



COMMUNITY DEVELOPMENT ASSOCIATES, LLC
TAX-EXEMPT FINANCING CONSULTANTS

LEE A. MCCORMICK
PRESIDENT

DIRECT DIAL
214-256-3121
lmccormick@cdfinance.com

March 7, 2007

The Honorable J. D. Salinas
County Judge
Hidalgo County Commissioner's Court
PO Box 1356
Edinburg, TX 78540

RE: Allied Waste North America, Inc.

Dear Judge Salinas:

Thank you for your consideration of the the Allied Waste North America, Inc. and its subsidiaries or affiliates project (the "Project") being financed with industrial revenue bonds to be issued by the Mission Economic Development Corporation. The Project consists of capital improvements to Allied's existing solid waste facilities located in 33 counties within the State of Texas.

Please find the following documents attached for your review:

1. Tax-Exempt Bond Financing Overview for Allied Waste North America, Inc. Project
2. Bond Overview provided by Vinson & Elkins LLP, Issuer and Bond Counsel
3. Certificate & Order (Word Document)
4. Commissioner's Court Communication (Word Document)

Your assistance with the placement of this item on the Hidalgo County Commissioner's Court Agenda is greatly appreciated. It would be ideal to have the "Certificate for Order" and "Order with Respect to Allied Waste North America, Inc Project" considered at the **April 3, 2007** Commissioner's Court Meeting. Please let me know if this date is agreeable; if so, I will make arrangements to have a representative from the Company present.

Please do not hesitate to contact me if you have any questions after reviewing the attached materials. I can be reached directly at (214) 256-3121 or by e-mail at lmccormick@cdfinance.com.

Once again, thank you for your assistance in this matter.

Sincerely,

Lee A. McCormick
President

/jg

c: Nicole Koziol, Allied Waste North America, Inc.
F. Xavier Peña, Vinson & Elkins LLP
Joe Roseland, Mission Economic Development Corporation

TAX-EXEMPT BOND FINANCING OVERVIEW

ALLIED WASTE NORTH AMERICA, INC. PROJECT

Thank you for your consideration regarding the proposed tax-exempt bond financing of capital assets for Allied Waste North America, Inc and its subsidiaries or affiliates (the "Company"). The project is for certain infrastructure and capital improvements related to the Company's solid waste collection and disposal facilities in 33 Texas counties, at an aggregate amount not to exceed \$170.0 million (the "Project"). At this time, the Company has received approximately \$65.0 million of tax-exempt bond allocation from the Texas Bond Review Board and must close on the first series of bonds by early May 2007.

Hidalgo County will receive certain public benefits by approving the issuance of the Bonds. Specifically, the County will be able to ensure that certain employment levels of the Company in the County will be maintained and/or increased as a result of the financing. The Company anticipates spending up to \$3,232,581 for capital expenditures in the County at the Project over the next few years. Much of this will go to local companies who do business with Allied. In addition, the Project will add to the tax base of Hidalgo County and throughout the State of Texas.

However, in order for such bonds to qualify as "tax-exempt," the Company must satisfy certain federal and state tax law requirements, including having a governmental entity/agency issue such bonds for the benefit of the Company. Therefore, the Company is requesting the Mission Economic Development Corporation ("MEDC") in Mission, Texas to serve as the governmental issuer of the tax-exempt bonds (the "Bonds"). Since the Bonds will be used to finance the Project in Hidalgo County, it is necessary to obtain the County's consent. A notice describing the financing must also be published and a public hearing must be held to satisfy certain federal tax law requirements. The County must also approve the public hearing although it does not need to be held by the County.

In summary, the Company is asking for your assistance with the following action items in order to qualify the bonds as "tax-exempt:"

1. Commissioner's Court adoption of the "Order With Request to Allied Waste North America, Inc and its subsidiaries or affiliates" authorizing the County Judge to approve the bond financing and designating a hearing officer for the public hearing.
2. Publication of the public hearing notice by Vinson & Elkins L.L.P., bond counsel to the MEDC and the holding of such public hearing.
3. County Judge approval of the public hearing.

As provided in the letter of Vinson & Elkins L.L.P., bond counsel to the MEDC, the Bonds do not constitute a debt or obligation of the City, County, or the State of Texas, but are solely the obligation and responsibility of the Company. More importantly, the Bonds will not require any general fund support or tax-payer dollars. There is no commitment of the credit ratings and the Bonds do not, in any fashion restrict, impede or limit the borrowing/bonding capacity of the County. Again, the Bonds are the sole obligation of the Company.

Vinson & Elkins

F. Xavier Peña xpena@velaw.com
Tel 713.758.4884 Fax 713.615.5067

March 1, 2007

The Honorable J.D. Salinas
County Judge
Hidalgo County, Texas
100 E. Cano 2nd Floor
Edinburg, Texas 78539

Re: Allied Waste of North America, Inc. Project — Proposed Order for Adoption

Dear Judge Salinas:

This letter is being written to you in anticipation of the questions that might arise in connection with your commissioners court's consideration of the captioned order.

First, the proposed issue of industrial revenue bonds for Allied Waste of North America, Inc. will be issued by Mission Economic Development Corporation, not your County. Allied Waste of North America, Inc. will be contractually obligated to pay these bonds. The bonds will also be approved by the Attorney General of Texas. Under the laws of the state of Texas, such bonds will not—and cannot—be obligations of your County by reason of your approvals contained in the captioned order. Moreover, the transcript of legal proceedings authorizing the issuance of the industrial revenue bonds will contain clear disclaimers stating that the bonds are not the obligation of your County or any other county of the state.

Second, rating agencies and bond insurers that rate and insure your County's bonds understand that industrial revenue bond financings such as this do not affect the credit of the political subdivisions that sponsor conduit industrial revenue bond issuers, much less counties that approve the issuance of bonds within their boundaries by issuers sponsored by other political subdivisions. Accordingly, the issuance of these bonds and your adoption of the captioned order will not affect the credit ratings for the bonds of your County or your ability to obtain bond insurance for your County's bonds.

Third, your County will have no responsibility with respect to the "Local Portion" of the "Project" as described in the captioned order, any more than your County has responsibility for any other privately owned property of Allied Waste of North America, Inc. already located within the boundaries of your County. Nothing contained within the

Vinson & Elkins LLP Attorneys at Law
Austin Beijing Dallas Dubai Hong Kong Houston
London Moscow New York Shanghai Tokyo Washington

First City Tower, 1001 Fannin Street, Suite 2500
Houston, TX 77002-6760
Tel 713.758.2222 Fax 713.758.2346 www.velaw.com

Houston 3167288v.1

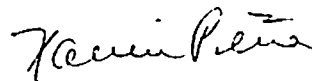
captioned order imposes on your County any responsibility or liability with respect to the Local Portion of the Project by reason of your adoption of the captioned order.

Fourth, your authorization of the public hearing to be conducted by the hearing examiner and your authorization of the County Judge to sign the certificate necessary to comply with Section 147(f) of the Internal Revenue Code of 1986, as amended (this statute is known as "TEFRA" and therefore the hearing is known as a "TEFRA" hearing) impose no liability of any kind under the laws of the state of Texas. They are requirements solely of the Internal Revenue Code in order to satisfy certain "public approval" standards imposed by Congress as a prerequisite to the issuance of tax-exempt industrial revenue bonds. Compliance with such federal tax requirements impose no pecuniary responsibilities or fiscal liability of any kind on your County.

Fifth, the captioned order, by its own terms, provides in Section 3 many of the limitations set forth above.

If I may provide you with any further information or legal analysis with regard to the proposed order, please feel free to call me on my direct line at 713-758-4884.

Very truly yours,



F. Xavier Peña

Enclosures

cc: Patricia Hunt Holmes, Vinson & Elkins L.L.P.
Lee A. McCormick, Community Development Associates, LLC

**COMMISSIONERS COURT
COMMUNICATION**

Reference Number: _____
Page 1 of _____
Date: _____

AGENDA
ITEM:

ADOPTION OF AN ORDER WITH RESPECT TO ALLIED WASTE NORTH AMERICA, INC. AND ITS SUBSIDIARIES OR AFFILIATES PROJECT APPROVING THE ISSUANCE OF REVENUE BONDS BY THE MISSION ECONOMIC DEVELOPMENT CORPORATION, DESIGNATING A PUBLIC HEARING OFFICER AND AUTHORIZING THE COUNTY JUDGE TO EXECUTE CERTIFICATES APPROVING THE ORDER AND PUBLIC HEARING

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve the "Order with Respect to ALLIED WASTE NORTH AMERICA, INC. and its subsidiaries or affiliates Project" which authorizes the County Judge to execute a certificate approving the local portion of the tax-exempt industrial bond financing for ALLIED WASTE NORTH AMERICA, INC. and its subsidiaries or affiliates projects through the Mission Economic Development Corporation, designates a hearing officer for the public hearing and authorizes the County Judge to execute a certificate approving the public hearing.

BACKGROUND

ALLIED WASTE NORTH AMERICA, INC. and its subsidiaries or affiliates is seeking tax-exempt bond financing for certain infrastructure and capital improvements to their solid waste collection and disposal operations in 33 Texas counties, including a facility in Hidalgo County. The Project totals approximately \$170.0 million over the next few years of which \$3,232,581 is for operations in Hidalgo County. The local portion of the Project consists of financing (a) improvements to existing landfill facilities, including (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas system, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site improvements, (vi) acquisition of equipment to be used at the landfill facilities, and (vii) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them in to service.

In order for the bonds to qualify as tax-exempt, certain federal and state tax law requirements must be met, including having a governmental entity/agency issue such bonds for the benefit of the Company. Therefore, the Company has requested the Mission Economic Development Corporation ("MEDC") in Mission, Texas to serve as the governmental issuer of these bonds. The bonds will be used to finance various facilities located throughout Texas and it is necessary to obtain consent from each county where each of the facilities to be financed will be located. Additionally, a public hearing notice will be published in each jurisdiction and held to satisfy federal tax law requirements. While Hidalgo County must approve the public hearing, it does not need to be held by the County.

FISCAL IMPACT

Approval of this Order in no way imposes any payment or obligation on Hidalgo County in connection with the financing.

DISPOSITION BY COMMISSIONERS COURT

APPROVED OTHER (Describe) _____

SUBMITTED BY: _____

PREPARED BY: _____

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

We, the undersigned officers of the Commissioners Court of Hidalgo County, Texas, hereby certify as follows:

1. The Commissioners Court of Hidalgo County, Texas, convened in regular meeting on _____, 2007, at the regular meeting place thereof, within said County, and the roll was called of the duly constituted officers and members of said Commissioners Court, to wit:

J.D. Salinas County Judge
Sylvia S. Handy Commissioner
Hector 'Tito' Palacios Commissioner
Joe M. Flores Commissioner
Oscar L. Garza, Jr. Commissioner

and all of said persons were present except for _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDER WITH RESPECT TO ALLIED WASTE NORTH AMERICA, INC. PROJECT

was duly introduced for the consideration of said Commissioners Court. It was then duly moved and seconded that said order be adopted; and, after due discussion, said motion, carrying with it the adoption of said order, prevailed and carried by the following vote:

AYES: ____;

NOES: ____;

ABSTENTIONS: ____ .

2. A true, full and correct copy of the aforesaid order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; said order has been duly recorded in said Commissioners Court's minutes of said meeting; the above and foregoing paragraph is a true, full and correct excerpt from said Commissioners Court's minutes of said meeting pertaining to the adoption of said order; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Commissioners Court as indicated therein; each of the officers and members of said Commissioners Court was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said order would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; and said meeting was open to the public as required by law; and public notice of the date, hour, place and subject of said meeting was given as required by the Texas Open Meetings Act.

SIGNED AND SEALED this _____, 2007.

County Clerk

(SEAL)

**ORDER WITH RESPECT TO
ALLIED WASTE NORTH AMERICA, INC.
PROJECT**

WHEREAS, ALLIED WASTE NORTH AMERICA, INC. and its subsidiaries or affiliates (collectively, the "Company") own and operate various solid waste disposal facilities throughout the state of Texas; and

WHEREAS, the Company desires to make certain improvements to such solid waste disposal facilities throughout the state of Texas (the "Project") as more fully described in Exhibits A and B, a portion of which is located in this County (the "Local Portion"); and

WHEREAS, in order to achieve the economies of scale in financing the Project, the Company has requested Mission Economic Development Corporation (the "Issuer") to issue industrial revenue bonds to finance the Project, including portions located outside the boundaries of the Issuer's sponsoring governmental unit, subject to certain requests, hearings and approvals from other governmental units in which the Project is located; Now, Therefore,

BE IT ORDERED, ADJUDGED AND DECREED BY THE COMMISSIONERS COURT OF HIDALGO COUNTY, TEXAS:

Section 1. Third Party Financing. In order that the Local Portion of the Project may be financed as a part of the entire Project through the Issuer's industrial revenue bonds, the Issuer is hereby requested to exercise its powers within the County for the purpose of issuing such bonds to finance the Local Portion of the Project. This request is intended to satisfy the requirements of Section 23(a)(1) of the Development Corporation Act of 1979, Article 5190.6, Vernon's Texas Civil Statutes.

Section 2. Public Hearing and Approval for Federal Tax Purposes. In order to comply with Section 147(f) of the Internal Revenue Code of 1986, as amended, a public hearing shall be held in which members of the public shall be permitted to express their views with respect to the Local Portion of the Project and the Issuer's issuance of industrial revenue bonds for such purpose. Such hearing is authorized to be conducted by Lee A. McCormick (or his designee), as hearing officer, and may be conducted in combination with hearings for other counties to the extent permitted by Section 147(f) of the Internal Revenue Code of 1986, as amended, and Treas. Reg. § 5f.103-2(d). Such hearing officer shall cause notice of such hearing to be published no less than 14 days prior to such hearing in a newspaper of general circulation in the County. Based solely upon the results of such hearing, and solely for purposes of complying with Section 147(f) of the Internal Revenue Code of 1986, as amended, the County Judge is hereby authorized and directed to execute a certificate certifying approval of the Local Portion of the Project and the Issuer's issuance of industrial revenue bonds for that purpose.

SECTION 3. DISCLAIMER OF LIABILITY. THE COUNTY, THE COMMISSIONERS COURT, THE COUNTY JUDGE AND ALL OTHER COUNTY OFFICIALS MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE LOCAL PORTION OF THE PROJECT OR THE ISSUANCE, CREDITWORTHINESS OR REPAYMENT OF THE INDUSTRIAL REVENUE BONDS TO BE ISSUED BY THE ISSUER WITH RESPECT TO THE LOCAL PORTION OF THE PROJECT. UNDER NO CIRCUMSTANCES SHALL THE COUNTY HAVE ANY LIABILITY, FINANCIAL OBLIGATION OR RESPONSIBILITY OF ANY KIND WITH RESPECT TO THE PAYMENT OF INDUSTRIAL REVENUE BONDS ISSUED FOR THE LOCAL SHARE OF THE PROJECT

OR FOR THE CONSTRUCTION, MAINTENANCE, OPERATION OR ANY OTHER ASPECT OF THE LOCAL SHARE OF THE PROJECT.

ADJUDGED, ADOPTED AND DECREED this ____ day of _____, 2007.

J.D. Salinas
County Judge

EXHIBIT "A"

ALLIED WASTE NORTH AMERICA, INC. AND AFFILIATES

Project Description

The Project will be financed as part of an ongoing plan of financing and will be owned and operated by Allied Waste North America, Inc. and its affiliates (collectively, the "Company"). The Project consists of financing (a) improvements to existing landfill facilities, including (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas system, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site improvements, (vi) acquisition of equipment to be used at the landfill facilities, (vii) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them in to service, and (b) existing collection (hauling) and transfer station facilities, including (i) acquisition of solid waste disposal trucks and support vehicles, (ii) acquisition of solid waste disposal containers and related equipment, (iii) acquisition of solid waste disposal sorting and processing equipment, , (iv) site improvements, and (vi) acquisition of other equipment and assets necessary to support the foregoing improvements and place them in to service. The Project locations are at existing facilities outlined on the attached Exhibit "B" – Project Locations.

EXHIBIT "B"

ALLIED WASTE NORTH AMERICA, INC. PROJECT

PROJECT LOCATIONS

BU #	BU Name	Facility Type	Address	City	County	State	Zip	3 Year "Not to Exceed" Amount
859B	Allied Waste Services of San Antonio	Collection	4542 SE Loop 410	San Antonio	Bexar	TX	78222	4,831,373
L60	Tessman Road Landfill	Landfill	7790 Tessman Road	San Antonio	Bexar	TX	78222	8,814,660
843A	Allied Waste Services of Marble Falls	Collection	2101 Commerce Street	Marble Falls	Burnet	TX	78654	694,836
863A	Brownsville Satellite	Collection	4895 Mar Street	Brownsville	Cameron	TX	78521	5,839,812
863	Allied Waste Services of Rio Grande Valley	Collection	9402 West Expressway 83	Harlingen	Cameron	TX	78521	967,609
L55	Gulf West Landfill	Landfill	2601 South Jenkins Road	Anahuac	Chambers	TX	77514	1,768,090
070D	Allied Waste Services of Jacksonville	Collection	440 Heath Lane	Jacksonville	Cherokee	TX	75766	1,134,513
077	Royal Oaks Landfill	Landfill	440 Heath Lane	Jacksonville	Cherokee	TX	75766	944,995
079	Allied Waste Services of Plano	Collection	4200 East 14th Street	Plano	Collin	TX	75074	6,867,088
523	Allied Waste Services of Hutchins	Collection	1450 East Cleveland Street	Hutchins	Dallas	TX	75141	3,645,256
790	Allied Waste Services of Justin	Collection	16300 South Highway 156	Justin	Denton	TX	76234	1,264,173
525	Camelot Landfill	Landfill	580 Huffines Boulevard	Lewisville	Denton	TX	76234	232,780
L49	Lewisville Landfill	Landfill	801 East College Street	Lewisville	Denton	TX	76234	4,134,757
076	ECD Landfill	Landfill	5703 North Interstate Highway 45	Ennis	Ellis	TX	75119	237,072
L52	Blue Ridge Landfill	Landfill	2200 FM 521	Fresno	Fort Bend	TX	77545	9,615,494
L54	Galveston County Landfill	Landfill	3935 Avenue A	Alta Loma	Galveston	TX	77510	3,626,136
070E	Allied Waste Services of Kilgore	Collection	2611 North State Highway 42	Kilgore	Gregg	TX	75662	3,290,265
072	Pine Hill Landfill	Landfill	1102 Landfill Road	Longview	Gregg	TX	75662	2,541,409
853	Allied Waste Services of West Houston	Collection	13830 Fondren Road	Houston	Harris	TX	77085	3,228,379
854	ACCO Waste Paper of Houston	Recycling Center	403 Jensen Drive	Houston	Harris	TX	77085	303,060
855	Allied Waste Houston Services	Collection	5301 Brookglen Drive	Houston	Harris	TX	77085	4,508,862
498	Houston Container Maintenance	Collection	5757 Oates Road, Suite A	Houston	Harris	TX	77085	1,323,656
L53	McCarty Road LF	Landfill	5757 Oates Road, Suite A	Houston	Harris	TX	77085	9,129,345
852B	Allied Waste Services of Houston	Collection	8101 Little York Road	Houston	Harris	TX	77085	4,354,140
L56	Whispering Pines Landfill	Landfill	8101 Little York Road	Houston	Harris	TX	77085	1,991,587
070A	Allied Waste Services of Athens	Collection	5226 US Highway 175 East	Athens	Henderson	TX	75752	502,669
L64	Rio Grande Valley Landfill	Landfill	FM 493 Mile 12 Road East	Donna	Hildago	TX	78537	3,232,581
071	Allied Waste Services of Itasca	Collection	2559 FM 66	Itasca	Hill	TX	76055	1,592,164
L51	Itasca Landfill	Landfill	2559 FM 66	Itasca	Hill	TX	76055	11,702,979
862	Allied Waste Services of Beaumont	Collection	6425 Highway 347	Beaumont	Jefferson	TX	77705	1,983,489
L62	Golden Triangle Landfill	Landfill	6433 La Belle Road	Beaumont	Jefferson	TX	77705	4,619,626
859A	Allied Waste Services of Kerrville	Collection	3315 Loop 534	Kerrville	Kerr	TX	78028	467,389
L61	Kerrville Landfill	Landfill	3315 Loop 534	Kerrville	Kerr	TX	78028	2,225,941
L50	Mexia Landfill	Landfill	3048 County Road 460	Mexia	Limestone	TX	76667	1,501,158
068	Allied Waste Services of Lubbock	Collection	1812 Keuha Street	Lubbock	Lubbock	TX	79403	1,982,279
852A	Allied Waste Services of Conroe	Collection	149 Industrial Court	Conroe	Montgomery	TX	77301	838,365
069	Allied Waste Services of Corsicana	Collection	2501 South Business 45	Corsicana	Navarro	TX	75110	2,412,898
847	Allied Waste Services of Corpus Christi	Collection	4414 Agnes Street	Corpus Christi	Nueces	TX	78405	5,956,746
F74	El Centro Landfill	Landfill	3189 County Road 69	Robstown	Nueces	TX	78405	4,132,108
066	Allied Waste Services of Amarillo	Collection	4831 East 25th Avenue	Amarillo	Potter	TX	79103	2,622,612
L63	Southwest Landfill	Landfill	20700 Helium Road	Canyon	Randall	TX	79015	3,205,139
070C	Allied Waste Services of Tyler	Collection	12920 FM 2767	Tyler	Smith	TX	75708	1,013,932
075	Greenwood Farms Landfill	Landfill	12920 FM 2767	Tyler	Smith	TX	75708	2,146,289
538	Allied Waste Services of Fort Worth	Collection	6100 Elliott Reeder Road	Fort Worth	Tarrant	TX	76117	11,911,499
F72	Fort Worth South East Landfill	Landfill	6900 Dick Price Road	Kennedale	Tarrant	TX	76117	4,039,514
058	Allied Waste Services of Abilene	Collection	5001 Pine Street	Abilene	Taylor	TX	79601	1,935,547
L87	Abilene Regional Landfill	Landfill	Highway 277 North/83 and FM 3034	Abilene	Taylor	TX	79601	2,391,730
070B	Allied Waste Services of Mount Pleasant	Collection	3031 Farm Road 3417	Mount Pleasant	Titus	TX	75455	458,894
074	Pleasant Oaks Landfill	Landfill	3031 Farm Road 3417	Mount Pleasant	Titus	TX	75455	1,106,973
R08	ACCO Waste Paper of Austin	Recycling Center	10420 Metric Boulevard	Austin	Travis	TX	78758	340,101
L46	Sunset Farms Landfill	Landfill	9912 Giles Road	Austin	Travis	TX	78758	5,848,017
843C	Allied Waste Services of Austin	Collection	3424 FM 973	Del Valle	Travis	TX	78758	4,540,014
								170,000,000