



COMMUNITY DEVELOPMENT ASSOCIATES, LLC
TAX-EXEMPT FINANCING CONSULTANTS

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March 28, 2008

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

RE: Allied Waste North America, Inc.

Dear Judge Salinas:

Thank you for your consideration of 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 19 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 15, 2008** 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) 256-1521 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: Monica Pantea, Allied Waste North America, Inc.
F. Xavier Peña, Vinson & Elkins LLP
Joe Roseland, Mission Economic Development Corporation

TAX-EXEMPT BOND FINANCING OVERVIEW

AWNA TX CORPORATION AND AWNA TX LANDFILL LP 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 19 Texas counties, at an aggregate amount not to exceed \$189.0 million (the “Project”). At this time, the Company has received approximately \$63.1 million of tax-exempt bond allocation from the Texas Bond Review Board and must close on the first series of bonds by late May 2008.

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 \$6,232,427 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 28, 2008

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

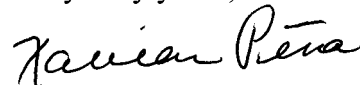
captioned order imposes on your County any responsibility or liability with respect to the Local Portion of the Project by reason of your adoption of the captioned order.

Fourth, your holding of the public hearing and approval of the bonds 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) imposes no liability of any kind under the laws of the state of Texas. It is a requirement 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 imposes 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