thereby.

5. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of each of our knowledge, threatened against the Borrower or its affiliates or involving the property or assets under the control of the Borrower or its affiliates that involves (i) the possibility of any judgment or any uninsured liability which may result in any material adverse change in the business, properties, assets, or in the condition, financial, physical, legal, or otherwise, of the Borrower, or its affiliates, or (ii) any challenges to the Bonds or the Transaction Documents.

6. The Borrower intends the Transaction Documents to which it is a party to be legally valid and binding obligations of the Borrower and we are not aware of any reasons why said Transaction Documents to which the Borrower is a party should not be enforceable against the Borrower substantially in accordance with their terms, except as noted in the qualifications described in the Opinion Letter. Nor am I aware of any reason why the aforementioned Transaction Documents might be invalid in their entirety or subject to any limitations on the remedies and rights of the parties thereto.

7. I have been advised and acknowledge that this certificate is being executed and delivered at the request of Archer Norris in order for them to render the Opinion Letter on behalf of the Borrower. I have been advised and acknowledge that said attorneys are relying on the statements and matters set forth herein to be true, accurate, and complete in rendering the Opinion Letter.

WITNESS the signature of the undersigned this ___ day of November, 2014

SACRAMENTO PROJECT FINANCE INC.

By: _____

Name: Daniel R. Sulzbach

Title: President of Synagro Organic Fertilizer Company of Sacramento Inc.

EXHIBIT F

FORM OF OPINION OF LESSEE'S COUNSEL

[Closing Date]

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

Umpqua Bank
2998 Douglas Blvd., Suite 100
Roseville, CA 95661

Orrick Herrington & Sutcliffe
405 Howard Street
San Francisco, CA 94105

Re: California Pollution Control Financing Authority
Solid Waste Disposal Refunding Revenue Bonds
(Sacramento Biosolids Facility Project) Series 2014A and 2014B (Taxable)

Ladies and Gentlemen:

This firm has acted as counsel for Synagro Organic Fertilizer Company of Sacramento, Inc., a Delaware corporation (the "Lessee"), and renders the following opinion pursuant to the Bond Purchase Contract, dated as of November __, 2014 (the "Purchase Contract"), by and among the Treasurer of the State of California (the "Treasurer"), the California Pollution Control Financing Authority (the "Authority"), Umpqua Bank (the "Bank"), and Sacramento Project Finance, Inc., a Delaware corporation (the "Borrower"), in connection with the sale by the Authority of its Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2014A in the aggregate principal amount of \$13,730,000 (the "2014A Bonds") and its Solid Waste Disposal Revenue Bonds (Sacramento Biosolids Facility Project) Series 2014B in the aggregate principal amount of \$65,000 (the "2014B Bonds" and, together with the 2014A Bonds, the "Bonds"), issued pursuant to the provisions of the California Pollution Control Financing Authority Act, commencing with Section 44500 of the California Health and Safety Code, as now in effect and as it may from time to time hereafter be amended or supplemented and an Indenture of Trust, dated as of December 1, 2002, together with the First Supplemental Indenture, dated as of November 1, 2014 (collectively, the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company, as trustee (the "Trustee") and pursuant to a Loan Agreement between the Borrower and the Authority dated as of December 1, 2002, together with the First Supplemental Loan Agreement, dated as of November 1, 2014 (collectively, the "Loan Agreement"). This opinion is rendered pursuant to paragraph 7(c)(x) of the Purchase Contract.

In connection herewith, we have made such inquiries and examined, among other things, originals or copies certified or otherwise identified as being true copies of such records, documents and certificates of public officials as we have deemed necessary for the purposes of this opinion. We have reviewed the following documents, which may be amended, supplemented or modified prior to the Closing Date specified in the Purchase Contract, collectively, the “Transaction Documents”:

1. The Purchase Contract.
2. The Indenture.
3. The Loan Agreement.
4. The Inducement Agreement, dated as of December 1, 2002, as supplemented by that certain First Supplemental Inducement Agreement, dated as of November 1, 2014, by and between the Authority and the Lessee (collectively, the “Inducement Agreement”).
5. The Continuing Covenants Agreement, dated as of November 1, 2014, by and between the Borrower, Lessee, and the Bank.
6. The Tax Certificate and Agreement by and between the Authority and the Lessee relating to the Series 2014A Bonds.
7. The Tax Certificate and Agreement by and between the Authority and the Borrower relating to the Series 2014A Bonds.
8. The Depository and Control Agreement, dated as of December 1, 2002, as supplemented by that certain First Supplemental Depository and Control Agreement, dated as of November 1, 2014, by and between the Trustee, as Depository Bank (the “Depository Bank”) and as Trustee, the Borrower, and the Lessee (collectively, the “Depository Agreement”).
9. The Service Contract for the Design, Construction, Financing and Operation of the Sacramento Regional County Sanitation District Biosolids Recycling Facility, dated as of June 24, 2002 (as amended and supplemented, the “Service Contract”), by and between the District and the Lessee (as assignee).

We have reviewed documents obtained from public officials, corporate documents, and other records in connection with this transaction. In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as conformed or photocopies thereof, and the authenticity of the originals of all such latter documents.

Whenever our opinion herein with respect to the existence or absence of facts is indicated to be based on our knowledge, it is intended to signify that during the course of our representation as herein described, no information has come to our attention which would give us current actual

knowledge of facts contrary to the existence or absence of the facts indicated. However, except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to our knowledge of the existence or absence of such facts should be drawn from such statement or our representation of the Lessee as special counsel.

We have relied on the representations made by the Lessee in the Lessee's Certificate of Reliance of Counsel which is attached hereto as Exhibit A and have performed no independent investigation of the facts on which those representations are based.

Based on the foregoing, and subject to the qualifications and limitations set forth herein, we are of the opinion that:

(i) Lessee is a corporation duly organized and validly existing under the laws of the State of Delaware, and is in good standing and qualified to do business in the State of California, and Lessee has all requisite power and authority to own its property, to carry on its business as now conducted and as contemplated by the Transaction Documents;

(ii) Lessee has all requisite power and authority to enter into, execute, deliver and perform its obligations under the Transaction Documents to which it is a party;

(iii) the Transaction Documents to which Lessee is a party have been validly authorized, executed and delivered by Lessee and constitute the legal, valid and binding agreements of Lessee, enforceable against Lessee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights generally and to the application of such equitable principles as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or at law; or except as rights of indemnity may be limited by principles of public policy;

(iv) to the best of our knowledge, except as have been obtained, no consent, approval, authorization or order of any court or governmental body is required to be obtained by the Lessee for the consummation by the Lessee of the transactions contemplated herein except such as may be required under state securities or Blue Sky laws;

(v) to the best of our knowledge, based on due inquiry, the execution and delivery of the Inducement Agreement and Continuing Covenants Agreement by Lessee and the other Transaction Documents to which it is a party, and the performance by the Lessee of its obligations thereunder, (a) will not conflict with or result in a breach of any of the material terms, conditions or provisions of any material agreement or instrument to which the Lessee is party, or constitute a material default thereunder and (b) will not violate any order, decree, judgment, action, suit proceeding, inquiry or investigation at law or in equity by or before any court or any provision of any statute, rule or regulation applicable to or binding on the Lessee or affecting any of their property; and

(vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of our knowledge, threatened against the Lessee involving any of the property or assets under the control of the Lessee that involves the possibility of any judgment or uninsured liability which may result in any materially adverse change in the business, properties, assets or in the condition, financial, physical, legal or otherwise, of the Lessee.

Our opinions set forth hereinabove are specifically subject to and limited by the following:

A. The opinions set forth herein are subject to: (i) the effect of applicable bankruptcy, insolvency, fraudulent conveyances or transfers, reorganization, arrangement, moratorium and other, similar laws now or hereafter relating to or affecting the rights of creditors generally; (ii) general principles of equity including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing regardless of whether enforceability is considered in a proceeding in equity or at law to provide relief even though such equitable principles may be applied contrary to the provisions of the Transaction Documents; (iii) the possible unavailability of specific performance, injunctive relief and other equitable remedies other than judicial foreclosure as a remedy for noncompliance with the Transaction Documents; and (iv) the limitations on the enforceability of indemnification or contribution provisions pursuant to federal or State securities law or which are found to be contrary to public policy.

B. We express no opinion regarding the rights or remedies available to any party: (i) insofar as such party may take discretionary action that is arbitrary, unreasonable or capricious, or is not taken in good faith or in a commercially reasonable manner, whether or not such action is permitted under the Transaction Documents; (ii) for violations or breaches of any provisions which are immaterial or for violations or breaches of any provisions, the enforcement of which a court determines would be unreasonable under the then existing circumstances or would constitute a violation of the implied covenant of good faith and fair dealing; or (iii) for material violations or breaches which are the proximate result of actions taken by any party other than the party against whom enforcement is sought which actions the other party is not entitled to take pursuant to the relevant agreement or instrument or applicable laws.

C. We express no opinion with respect to: (i) the legality, validity, binding nature or enforceability of any provision of any of the Transaction Documents to the effect that rights or remedies are not exclusive; (ii) that every right or remedy is cumulative and may be exercised in addition to or with any other right or remedy; (iii) that election of some particular remedy or remedies does not preclude recourse to one or more other remedies; (iv) that failure to exercise or a delay in the exercise of rights or remedies will not operate as a waiver of any such right or remedy; or that (v) oral or other modifications, amendments or waivers could not be agreed upon between the parties and that the doctrine of promissory estoppel or other equitable principals might not apply thereto.

D. Our opinion is limited by the unenforceability under certain circumstances of contractual provisions respecting various self-help or summary remedies without notice or

opportunity for hearing or correction, especially if their operation would work a substantial forfeiture or impose a substantial penalty upon the burdened party.

E. Our opinion is subject to limitations imposed by California law and court decisions relating to the strict enforcement of certain covenants in debt instruments absent a showing of damage to the lender, impairment of the value of collateral or impairment of the Borrower's ability to pay.

F. We express no opinion with respect to the legality, validity, binding nature or enforceability of: (i) a waiver of rights existing, or duties owed, that is broadly or vaguely stated or does not describe the right or duty purportedly waived with reasonable specificity; (ii) any waivers or other provision of the Transaction Documents which are found by California courts to be unconscionable or against public policy or which are ineffective pursuant to California statutes and judicial decisions; (iii) any provision of any Transaction Documents which provide for the payment or reimbursement of costs and expenses or for claims, losses or liabilities in excess of a reasonable amount determined by any court or other tribunal; and (iv) any provisions in the Transaction Documents purporting to establish evidentiary standards or to render determinations by any party conclusive.

G. We express no opinion as to the legality, validity, binding nature, enforceability of, or limitations on the rights of a lender in connection with: (i) the validity or enforceability of any late charge, penalty, forfeiture, increase in interest rate upon default, due-on-encumbrance provisions, waiver of marshaling of assets, or any partial foreclosure rights or provisions for survival of rights after foreclosure contained in the Transaction Documents; (ii) the imposition of penalties for late payment or defaults by the Borrower if it is determined that such penalties bear no reasonable relation to the damages suffered by the lender as a result of such delinquencies or default; (iii) or as to the remedies available to a lender for non-material violations or breaches of the Transaction Documents. In this regard, we have assumed that any party other than the Borrower will enforce its rights under the Transaction Documents in circumstances in which it is commercially reasonable to do so and in a commercially reasonable manner.

H. We express no opinion with respect to the priority of any security interest or lien in any real or personal property or the descriptions thereof provided for in any of the Transaction Documents.

I. We express no opinion as to any provision of the Transaction Documents purporting to impose a unilateral obligation upon the Borrower to pay attorneys' fees in the event of any claimed default or dispute under the Transaction Documents irrespective of which party may be deemed to be the "prevailing party" in any resulting action or proceeding.

J. We express no opinion regarding the enforceability of provisions in the Transaction Documents purporting by their terms to survive foreclosure of any Deed of Trust or repayment of all obligations under the Loan Agreement and other Transaction Documents.

K. The opinions set forth in this letter are limited to matters expressly set forth in this opinion letter, and no opinion is to be implied or may be inferred beyond the matters expressly so stated.

This opinion is furnished by us as Counsel for the Lessee, speaks only as the date hereof and is not to be used, circulated, quoted or referred to other than in connection with, and with the parties to whom this letter is addressed, this transaction without our prior written consent. We are opining herein as to the effect on the subject transactions only of federal laws and the laws of the State of California and we assume no responsibility as to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction. We have no obligation to advise you (or any third party) of changes of law or fact that occur after the date of this Opinion Letter, even though the change may affect the analysis, a legal conclusion or an informational confirmation in the opinions expressed herein. This opinion is rendered as of the date set forth above, and we express no opinion as to circumstances or events that may occur subsequent to said date.

Very truly yours,

ARCHER NORRIS

Richard E. Norris

EXHIBIT G

CERTIFICATE OF RELIANCE FOR COUNSEL

The undersigned, Daniel R. Sulzbach, President of Synagro Organic Fertilizer Company of Sacramento, Inc., a Delaware corporation (the “Lessee”) on behalf thereof in connection with the issuance by the California Pollution Control Financing Authority (the “Authority”) of its “California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A,” in the aggregate principal amount of \$13,730,000 (the “Series 2014A Bonds”), and its “California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable),” in the aggregate principal amount of \$65,000 (the “Series 2014B Bonds,” and, together with the Series 2014A Bonds, the “Bonds”) has requested Archer Norris as Counsel for the Lessee, to prepare certain opinions (the “Opinion Letter”) which will be rendered to the Authority, Umpqua Bank, as the Purchaser, and Orrick, Herrington and Sutcliffe, as Bond Counsel.

A. Initially capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Opinion Letter to which this certificate is attached or, if not defined therein, in the Indenture as defined therein.

B. I certify that I am the duly elected and qualified President of the Lessee. I am actively involved in the business operations of the Lessee and am generally familiar with all of the Lessee’s corporate and business affairs. I am familiar with the Transaction Documents and the transactions contemplated thereby. Before executing this certificate, I have reviewed the Opinion Letter of Archer Norris to which this certificate is attached and I have the requisite power and authority to execute this certificate on behalf of the Lessee.

By my signature below, I certify, on behalf of the Lessee, that to the best of my knowledge:

1. The Opinion Letter does not contain any false, inaccurate or misleading statements.

2. All federal, state, and local tax returns and payments due and owing have been filed with or paid to the proper authorities. The Lessee is a corporation duly organized and validly existing under the laws of the State of Delaware and in good standing under the laws of the State of California and of all local jurisdictions in which it operates, with full authority to own its properties, conduct its business, and to enter into the transactions contemplated by the Transaction Documents. I am not aware of any information that might indicate that the Lessee’s good standing or authority as described above could be jeopardized.

3. Each Transaction Document to which Lessee is a party has been duly authorized by all necessary corporate action on the part of the Lessee.

4. Neither the Lessee nor its affiliates have received any correspondence, memoranda,

notices or other communications from any federal, state, or local governmental or regulatory agency or other authority indicating it might bring any proceedings against or involving the Lessee or its affiliates or indicating its disapproval of any matters relating directly or indirectly to the Transaction Documents or the transactions contemplated thereby.

5. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of each of our knowledge, threatened against the Lessee or its affiliates or involving the property or assets under the control of the Lessee or its affiliates that involves (i) the possibility of any judgment or any uninsured liability which may result in any material adverse change in the business, properties, assets, or in the condition, financial, physical, legal, or otherwise, of the Lessee, or its affiliates, or (ii) any challenges to the Bonds or the Transaction Documents.

6. The Lessee intends the Transaction Documents to which it is a party to be legally valid and binding obligations of the Lessee and we are not aware of any reasons why said Transaction Documents to which the Lessee is a party should not be enforceable against the Lessee substantially in accordance with their terms, except as noted in the qualifications described in the Opinion Letter. Nor am I aware of any reason why the aforementioned Transaction Documents might be invalid in their entirety or subject to any limitations on the remedies and rights of the parties thereto.

7. I have been advised and acknowledge that this certificate is being executed and delivered at the request of Archer Norris in order for them to render the Opinion Letter on behalf of the Lessee. I have been advised and acknowledge that said attorneys are relying on the statements and matters set forth herein to be true, accurate, and complete in rendering the Opinion Letter.

WITNESS the signature of the undersigned this ____ day of November, 2014.

SYNAGRO ORGANIC FERTILIZER COMPANY OF SACRAMENTO, INC.

By: _____

Name: Daniel R. Sulzbach

Title: President

EXHIBIT H

FORM OF CERTIFICATE OF AUTHORITY

The undersigned BETTINA REDWAY, a Deputy Treasurer of the State of California, and RENEE WEBSTER-HAWKINS, Executive Director of the California Pollution Control Financing Authority (the "Authority"), a public instrumentality of the State of California, hereby certify to the following in connection with the issuance by the Authority on this date of \$13,730,000 aggregate principal amount of California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A and \$65,000 aggregate principal amount of California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable) (collectively, the "Bonds") and the loan of the proceeds therefrom to Sacramento Project Finance, Inc., a Delaware corporation (the "Borrower"); however, as to all matters of law, the Authority is relying on the advice of counsel.

1. Renee Webster-Hawkins is now, and at all times since at least the date shown opposite her name on the last page of this Certificate has been, the duly appointed and qualified officer of the Authority, holding the office of the Authority set forth below opposite her name. Bettina Redway is now, and at all times since at least the date shown opposite his name on the last page of this Certificate has been, a duly appointed and qualified deputy of the Treasurer of the State of California. Each of the undersigned by his or her signature confirms that the signature of the other undersigned is his or her genuine signature and that the signature of Blake Fowler set forth below is his genuine signature.

2. Bill Lockyer, Treasurer of the State of California and Chairman of the Authority, was duly authorized by the Authority to execute the Bonds, and pursuant to such authority the Bonds have been executed by his facsimile signature, which signature on the specimen Bonds attached hereto as Exhibit A the undersigned Deputy Treasurer hereby confirms is genuine.

3. The seal printed upon the specimen Bonds attached hereto and impressed upon this Certificate below is the legally adopted and official seal of the Authority and such seal has been imprinted upon the Bonds. The specimen Bonds attached hereto are identical in all respects with the Bonds this day delivered to Umpqua Bank (the "Purchaser"), and the Bonds are substantially in the form prescribed by the Indenture (as hereinafter defined).

4. The following individuals are now, and at all times since at least January 1, 2014 have been, the duly appointed and qualified officers and members of the Authority and the persons holding the offices set forth opposite their respective names and all action that has to be taken for such persons to qualify for such offices, including without limitation any and all filings, have been taken.

<u>Name</u>	<u>Authority Position</u>	<u>Office</u>
Bill Lockyer	Chairman	Treasurer of the State of California
John Chiang	Member	Controller of the State of California
Michael Cohen	Member	Director of Finance of the State of California

The following members of the Authority who, as of January 1, 2014, were state officials did, in accordance with Section 7.9 of the Government Code and Section 44515 of the Health and Safety Code of the State of California, duly designate the following persons to act for and represent said respective officials at the meeting of the Authority at which the Final Resolution (as hereinafter defined) was adopted:

<u>Name</u>	<u>Authority Position</u>	<u>Representative</u>
Bill Lockyer	Chairman	Bettina Redway
John Chiang	Member	Alan Gordon
Michael Cohen	Member	Eraina Ortega

Bettina Redway, as Deputy Treasurer of the State of California, is authorized to act on behalf of the State Treasurer of the State of California as the Chairman of the Authority, including without limitation, the authority to execute and deliver the Authority Documents (as hereinafter defined).

5. The undersigned Executive Director certifies that:

(a) the resolution attached hereto as Exhibit B is a full, true and correct copy of Initial Resolution No. 02-15 (the "Initial Resolution"), which was duly adopted at a regular meeting of the Authority held on June 24, 2002, of which meeting all of the members of the Authority had due notice and at which meeting a quorum was present and voting throughout;

(b) the resolution attached hereto as Exhibit C is a full, true and correct copy of the resolution of the Authority entitled "Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings" (the "Delegation Resolution"), which was duly adopted at a regular meeting of the Authority held on January 21, 2014, of which meeting all of the members of the Authority had due notice and at which meeting a quorum was present and voting throughout;

(c) the resolution attached hereto as Exhibit D is a full, true, complete and correct copy of Resolution No. 540, which was duly adopted at a regular meeting of the Authority held on October 21, 2014 (the “Final Resolution” and, together with the Delegation Resolution, collectively referred to herein as the “Resolutions”), of which meetings all of the members of the Authority had due notice and at which each of such meetings a quorum was present and voting throughout; and

(d) the Initial Resolution and the Resolutions have not been amended, modified or rescinded in any manner except as set forth therein since the respective dates of their adoption and the same are now in full force and effect.

6. Pursuant to the Resolutions, Bill Lockyer, as Treasurer of the State of California, the Chairman of the Authority, or any of his Deputies, and Reneé Webster-Hawkins, Executive Director of the Authority, have been authorized to execute and deliver, on behalf of the Authority, the following documents except as otherwise set forth below; pursuant to such authority they have executed and delivered said documents or said documents have been executed and delivered on their behalf; and, assuming due authorization, execution and delivery by the other parties thereto, documents (a)-(g) below (collectively the “Authority Documents”) are in full force and effect:

(a) First Supplemental Indenture, dated as of November 1, 2014 (the “First Supplemental Indenture”) by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company, as trustee;

(b) First Supplemental Loan Agreement, dated as of November 1, 2014 (the “First Supplemental Loan Agreement”), between the Authority and the Borrower;

(c) First Supplemental Inducement Agreement, dated as of November 1, 2014 (the “First Supplemental Inducement Agreement”), between the Authority and Synagro Organic Fertilizer Company of Sacramento, Inc.;

(d) Tax Certificate and Agreement, dated November __, 2014, between the Authority and the Borrower;

(e) Tax Certificate and Agreement, dated November __, 2014, between the Authority and Synagro Organic Fertilizer Company of Sacramento Inc.;

(f) Bond Purchase Contract, dated October 28, 2014 (the “Purchase Contract”), by and among the Authority, the Treasurer of the State of California and the Purchaser (as defined therein), as approved by the Borrower (Reneé Webster-Hawkins, Executive Director, is the only signatory on behalf of the Authority); and

(g) Internal Revenue Service Form 8038.

7. Bill Lockyer, as Treasurer of the State of California and as agent for sale of the Bonds, has been authorized to execute and deliver the Purchase Contract as said agent for sale; pursuant to such authority, Blake Fowler, a duly appointed and qualified deputy of the Treasurer of the State of California, who is authorized to act on behalf of the Treasurer of the State of California, as agent for sale of the Bonds, executed and delivered the Purchase Contract.

8. The Bonds have been duly authorized, executed and delivered by the Authority and imprinted with the official seal of the Authority, and, assuming due authentication and delivery of the Bonds by the Trustee, are in full force and effect.

9. To the best knowledge of the undersigned after reasonable investigation, the Authority has fulfilled or performed each of its obligations contained in the Authority Documents required to be fulfilled or performed by it as of the date hereof.

10. The representations and warranties made by the Authority in the First Supplemental Indenture, the First Supplemental Loan Agreement, the First Supplemental Inducement Agreement and the Purchase Contract are true and correct in all material respects as of the date hereof, with the same effect as if made on, and with respect to the facts as of, the date hereof.

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Dated and sealed as of the ____ day of _____, 2014.

(Seal)

<u>Name</u>	<u>Appointment Date</u>	<u>Office</u>	<u>Signature</u>
Bettina Redway	1/8/07	Deputy Treasurer	_____
Reneé Webster-Hawkins	5/30/13	Executive Director	_____

Blake Fowler hereby confirms that he is now, and at all times since at least the date shown opposite his name set forth below, has been, a duly appointed and qualified deputy of the Treasurer of the State of California and that the signature set forth below is his genuine signature.

<u>Name</u>	<u>Appointment Date</u>	<u>Office</u>	<u>Signature</u>
Blake Fowler	7/6/09	Deputy Treasurer	_____

No. RB-1

\$65,000

**THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE
WITH SECTION 13.03 OF THE INDENTURE AND AS PROVIDED HEREIN**

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
SOLID WASTE DISPOSAL REFUNDING REVENUE BONDS
(SACRAMENTO BIOSOLIDS PROJECT)
SERIES 2014B (TAXABLE)

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OR LOCAL AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>
4.035%	January 1, 2015	November 25, 2014

Registered Owner: UMPQUA BANK

Principal Amount: SIXTY-FIVE THOUSAND DOLLARS

The CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, a public instrumentality and political subdivision of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Trust Estate, including the Revenues, each as hereinafter provided) on the maturity date set forth above to the registered owner identified above or registered assigns, the principal sum set forth above, and to pay (but only out of the Trust Estate, including the Revenues, each as hereinafter provided) interest on the balance of said principal amount from time to time remaining unpaid from and including the date hereof (as herein provided) until payment of said principal amount has been made or duly provided for, at the interest rate set forth above, and to pay (but only out of the source hereinafter provided) interest on overdue principal and, to the extent permitted by law, on overdue interest at the rate borne by this Bond, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, the principal of and premium, if any, on this Bond being payable at final maturity or redemption in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee, or its successor in trust (the "Trustee") or such other place as designated by the Trustee. The Bonds shall bear interest from their Dated Date. Principal and interest payments on this Bond shall be made by with respect to the Bonds (as hereinafter defined), on the first day of each month, commencing January 1, 2015 (a "Payment Date") according to the Payment Schedule

attached as Exhibit C to the First Supplemental Indenture, which is incorporated herein, to the registered owner hereof as of the Record Date (as defined in the Indenture), and shall be paid by bank check mailed on the Payment Date to such Holder's address as it appears on the registration books of the Registrar or at such other address as has been furnished to the Registrar in writing by such Holder; except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Payment Date, such defaulted interest shall be paid to the Holders in whose name any such Bonds are registered at the close of business on the Business Day next preceding the date of payment of such defaulted interest. Interest on the Bonds shall be computed upon the basis of actual days elapsed in a 360-day year. If any Payment Date is not a Business Day, the scheduled payment shall be made on the next Business Day. Notwithstanding the foregoing, the Borrower shall make monthly payments of principal and interest on the Bonds directly to the registered owner thereof.

No member or officer of the Authority, nor any person executing this Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of the Bonds.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014B (Taxable)" (the "Bonds"), limited in aggregate principal amount as provided in, and issued under and secured by, an Indenture of Trust, dated as of December 1, 2002, as amended and supplemented by a First Supplemental Indenture, dated as of November 1, 2014 (collectively, the "Indenture"), between the Authority and the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder, to all of the provisions of which Indenture the holder of this Bond, by acceptance hereof, assents and agrees. All terms not defined herein shall have the meanings ascribed thereto in the Indenture.

The Bonds are authorized to be issued pursuant to the provisions of Division 27 of the California Health and Safety Code, as amended and supplemented to the date hereof (herein called the "Act"). The Bonds are limited obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from, and secured by a pledge of and lien on, the Trust Estate, including the Revenues (as such terms are defined in the Indenture). Proceeds from the sale of the Bonds are to be loaned by the Authority to Sacramento Project Finance, Inc. (the "Borrower") under the terms of a Loan Agreement, dated as of December 1, 2002, as amended and supplemented by a First Supplemental Loan Agreement, dated as of November 1, 2014 (the "Agreement"), between the Authority and the Borrower. The Bonds are all issued under and secured by and entitled to the benefits of the Indenture, including the security of a pledge and assignment of the Trust Estate, including certain Revenues and receipts derived by the Authority pursuant to the Agreement, and all receipts of the Trustee credited under the provisions of the Indenture against such payments and from any other moneys held by the Trustee under the Indenture for such purpose, and there shall be no other recourse against the Authority or any property now or hereafter owned by it.

Simultaneously with the issuance of this Bond, the Authority is also issuing its “California Pollution Control Financing Authority Solid Waste Disposal Refunding Revenue Bonds (Sacramento Biosolids Project) Series 2014A” to fund a portion of the loan by the Authority to the Borrower under the Agreement.

The Indenture contains provisions permitting the Authority and the Trustee, with the consent of the holders of not less than 66-2/3% in aggregate principal amount of Bonds materially affected thereby at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (1) extend the fixed maturity of this Bond or reduce the rate of interest hereon or extend the time of payment of interest, or reduce the amount of the principal hereof, or reduce any premium payable on the redemption hereof, without the consent of the Holder hereof, or (2) reduce the aforesaid percentage of Holders of Bonds whose consent is required for the execution of such supplemental indentures, or extend the time of payment, or permit the creation of any lien on the Revenues prior to or on a parity with the lien of the Indenture, or permit the creation of any preference of any Bondholder over any other Bondholder or deprive the holders of the Bonds of the lien created by the Indenture upon the Revenues, without the consent of the holders of all Bonds then outstanding.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$250,000 or any integral multiple of \$5,000 in excess thereof (herein “Authorized Denominations”). Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged at the Principal Office of the Registrar or such other place as designated by the Registrar for a like aggregate principal amount of Bonds of other Authorized Denominations.

This Bond is transferable by the registered owner hereof, in person, or by its attorney duly authorized in writing, at the Principal Office of the Trustee, as registrar, located in Los Angeles, California, or such other place as designated by the Trustee, as registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, in an Authorized Denomination, for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

The Bonds are not subject to redemption prior to maturity.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future member, director, officer, employee or agent of the Authority, or through the Authority, or any successor to the Authority, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member, director, officer, employee or agent as such is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of any of the Bonds.

The holder of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default (as defined in the Indenture) under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. If an Event of Default occurs and is continuing, the principal of all Bonds then outstanding issued under the Indenture may become due and payable upon the conditions and in the manner and with the effect provided in the Indenture.

The Authority, the Trustee and any agent of the Authority or the Trustee may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond is overdue, and neither the Authority, the Trustee, any paying agent nor any such agent shall be affected by notice to the contrary.

The Indenture prescribes the manner in which it may be discharged and after which the Bonds shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of payment of the principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable, including a provision that under certain circumstances the Bonds shall be deemed to be paid if certain securities, as defined therein, maturing as to principal and interest in such amounts and at such times as to insure the availability of sufficient moneys to pay the principal of, redemption premium, if any, and interest on the Bonds and all necessary and proper fees, compensation and expenses of the Trustee shall have been deposited with the Trustee.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee, as registrar.

IN WITNESS WHEREOF, the California Pollution Control Financing Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chairman, all as of the above date.

CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY



By: Bill Lockyer
Chairman

SPECIMEN

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: November 25, 2014

This is one of the Bonds described in the within mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Trustee

By:



Authorized Signatory

SPECIMEN

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and do(es) hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Taxpayer ID No. _____ or Social Security No, _____

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

SPECIMEN

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
SOLID WASTE DISPOSAL REFUNDING REVENUE BONDS
(SACRAMENTO BIOSOLIDS PROJECT) SERIES 2014A**

AND

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
SOLID WASTE DISPOSAL REFUNDING REVENUE BONDS
(SACRAMENTO BIOSOLIDS PROJECT) SERIES 2014B (TAXABLE)**

November 25, 2014

MATURITY SCHEDULE TO CDIAAC

	<u>PAR AMOUNT</u>	<u>MATURITY DATE</u>
Series 2014A	\$13,730,000	December 1, 2024
Series 2014B (Taxable)	\$65,000	January 1, 2015