



ORDINANCE NO. 28279

1 AN ORDINANCE of the City of Tacoma, Washington, providing for the issuance
2 and sale of one or more series of solid waste revenue and refunding bonds
3 of the City in the aggregate principal amount of not to exceed \$75,000,000
4 to refund certain outstanding solid waste revenue bonds, to finance the
5 acquisition, construction, and installation of additions and improvements to
6 and equipment for the solid waste system, to fund the debt service reserve
7 fund, and to pay costs of issuing the bonds; providing the form and terms of
8 the bonds; and delegating the authority to approve the final terms of the
9 bonds.

10 WHEREAS the City of Tacoma, Washington (the "City") now owns,
11 maintains and operates a garbage and refuse collection and disposal system (the
12 "System"), and

13 WHEREAS the City has issued and has outstanding the following solid
14 waste revenue bonds:

15	16	17	18	19
Designation	Authorizing Documents	Date of Ordinance	Principal Amount Outstanding as of December 1, 2014	
20 Solid Waste Utility Revenue Bonds, 2006 Series A (the "2006A Bonds")	21 Ordinance No. 27489, as amended by Ordinance No. 27492, and Substitute Resolution No. 36905	22 5/16/2006, 6/13/2006, and 6/27/2006, respectively	23 \$ 28,455,000	
24 Solid Waste Utility Revenue Refunding Bonds, 2006 Series B (the "2006B Bonds")	25 Ordinance No. 27489, as amended by Ordinance No. 27492 and by Substitute Ordinance No. 27523	26 5/16/2006, 6/13/2006, and 9/12/2006, respectively	21,975,000	
27 Solid Waste Utility Revenue Refunding Bonds, 2008 (the "2008 Bonds")	28 Ordinance No. 27736 and Substitute Resolution No. 37575	29 8/5/2008 and 8/19/2008, respectively	7,635,000	



1 (The outstanding solid waste revenue bonds identified above are referred to as the
2 “Outstanding Parity Bonds” and the authorizing documents identified above are
3 referred to as the “Outstanding Parity Bond Ordinances”), and

4 WHEREAS the Outstanding Parity Bond Ordinances provide that additional
5 solid waste revenue bonds may be issued with a lien on the operating revenue of
6 the System on a parity with the lien of the Outstanding Parity Bonds if certain
7 conditions are met, and

8 WHEREAS the ordinances authorizing the issuance of the 2006A Bonds
9 and the 2006B Bonds (together, the “2006 Bonds”) provide that the 2006 Bonds
10 may be defeased and/or refunded prior to their stated maturities at the option of
11 the City on or after December 1, 2016, at a price of par plus accrued interest to
12 their date of redemption, and

13 WHEREAS, after due consideration, it appears to the City Council (the
14 “Council”) that defeasing and refunding all or a portion of the 2006 Bonds (the
15 “Refunding Candidates”) to modify the debt service schedule and otherwise
16 restructure the 2006 Bonds is in the best interest of the City, and

17 WHEREAS the City has adopted a capital improvement program for the
18 System which includes certain additions and improvements to and the equipping of
19 the System as described therein (the “Projects”), and

20 WHEREAS the Projects include the acquisition and construction of
21 improvements that are intended to have environmental benefits, such as the
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1 acquisition of diesel and/or compressed natural gas hybrids and hydraulic
2 transmission collection vehicles and the construction of related facilities, and

3 WHEREAS the Council deems it in the best interest of the City to issue one
4 or more series of solid waste revenue and refunding bonds in the aggregate
5 principal amount of not to exceed \$75,000,000 (the "Bonds") to redeem and
6 defease all or a portion of the Refunding Candidates, to finance and/or reimburse a
7 portion of the costs of the Projects, to fund the debt service reserve fund, and to
8 pay costs of issuing the Bonds, and

10 WHEREAS the Council wishes to delegate authority to the City Finance
11 Director and Treasurer, or their designee (each, a "Designated Representative") for
12 a limited time, to select the Refunding Candidates to be refunded, if any, and to
13 approve the interest rates, maturity dates, redemption terms, principal maturities
14 and other terms for the Bonds within the parameters set by this ordinance, and

16 WHEREAS the Bonds shall be sold by negotiated sale as set forth herein;

17
18 Now, Therefore,

19 BE IT ORDAINED BY THE CITY OF TACOMA:
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Section 1. Definitions and Interpretation of Terms.

(a) Definitions. As used in this ordinance, the following words shall have the following meanings:

“Accreted Value” means, with respect to any Capital Appreciation Bond, as of the time of calculation, the sum of the amount representing the initial principal amount of such bond plus interest accrued, compounded thereon as of the most recent compounding date. With respect to any particular Payment Date, the Accreted Value is the amount set forth on the Accreted Value Table included as part of the form of Capital Appreciation Bond. In the event the Accreted Value of any Capital Appreciation Bond is required to be determined as of a date other than the Payment Date, the Accreted Value shall be determined by adding to the Accreted Value for the next preceding Payment Date the product obtained by multiplying (a) the difference between the Accreted Value for the next Payment Date and the Accreted Value for the next preceding Payment Date, by (b) the ratio obtained by dividing by 180 the number of days elapsed since the next preceding Payment Date (calculated on the basis of a 360-day year of twelve 30-day months).

“Accreted Value Table” means the Accreted Value Table printed on the Capital Appreciation Bonds reflecting the Accreted Value of such Capital Appreciation Bonds as of any Payment Date.



1 “Acquired Obligations” means noncallable direct obligations of, or
2 obligations the principal of and interest on which are unconditionally guaranteed
3 by, the United States Government.

4 “Adjusted Net Revenues” has the meaning set forth in Section 16 of this
5 ordinance.
6

7 “Annual Debt Service” means the amount required in any calendar year to
8 be paid for the principal of and interest on all Parity Bonds that are Serial Bonds
9 then outstanding together with the amount required in such calendar year to make
10 the annual required payments into any Sinking Fund Account heretofore or
11 hereafter created to amortize Term Bonds, excluding interest to be paid from the
12 proceeds of the sale of Parity Bonds.
13

14 In the case of Variable Interest Rate Bonds, for the purpose of calculating
15 Annual Debt Service for purposes of the Future Parity Bond tests outlined in
16 Section 16 and the Reserve Fund Requirement, the interest rate thereon shall be
17 calculated on the assumption that such bonds will bear interest during such period
18 at a rate equal to the lesser of (a) the Maximum Interest Rate or (b) the rate most
19 recently reported by The Bond Buyer as the Bond Buyer Municipal Bond Index for
20 long-term revenue bonds; provided, that if on such date of calculation the interest
21 rate on such bonds shall then be fixed for a specified period, including, pursuant to
22 a Payment Agreement as provided in Section 15, the interest rate used for such
23 specified period for the purpose of the foregoing calculation shall be such actual
24 interest rate. *After all of the Outstanding Parity Bonds are fully redeemed,*
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1 *refunded or defeased, this paragraph shall read as follows:* In the case of Variable
2 Interest Rate Bonds, for the purpose of calculating Annual Debt Service for
3 purposes of the Future Parity Bond tests outlined in Section 16 and the Reserve
4 Fund Requirement, the interest rate thereon shall be equal to the higher of (i) the
5 average of the SIFMA Municipal Swap Index over the 60-month period
6 immediately preceding the date of computation, or (ii) the average of the SIFMA
7 Municipal Swap Index over the 12-month period immediately preceding the date of
8 computation, in each case as determined within ten days prior to the date of
9 computation, with the principal thereof amortized to provide for essentially level
10 annual debt service of principal and interest over such period; provided, that if on
11 such date of calculation the interest rate on any Variable Interest Rate Bonds shall
12 then be fixed for a specified period, including pursuant to a Payment Agreement,
13 the interest rate used for such specified period shall be such fixed interest rate.

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16 For purposes of computing Annual Debt Service on any Parity Bonds which
17 constitute Balloon Indebtedness, it shall be assumed that the principal of such
18 Balloon Indebtedness, together with interest thereon at the rate applicable to such
19 Balloon Indebtedness, shall be amortized in equal annual installments over a term
20 equal to the lesser of (a) 25 years or (b) the average weighted useful life
21 (expressed in years and rounded to the next highest integer) of the properties and
22 assets constituting the project (if any) financed out of the proceeds of such Balloon
23 Indebtedness.
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1 *After all of the Outstanding Parity Bonds are fully redeemed, refunded or*
2 *defeased, for purposes of satisfying the coverage test pursuant to Section 14 or*
3 *the requirements for the issuance of Future Parity Bonds pursuant to Section 16,*
4 *Annual Debt Service for any Fiscal Year or calendar year shall exclude any Debt*
5 *Service Offsets received or expected to be received in such Fiscal Year or*
6 *calendar year.*

8 “Balloon Indebtedness” means any series of Parity Bonds more than
9 25 percent of the principal of which, in accordance with the terms of such Parity
10 Bonds, is due and payable in any one Fiscal Year either by reason of the stated
11 maturity date of such Parity Bonds or pursuant to a Sinking Fund Requirement;
12 provided that with respect to any Parity Bonds issued as Term Bonds, such Bonds
13 shall only be treated as Balloon Indebtedness if more than 25 percent of the
14 principal thereof is due in any one Fiscal Year pursuant to the applicable Sinking
15 Fund Requirement or upon the stated maturity date thereof (assuming that the only
16 principal due on the stated maturity date thereof will be the principal remaining
17 outstanding after all redemptions have been made pursuant to the applicable
18 Sinking Fund Requirement).

21 “Bond Counsel” means an attorney at law or a firm of attorneys, selected by
22 the City, of nationally recognized standing in matters pertaining to the tax-exempt
23 nature of interest on bonds issued by states and their political subdivisions.

25 “Bond Fund” means the Solid Waste Revenue Bond Fund created by the
26 City for the purpose of paying and securing the payment of Parity Bonds.



1 "Bond Purchase Contract" means the contract for the purchase of the Bonds
2 between the Underwriter and the City, executed pursuant to Section 17.

3 "Bond Register" means the registration books maintained by the Bond
4 Registrar for purposes of identifying ownership of the Bonds or the nominee of
5 each owner, and such other information as the Bond Registrar shall determine.
6

7 "Bond Registrar" means, initially, the fiscal agency of the state of
8 Washington, for the purposes of registering and authenticating the Bonds,
9 maintaining the Bond Register, effecting transfer of ownership of the Bonds and
10 paying interest on and principal of the Bonds.
11

12 "Bond Year" means each one-year period that ends on the date selected by
13 the City. The first and last Bond Years may be short periods. If no date is selected
14 by the City before the earlier of the final maturity date of the Tax-Exempt Bonds or
15 the date that is five years after the date of issuance of the Tax-Exempt Bonds,
16 Bond Years end on each anniversary of the date of issue and on the final maturity
17 date of such Tax-Exempt Bonds.
18

19 "Bonds" mean the not to exceed \$75,000,000 aggregate principal amount of
20 solid waste revenue and refunding bonds of the City authorized to be issued in one
21 or more series pursuant to the terms of this ordinance.
22

23 "Call Date" means the date(s) set forth in the Escrow Deposit Agreement for
24 the refunding of the Refunded Bonds.

25 "Capital Appreciation Bonds" mean Parity Bonds, the interest on which
26 accrues and compounds, payable at maturity or earlier redemption.



1 "Certified Public Accountant" means an independent licensed certified public
2 accountant (or firm of certified public accountants) selected by the City.

3 "City" means the City of Tacoma, Washington, a municipal corporation duly
4 organized and existing under and by virtue of the laws of the State.

5 "City Clerk" means the duly appointed and acting City Clerk of the City or
6 the successor to the duties of that office.

7 "City Manager" means the duly appointed and acting City Manager of the
8 City or the successor to the duties of that office.

9 "Closing" means the date of delivery of the Bonds to the Underwriter.

10 "Code" means the Internal Revenue Code of 1986, as amended, and shall
11 include all applicable regulations and rulings relating thereto.

12 "Commission" means the Securities and Exchange Commission.

13 "Construction Fund" means the 2015 Solid Waste Bond Construction Fund
14 created pursuant to Section 9 of this ordinance.

15 "Costs of Maintenance and Operation" means all necessary expenses of
16 operating the System, current maintenance expenses, expenses of reasonable
17 upkeep and repairs, insurance and administrative expenses, reasonable pro rata
18 charges for services provided to the System by City departments and payments
19 pursuant to leases for landfill capacity and hauling disposal, but excludes
20 depreciation, payments for debt service or into reserve accounts or funds, costs of
21 capital additions to or replacements of the System, money necessary to pay
22 extraordinary legal claims and judgments against the System, amortized payments
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1 to the City's self-insurance fund with respect to extraordinary claims and
2 judgments, municipal taxes and payments to the City in lieu of taxes, any Rebate
3 Amount, and closure and post-closure costs associated with the System's landfill.

4 "Council" means the Council of the City as the same shall be duly and
5 regularly constituted from time to time.

6 "Covered Bonds" mean the Outstanding Parity Bonds, the Bonds and those
7 Future Parity Bonds designated in the Parity Bond Ordinance authorizing their
8 issuance as Covered Bonds secured by the Reserve Fund.

9 "Current Interest Bonds" means Parity Bonds, the interest on which is paid
10 periodically.

11 "Debt Service Account" means the account of that name created in the
12 Bond Fund.

13 "Debt Service Offset" means receipts of the City that are not included in
14 Gross Revenues and that are legally available to pay debt service on Parity Bonds,
15 including without limitation federal interest subsidy payments, designated as such
16 by the City.

17 "Designated Representative" means the City Finance Director and
18 Treasurer, or his or her designee. The signature of one Designated Representative
19 shall be sufficient to bind the City.

20 "DTC" means The Depository Trust Company, New York, New York.

21 "Engineer" means an independent licensed professional engineer (or firm of
22 licensed professional engineers) selected by the City and experienced and
23



1 knowledgeable in the operation of solid waste utilities of comparable size and
2 character to the System.

3 "Escrow Deposit Agreement" means the Escrow Deposit Agreement
4 between the City and the Refunding Trustee to be dated as of the date of Closing.
5

6 "Event of Default" has the meaning set forth in Section 19 of this ordinance.

7 "Finance Director" means the duly appointed and acting Finance Director of
8 the City or the successor to the duties of that office.

9 "Fiscal Year" means the fiscal year used by the City at any time. At the time
10 of the adoption of this ordinance, the Fiscal Year is the 12-month period beginning
11 January 1 of each year.
12

13 "Fitch" means Fitch, Inc., a corporation duly organized and existing under
14 and by virtue of the laws of the State of Delaware, and its successors and assigns.

15 "Future Parity Bonds" means any revenue bonds of the City issued after the
16 date of issuance of the Bonds having a charge or lien upon the Net Revenues for
17 payment of the principal thereof and interest thereon equal in priority to the charge
18 or lien upon the Net Revenues for the payment of the principal of and interest on
19 the Outstanding Parity Bonds and the Bonds.
20

21 "Government Obligations" mean those obligations now or hereafter defined
22 as such in chapter 39.53 RCW.
23

24 "Gross Revenues" mean (a) revenues received for the use of the System or
25 from services rendered by the System, (b) the proceeds received by the City from
26 the sale or other disposition of any of the properties of the System, (c) investment



1 income earned on money held in any fund or account of the City in connection with
2 the ownership and operation of the System, including any bond redemption funds,
3 and (d) federal or state reimbursement of operating expenses to the extent that
4 such expenses are included as Costs of Maintenance and Operation, but excluding
5 (i) insurance proceeds, (ii) investment income irrevocably pledged to the payment
6 of any solid waste revenue bonds of the City refunded or defeased pursuant to a
7 plan of refunding heretofore or hereafter adopted by the City, (iii) investment
8 income earned on money in any rebate fund, and (iv) grants, gifts or donations.
9

10 "Letter of Representations" means the blanket issuer letter of
11 representations from the City to DTC.
12

13 "Maximum Annual Debt Service" means at the time of calculation, the
14 maximum amount of Annual Debt Service that will mature or come due in the
15 current Fiscal Year or any future Fiscal Year on the Parity Bonds.
16

17 "Maximum Interest Rate" means, with respect to any particular Variable
18 Interest Rate Bond, a numerical rate of interest, which shall be set forth in any
19 Parity Bond Ordinance authorizing such Bond, which shall be the maximum rate of
20 interest such Bond may at any time bear.
21

22 "Maximum Reserve Requirement" means the maximum dollar amount
23 permitted by the Code to be allocated to a reserve fund from tax-exempt bond
24 proceeds without requiring a balance to be invested at a restricted yield.
25

26 "Moody's" means Moody's Investors Service, Inc. or its comparable
recognized business successor.



1 "MSRB" means the Municipal Securities Rulemaking Board or any
2 successor to its functions.

3 "Net Proceeds," when used with reference to any Tax-Exempt Bonds,
4 means the principal amount of such Tax-Exempt Bonds, plus accrued interest and
5 original issue premium, if any, and less original issue discount, if any.
6

7 "Net Revenues" means Gross Revenues less the Costs of Maintenance and
8 Operation, excluding from the computation of Gross Revenues any proceeds
9 derived from the sale or other disposition, not in the ordinary course of business, of
10 properties, rights or facilities of the System or gains or losses resulting from the
11 early extinguishment of debt.
12

13 "Outstanding Parity Bond Ordinances" mean the ordinances and resolutions
14 authorizing the issuance of the Outstanding Parity Bonds as described in the
15 recitals to this ordinance.
16

17 "Outstanding Parity Bonds" means the outstanding 2006 Bonds and
18 2008 Bonds.

19 "Parity Bond Ordinances" mean the Outstanding Parity Bond Ordinances,
20 this ordinance, and any ordinance hereafter passed for the purpose of authorizing
21 Future Parity Bonds.

22 "Parity Bonds" mean the Outstanding Parity Bonds, the Bonds and any
23 Future Parity Bonds.
24

25 "Payment Date" means the dates on which principal and/or interest on the
26 Parity Bonds is due and payable.



1 "Permitted Investments" means any investments that are now or may
2 hereafter be permitted to the City by the laws of the State.

3 "Private Person" means any natural person engaged in a trade or business
4 or any trust, estate, partnership, association, company, or corporation.
5

6 "Private Person Use" means the use of property in a trade or business by a
7 Private Person if such use is other than as a member of the general public. Private
8 Person Use includes ownership of the property by the Private Person as well as
9 other arrangements that transfer to the Private Person the actual or beneficial use
10 of the property (such as a lease, management or incentive payment contract or
11 other special arrangement) in such a manner as to set the Private Person apart
12 from the general public. Use of property as a member of the general public
13 includes attendance by the Private Person at municipal meetings or business
14 rental of property to the Private Person on a short-term basis in accordance with
15 regulations under the Code if the rental paid by such Private Person is the same as
16 the rental paid by any Private Person who desires to rent the property. Use of
17 property by nonprofit community groups or community recreational groups is not
18 treated as Private Person Use if such use is incidental to the governmental uses of
19 property, the property is made available for such use by all such community groups
20 on an equal basis and such community groups are charged only a *de minimis* fee
21 to cover custodial expenses.
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25 "Projects" mean the acquisition, construction, and installation of additions
26 and improvements to and equipment for the System as described in the capital



1 improvement program for the System approved by the City, as such program may
2 be amended from time to time, as further described in Section 3 of this ordinance.

3 "Qualified Insurance" means any municipal bond insurance policy or surety
4 bond issued by any insurance company licensed to conduct an insurance business
5 in any state of the United States (or by a service corporation acting on behalf of
6 one or more such insurance companies), which insurance company or companies,
7 as of the time of issuance of such policy or surety bond, are currently rated in one
8 of the two highest rating categories by Moody's and S&P; *provided, after all of the*
9 *Outstanding Parity Bonds are fully redeemed, refunded or defeased, this definition*
10 *shall be amended to read as follows:* "Qualified Insurance" means any non-
11 cancellable municipal bond insurance policy or surety bond issued by any
12 insurance company licensed to conduct an insurance business in any state of the
13 United States (or by a service corporation acting on behalf of one or more such
14 insurance companies), which insurance company or companies, as of the time of
15 issuance of such policy or surety bond, are currently rated in one of the two highest
16 rating categories by Moody's, S&P or Fitch, or any other rating agency then
17 maintaining a rating on the Bonds.

18 "Qualified Letter of Credit" means any letter of credit issued by a financial
19 institution for the account of the City on behalf of the owners of the Bonds, which
20 institution maintains an office, agency or branch in the United States and as of the
21 time of issuance of such letter of credit is currently rated in one of the two highest
22 rating categories by Moody's and S&P; *provided, after all of the Outstanding Parity*
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1 Bonds are fully redeemed, refunded or defeased, this definition shall be amended
2 to read as follows: "Qualified Letter of Credit" means any irrevocable letter of
3 credit issued by a financial institution for the account of the City on behalf of the
4 owners of one or more series of Parity Bonds, which institution maintains an office,
5 agency or branch in the United States and as of the time of issuance of such letter
6 of credit is currently rated in one of the two highest rating categories by Moody's,
7 S&P or Fitch, or any other rating agency then maintaining a rating on the Bonds.
8

9 "Rate Stabilization Fund" means the fund of that name in the Solid Waste
10 Operating Fund.
11

12 "Rebate Amount" means the amount, if any, determined to be payable with
13 respect to the Bonds by the City to the United States of America in accordance
14 with Section 148(f) of the Code.
15

16 "Refunded Bonds" mean all or a portion of the Refunding Candidates
17 designated by the Designated Representative for defeasance and/or refunding
18 pursuant to Section 9 and Section 17 of this ordinance.
19

20 "Refunding Account" means the account by that name established pursuant
21 to Section 9 of this ordinance.
22

23 "Refunding Candidates" means any or all of the 2006 Bonds.

24 "Refunding Trustee" means U.S. Bank National Association.

25 "Registered Owner" means the person named as the registered owner of a
26 Bond in the Bond Register. For so long as the Bonds are held in book-entry only
form, DTC or its nominee shall be deemed to be the sole Registered Owner.



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“Reserve Fund” means the Reserve Fund created in the Bond Fund.

“Reserve Fund Requirement” is the dollar amount to be calculated with respect to all Covered Bonds and, *after the Outstanding Parity Bonds are fully redeemed, refunded or defeased*, separately with respect to other Parity Bonds.

(a) With respect to Covered Bonds, the Reserve Fund Requirement means as of any date an amount equal to the lesser of (1) the Maximum Annual Debt Service for Covered Bonds then outstanding, (2) 125 percent of average Annual Debt Service for Covered Bonds then outstanding, or (3) 10 percent of the initial face amount of the Covered Bonds then outstanding; provided, however, that the dollar amount required to be contributed, if any, as a result of the issuance of a series of Future Parity Bonds shall not be greater than the Maximum Reserve Requirement. If the dollar amount required to be contributed at the time of issuance of a series of Future Parity Bonds exceeds the Maximum Reserve Requirement, then the amount required to be contributed shall be equal to the Maximum Reserve Requirement.

(b) *After the Outstanding Parity Bonds are fully redeemed, refunded or defeased*, with respect to other series of Parity Bonds, the Reserve Fund Requirement shall be equal to the amount, if any, specified in the Parity Bond Ordinance authorizing the issuance of such Parity Bonds.

“Rule” means the Commission’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.



1 "S&P" means Standard & Poor's Ratings Services, or its comparable
2 recognized business successor.

3 "Serial Bonds" means Parity Bonds other than Term Bonds.

4 "Sinking Fund Requirement" means, for any year, the principal amount of
5 Term Bonds required to be purchased, redeemed or paid in such year pursuant to
6 the mandatory amortization provisions of the ordinance or resolution of the City
7 authorizing the issuance of such Term Bonds.
8

9 "Solid Waste Operating Fund" means the Solid Waste Operating Fund
10 maintained by the City.
11

12 "State" means the state of Washington.

13 "System" means the garbage and refuse collection and disposal system of
14 the City as defined in Section 1 of Ordinance No. 21312, as the same has
15 heretofore been added to, improved and extended and as the same will be added
16 to, improved and extended for so long as any of the Parity Bonds are outstanding.
17

18 "Taxable Bonds" means any Bonds determined to be issued on a taxable
19 basis pursuant to Section 17.

20 "Tax-Exempt Bonds" mean any Bonds determined to be issued on a tax-
21 exempt basis under the Code pursuant to Section 17.
22

23 "Term Bond Maturity Year" means any year in which any Parity Bonds that
24 are Term Bonds mature.

25 "Term Bonds" means Parity Bonds designated by the City as term bonds.
26



1 “Treasurer” means the duly appointed and acting Treasurer of the City or
2 the successor to the duties of that office.

3 “2006 Bond Ordinances” mean, collectively, the ordinances and resolution
4 authorizing the issuance of the 2006 Bonds as described in the recitals of this
5 ordinance.
6

7 “2006 Bonds” mean the 2006A Bonds and the 2006B Bonds.

8 “2006A Bonds” mean the City of Tacoma, Washington Solid Waste Utility
9 Revenue Bonds, 2006 Series A, issued pursuant to Ordinance No. 27489, as
10 amended by Ordinance No. 27492 and by Substitute Resolution No. 36905.
11

12 “2006B Bonds” mean the City of Tacoma, Washington Solid Waste Utility
13 Revenue Refunding Bonds, 2006 Series B, issued pursuant to Ordinance
14 No. 27489, as amended by Ordinance No. 27492 and by Substitute Ordinance
15 No. 27523.

16 “2008 Bonds” mean the City of Tacoma, Washington Solid Waste Utility
17 Revenue Refunding Bonds, 2008, issued pursuant to Ordinance No. 27736 and
18 Substitute Resolution No. 37575.
19

20 “Underwriter” means, collectively, the initial purchaser or purchasers of the
21 Bonds, as selected by the Designated Representative.

22 “Variable Interest Rate” means a variable interest rate or rates to be borne
23 by a series of Parity Bonds or any one or more maturities within a series of Parity
24 Bonds. The method of computing such variable interest rate shall be specified in
25 the bond ordinance authorizing such series of Parity Bonds. Such variable interest
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1 rate shall be subject to a Maximum Interest Rate and there may be an initial rate
2 specified, in each case as provided in such bond ordinance, or a stated interest
3 rate that may be changed from time to time as provided in the bond ordinance
4 authorizing such Parity Bonds. Such bond ordinance shall also specify either
5
6 (a) the particular period or periods of time or manner of determining such period or
7 periods of time for which each value of such variable interest rate shall remain in
8 effect or (b) the time or times upon which any change in such variable interest rate
9 shall become effective.

10 "Variable Interest Rate Bonds" for any period of time means Parity Bonds
11 that during such period bear a Variable Interest Rate, provided that Parity Bonds
12 the interest rate on which shall have been fixed for the remainder of the term
13 thereof shall no longer be Variable Interest Rate Bonds.

14
15 (b) Interpretation. In this ordinance, unless the context otherwise
16 requires:

17
18 (1) The terms "hereby," "hereof," "hereto," "herein," "hereunder"
19 and any similar terms, as used in this ordinance, refer to this ordinance as a whole
20 and not to any particular article, section, subdivision or clause hereof, and the term
21 "hereafter" shall mean after, and the term "heretofore" shall mean before, the date
22 of this ordinance;

23
24 (2) Words of the masculine gender shall mean and include
25 correlative words of the feminine and neuter genders and words importing the
26 singular number shall mean and include the plural number and vice versa;



1 (3) Words importing persons shall include firms, associations,
2 partnerships (including limited partnerships), trusts, corporations and other legal
3 entities, including public bodies, as well as natural persons;

4 (4) Any headings preceding the text of the several articles and
5 sections of this ordinance, and any table of contents or marginal notes appended
6 to copies hereof, shall be solely for convenience of reference and shall not
7 constitute a part of this ordinance, nor shall they affect its meaning, construction or
8 effect; and
9

10 (5) All references herein to "articles," "sections" and other
11 subdivisions or clauses are to the corresponding articles, sections, subdivisions or
12 clauses hereof.
13

14 Section 2. Compliance with Parity Conditions. In accordance with the
15 Outstanding Parity Bond Ordinances, which permit the issuance of additional
16 Parity Bonds upon compliance with the conditions set forth therein, the City hereby
17 finds and determines, as follows:
18

19 (a) The Bonds are being issued for lawful purposes of the City related to
20 the System.

21 (b) There is not now and at the time of Closing of the Bonds there shall
22 not be any deficiency in the Bond Fund.
23

24 (c) The Bonds shall be issued as Covered Bonds, and this ordinance
25 provides for payments into the Reserve Fund of amounts and at the times required
26 by the Outstanding Parity Bond Ordinances.



1 (d) At the time of issuance of the Bonds, the City shall have on file a
2 certificate satisfying the parity requirements of the Outstanding Parity Bond
3 Ordinances.

4 The applicable conditions of the Outstanding Parity Bond Ordinances
5 having been or to be complied with in connection with the issuance of the Bonds,
6 the pledge contained herein of Net Revenues to pay and secure the payment of
7 the Bonds shall constitute a lien and charge upon such Net Revenues equal in
8 rank with the lien and charge upon the Net Revenues to pay and secure the
9 payment of the Outstanding Parity Bonds.
10

11 Section 3. Adoption of Plan of Additions. The City specifies, adopts and
12 orders the carrying out of improvements to the System, including, but not limited to,
13 the acquisition, construction, and installation of additions and improvements to and
14 equipment for the System, including the acquisition and construction of
15 improvements that are intended to have environmental benefits, such as the
16 acquisition of diesel and/or compressed natural gas hybrids and hydraulic
17 transmission collection vehicles and the construction of related facilities, as
18 specified in the capital improvement program for the System approved by the City,
19 as it may be amended from time to time (together, the "Projects"). The City
20 Council may modify the details of the Projects where, in its judgment, it appears
21 advisable if such modifications do not substantially alter the purposes of that
22 system or plan. The estimated cost of carrying out the Projects, including the costs
23 of issuance and sale of the Bonds, is expected to be at least \$25,000,000, which
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1 cost shall be paid from the proceeds of the Bonds and from other money available
2 to the City for such purpose.

3 Section 4. Authorization and Description of Bonds. For the purposes of
4 defeasing and refunding the Refunded Bonds, financing and/or reimbursing costs
5 of the Projects, funding the Reserve Fund, and paying costs of issuance of the
6 Bonds, the City is hereby authorized to issue and sell one or more series of solid
7 waste revenue and refunding bonds in the aggregate principal amount of not to
8 exceed \$75,000,000 (the "Bonds").
9

10 The Bonds shall be designated as the "City of Tacoma, Washington, Solid
11 Waste Revenue [and] [Refunding] Bonds, 2015[___]" with additional series
12 designation or other designation as set forth in the Bond Purchase Contract and
13 approved by the Designated Representative.
14

15 The Bonds of each series shall be dated as of their date of initial delivery,
16 shall be fully registered as to both principal and interest, shall be in the
17 denomination of \$5,000 each or any integral multiple thereof within a series and
18 maturity, shall be numbered separately in the manner and with any additional
19 designation as the Bond Registrar deems necessary for purposes of identification
20 and control, and shall bear interest payable on the dates set forth in the Bond
21 Purchase Contract. The Bonds shall bear interest at the rates set forth in the Bond
22 Purchase Contract; and shall mature on the dates and in the principal amounts set
23 forth in the Bond Purchase Contract and as approved by a Designated
24 Representative pursuant to Section 17.
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1 The Bonds shall be special obligations of the City payable only from the
2 Bond Fund and shall be payable and secured as provided herein. The Bonds shall
3 not be general obligations of the City, the State or any political subdivision thereof.

4 Section 5. Registration, Exchange and Payments.

5 (a) Bond Registrar/Bond Register. The City hereby specifies and adopts
6 the system of registration approved by the Washington State Finance Committee
7 from time to time through the appointment of state fiscal agencies. The City shall
8 cause a Bond Register to be maintained by the Bond Registrar. So long as any
9 Bonds remain outstanding, the Bond Registrar shall make all necessary provisions
10 to permit the exchange or registration or transfer of Bonds at its principal corporate
11 trust office. The Bond Registrar may be removed at any time at the option of the
12 Finance Director upon prior notice to the Bond Registrar and a successor Bond
13 Registrar appointed by the Finance Director. No resignation or removal of the
14 Bond Registrar shall be effective until a successor shall have been appointed and
15 until the successor Bond Registrar shall have accepted the duties of the Bond
16 Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to
17 authenticate and deliver Bonds transferred or exchanged in accordance with the
18 provisions of such Bonds and this ordinance and to carry out all of the Bond
19 Registrar's powers and duties under this ordinance. The Bond Registrar shall be
20 responsible for its representations contained in the Certificate of Authentication of
21 the Bonds.
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1 (b) Registered Ownership. The City and the Bond Registrar, each in its
2 discretion, may deem and treat the Registered Owner of each Bond as the
3 absolute owner thereof for all purposes (except as provided in Section 21 of this
4 ordinance), and neither the City nor the Bond Registrar shall be affected by any
5 notice to the contrary. Payment of any such Bond shall be made only as described
6 in Section 5(h), but such Bond may be transferred as herein provided. All such
7 payments made as described in Section 5(h) shall be valid and shall satisfy and
8 discharge the liability of the City upon such Bond to the extent of the amount or
9 amounts so paid.
10

11 (c) DTC Acceptance/Letters of Representations. The Bonds initially
12 shall be held in fully immobilized form by DTC acting as depository. To induce
13 DTC to accept the Bonds as eligible for deposit at DTC, the City has executed and
14 delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor
15 the Bond Registrar will have any responsibility or obligation to DTC participants or
16 the persons for whom they act as nominees (or any successor depository) with
17 respect to the Bonds in respect of the accuracy of any records maintained by DTC
18 (or any successor depository) or any DTC participant, the payment by DTC (or any
19 successor depository) or any DTC participant of any amount in respect of the
20 principal of or interest on Bonds, any notice which is permitted or required to be
21 given to Registered Owners under this ordinance (except such notices as shall be
22 required to be given by the City to the Bond Registrar or to DTC (or any successor
23 depository)), or any consent given or other action taken by DTC (or any successor
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1 depository) as the Registered Owner. For so long as any Bonds are held in fully
2 immobilized form by a depository, DTC or its successor depository shall be
3 deemed to be the Registered Owner for all purposes hereunder, and all references
4 herein to the Registered Owners shall mean DTC (or any successor depository) or
5 its nominee and shall not mean the owners of any beneficial interest in such
6 Bonds.
7

8 (d) Use of Depository.

9 (1) The Bonds shall be registered initially in the name of
10 "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the maturity
11 dates for the Bonds in a denomination corresponding to the total principal therein
12 designated to mature on such date. Registered ownership of such Bonds, or any
13 portions thereof, may not thereafter be transferred except (A) to any successor of
14 DTC or its nominee, provided that any such successor shall be qualified under any
15 applicable laws to provide the service proposed to be provided by it; (B) to any
16 substitute depository appointed by the Finance Director pursuant to subsection (2)
17 below or such substitute depository's successor; or (C) to any person as provided
18 in subsection (4) below.
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20

21 (2) Upon the resignation of DTC or its successor (or any substitute
22 depository or its successor) from its functions as depository or a determination by
23 the Finance Director to discontinue the system of book entry transfers through DTC
24 or its successor (or any substitute depository or its successor), the Finance Director
25 may hereafter appoint a substitute depository. Any such substitute depository shall
26



1 be qualified under any applicable laws to provide the services proposed to be
2 provided by it.

3 (3) In the case of any transfer pursuant to clause (A) or (B) of
4 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding
5 Bonds of a series, together with a written request on behalf of the Finance Director,
6 issue a single new Bond for each maturity then outstanding, registered in the name
7 of such successor or such substitute depository, or their nominees, as the case
8 may be, all as specified in such written request of the Finance Director.

10 (4) In the event that (A) DTC or its successor (or substitute
11 depository or its successor) resigns from its functions as depository and no
12 substitute depository can be obtained, or (B) the Finance Director determines that
13 it is in the best interest of the beneficial owners of the Bonds that such owners be
14 able to obtain physical Bond certificates, the ownership of such Bonds may then be
15 transferred to any person or entity as herein provided, and such Bonds shall no
16 longer be held by a depository. The Finance Director shall deliver a written
17 request to the Bond Registrar, together with a supply of physical Bonds, to issue
18 Bonds as herein provided in any authorized denomination. Upon receipt by the
19 Bond Registrar of all then outstanding Bonds of a series together with a written
20 request on behalf of the Finance Director to the Bond Registrar, new Bonds shall
21 be issued in the appropriate denominations and registered in the names of such
22 persons as are requested in such written request.
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(e) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding any principal payment date any such Bond is to be redeemed.

(f) Bond Registrar's Ownership of Bonds. The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in



1 any other capacity with respect to, any committee formed to protect the right of the
2 Registered Owners of Bonds.

3 (g) Registration Covenant. The City covenants that, until all Bonds have
4 been surrendered and canceled, it will maintain a system for recording the
5 ownership of each Bond that complies with the provisions of Section 149 of the
6 Code.
7

8 (h) Place and Medium of Payment. Both principal of and interest on the
9 Bonds shall be payable in lawful money of the United States of America. Interest
10 on the Bonds shall be calculated on the basis of a year of 360 days and twelve
11 30-day months. For so long as all Bonds are held by a depository, payments of
12 principal and interest thereon shall be made as provided in accordance with the
13 operational arrangements of DTC referred to in the Letter of Representations. In
14 the event that the Bonds are no longer held by a depository, interest on the Bonds
15 shall be paid by check or draft mailed to the Registered Owners at the addresses
16 for such Registered Owners appearing on the Bond Register on the 15th day of the
17 month preceding the interest payment date, or upon the written request of a
18 Registered Owner of more than \$1,000,000 of Bonds (received by the Bond
19 Registrar at least 15 days prior to the applicable payment date), such payment
20 shall be made by the Bond Registrar by wire transfer to the account within the
21 United States designated by the Registered Owner. Principal of the Bonds shall
22 be payable upon presentation and surrender of such Bonds by the Registered
23 Owners at the principal office of the Bond Registrar.
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1 If any Bond shall be duly presented for payment and funds have not been
2 duly provided by the City on such applicable date, then interest shall continue to
3 accrue thereafter on the unpaid principal thereof at the rate stated on such Bond
4 until it is paid.

5 Section 6. Redemption Prior to Maturity and Purchase of Bonds.

6 (a) Mandatory Redemption of Term Bonds and Optional Redemption, if
7 any. The Bonds of a series shall be subject to optional redemption on the dates, at
8 the prices and under the terms set forth in the Bond Purchase Contract approved
9 by the Designated Representative pursuant to Section 17. The Bonds of a series
10 shall be subject to mandatory redemption to the extent, if any, set forth in the Bond
11 Purchase Contract approved by the Designated Representative pursuant to
12 Section 17.

13 (b) Purchase of Bonds. The City hereby reserves the right at any time to
14 purchase any of the Bonds from amounts available for such purchase.

15 (c) Selection of Bonds for Redemption. For as long as the Bonds are
16 held in book-entry only form, the selection of particular Bonds within a series and
17 maturity to be redeemed shall be made in accordance with the operational
18 arrangements then in effect at DTC. If the Bonds are no longer held in
19 uncertificated form, the selection of such Bonds to be redeemed and the surrender
20 and reissuance thereof, as applicable, shall be made as provided in the following
21 provisions of this subsection (c). If the City redeems at any one time fewer than all
22 of the Bonds having the same series and maturity date, the particular Bonds or
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1 portions of Bonds of such series and maturity to be redeemed shall be selected by
2 lot (or in such manner determined by the Bond Registrar) in increments of \$5,000.
3 In the case of a Bond of a denomination greater than \$5,000, the City and the
4 Bond Registrar shall treat each Bond as representing such number of separate
5 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual
6 principal amount of Bonds by \$5,000. In the event that only a portion of the
7 principal sum of a Bond is redeemed, upon surrender of such Bond at the principal
8 office of the Bond Registrar there shall be issued to the Registered Owner, without
9 charge therefor, for the then unredeemed balance of the principal sum thereof, at
10 the option of the Registered Owner, a Bond or Bonds of like maturity and interest
11 rate in any of the denominations herein authorized.
12

13
14 (d) Notice of Redemption.

15 (1) Official Notice. For so long as the Bonds are held in
16 uncertificated form, notice of redemption (which notice may be conditional) shall be
17 given in accordance with the operational arrangements of DTC as then in effect,
18 and neither the City nor the Bond Registrar will provide any notice of redemption to
19 any Beneficial Owners. Thereafter (if the Bonds are no longer held in
20 uncertificated form), notice of redemption shall be given in the manner hereinafter
21 provided. Unless waived by any owner of Bonds to be redeemed, official notice of
22 any such redemption (which redemption may be conditioned by the Bond Registrar
23 on the receipt of sufficient funds for redemption or otherwise) shall be given by the
24 Bond Registrar on behalf of the City by mailing a copy of an official redemption
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26



1 notice by first-class mail at least 20 days and not more than 60 days prior to the
2 date fixed for redemption to the Registered Owner of the Bond or Bonds to be
3 redeemed at the address shown on the Bond Register or at such other address as
4 is furnished in writing by such Registered Owner to the Bond Registrar.

5
6 All official notices of redemption shall be dated and shall state:

7 (A) the redemption date,
8 (B) the redemption price,
9 (C) if fewer than all outstanding Bonds are to be redeemed,
10 the identification by maturity (and, in the case of partial redemption, the respective
11 principal amounts) of the Bonds to be redeemed,

12 (D) that unless conditional notice of redemption has been
13 given and such conditions have not been satisfied or waived or such notice has
14 been rescinded, on the redemption date the redemption price will become due and
15 payable upon each such Bond or portion thereof called for redemption, and if the
16 Bond Registrar then holds sufficient funds to pay such Bonds at the redemption
17 price, interest thereon shall cease to accrue from and after said date,

18 (E) any conditions to redemption, and
19 (F) the place where such Bonds are to be surrendered for
20 payment of the redemption price, which place of payment shall be the principal
21 office of the Bond Registrar.
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25 On or prior to any redemption date, unless any condition to such redemption
26 has not been satisfied or waived or notice of such redemption has been rescinded,



1 the City shall deposit with the Bond Registrar an amount of money sufficient to pay
2 the redemption price of all the Bonds or portions of Bonds which are to be
3 redeemed on that date. The City retains the right to rescind any redemption notice
4 and the related optional redemption of Bonds by giving notice of rescission to the
5 affected registered owners at any time on or prior to the scheduled redemption
6 date. Any notice of optional redemption that is so rescinded shall be of no effect,
7 and the Bonds for which the notice of optional redemption has been rescinded
8 shall remain outstanding.
9

10 (2) Effect of Notice; Bonds Due. If an unconditional notice of
11 redemption has been given and not rescinded, or if the conditions set forth in a
12 conditional notice of redemption have been satisfied or waived, the Bonds or
13 portions of Bonds to be redeemed shall, on the redemption date, become due and
14 payable at the redemption price therein specified, and, if the Bond Registrar then
15 holds sufficient funds to pay such Bonds at the redemption price, then from and
16 after such date such Bonds or portions of Bonds shall cease to bear interest.
17 Upon surrender of such Bonds for redemption in accordance with said notice, such
18 Bonds shall be paid by the Bond Registrar at the redemption price. Installments of
19 interest due on or prior to the redemption date shall be payable as herein provided
20 for payment of interest. All Bonds which have been redeemed shall be canceled
21 by the Bond Registrar and shall not be reissued.
22

23 (3) Additional Notice. In addition to the foregoing notice, further
24 notice shall be given by the City as set out below, but no defect in said further
25
26



1 notice nor any failure to give all or any portion of such further notice shall in any
2 manner defeat the effectiveness of a call for redemption if notice thereof is given
3 as above prescribed. Each further notice of redemption given hereunder shall
4 contain the information required above for an official notice of redemption plus
5 (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the
6 Bonds as originally issued; (C) the rate of interest borne by each Bond being
7 redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other
8 descriptive information needed to identify accurately the Bonds being redeemed.
9 Each further notice of redemption may be sent at least 20 days before the
10 redemption date to each party entitled to receive notice pursuant to Section 21 and
11 with such additional information as the City shall deem appropriate, but such
12 mailings shall not be a condition precedent to the redemption of such Bonds.
13

14
15 (4) Amendment of Notice Provisions. The foregoing notice provisions of
16 this Section 6, including, but not limited to, the information to be included in
17 redemption notices and the persons designated to receive notices, may be
18 amended by additions, deletions and changes in order to maintain compliance with
19 duly promulgated regulations and recommendations regarding notices of
20 redemption of municipal securities.
21

22 Section 7. Form of Bonds and Certificate of Authentication. The Bonds
23 shall be in substantially the following form with appropriate or necessary insertions,
24 depending upon the omissions and variations as permitted or required hereby:
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UNITED STATES OF AMERICA

No. _____ \$ _____

STATE OF WASHINGTON
CITY OF TACOMA
SOLID WASTE REVENUE [AND] [REFUNDING] BOND, 2015[____]

INTEREST RATE: % MATURITY DATE: CUSIP NO.:
REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT:

The City of Tacoma, Washington, a municipal corporation of the State of Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest from _____, 20__, or the most recent date to which interest has been paid or duly provided for, until payment of this bond at the Interest Rate set forth above, payable on _____, 20__, and semiannually thereafter on the first days of each succeeding June and December. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest, date of maturity and rights of redemption, in the aggregate principal amount of \$_____, and is issued pursuant to Ordinance No. _____ passed by the Council on _____, 2015 (the "Bond Ordinance") to provide the funds necessary to defease and refund certain outstanding solid waste revenue bonds of the City, to finance and/or reimburse costs related to the acquisition, construction, and installation of additions and improvements to and equipment for the solid waste system (the "System"), to fund the debt service reserve fund, and to pay costs of issuance of the bonds. Capitalized terms used in this bond and not otherwise defined shall have the meanings given them in the Bond Ordinance. Simultaneously with the issuance of this bond, the City is issuing its _____ pursuant to the terms of the Bond Ordinance.

The bonds of this issue are subject to redemption at the option of the City as provided in the Bond Ordinance.



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The bonds of this issue are payable solely from the special fund of the City known as the "Solid Waste Bond Fund" (the "Bond Fund"). The City has irrevocably obligated and bound itself to pay into the Bond Fund out of Gross Revenues or from such other money as may be provided for such purpose certain amounts necessary to pay and secure the payment of the principal and interest on such bonds.

The City has pledged to set aside from the Solid Waste Operating Fund out of Gross Revenues and to pay into the Bond Fund the various amounts required by the Bond Ordinance to be paid into and maintained in such Fund within the times provided by the Bond Ordinance.

To the extent more particularly provided by the Bond Ordinance, the amounts so pledged to be paid from the Solid Waste Operating Fund out of Gross Revenues into the Bond Fund shall be a lien and charge thereon equal in rank to the lien and charge upon such Revenue of the amounts required to pay and secure the payment of the Outstanding Parity Bonds and any revenue bonds hereafter issued on a parity with the bonds of this issue and superior to all other liens and charges of any kind or nature, except the Costs of Maintenance and Operation of the System.

The City hereby irrevocably covenants and agrees with the registered owner of this bond that it will keep and perform all the covenants of this bond and of the Bond Ordinance to be by it kept and performed. Reference is hereby made to the Bond Ordinance for a complete statement of such covenants.

Bonds are interchangeable for bonds of any authorized denomination of equal aggregate principal amount and of the same interest rate and maturity upon presentation and surrender to the Bond Registrar.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington and the charter and ordinances of the City to exist and to have happened, been done and performed precedent to and in the issuance of this bond do exist and have happened, been done and performed and that the issuance of this bond and the bonds of this series does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this bond to be signed with the manual or facsimile signature of the Mayor and attested



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by the manual or facsimile signature of the City Clerk, and the seal of the City to be impressed or a facsimile thereof to be imprinted hereon, as of this _____ day of _____, 2015.

[SEAL]

CITY OF TACOMA, WASHINGTON

By _____
Mayor

ATTEST:

City Clerk

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Solid Waste Revenue [and] [Refunding] Bonds, 2015[___] of the City of Tacoma, Washington, dated _____, 2015.

WASHINGTON STATE FISCAL AGENCY, as
Bond Registrar

By _____

Section 8. Execution of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon.



1 Only such Bonds as shall bear thereon a Certificate of Authentication in the
2 form provided herein, manually executed by the Bond Registrar, shall be valid or
3 obligatory for any purpose or entitled to the benefits of this ordinance. Such
4 Certificate of Authentication shall be conclusive evidence that the Bonds so
5 authenticated have been duly executed, authenticated and delivered hereunder
6 and are entitled to the benefits of this ordinance.

8 In case either of the officers who shall have executed the Bonds shall cease
9 to be an officer or officers of the City before the Bonds so signed shall have been
10 authenticated or delivered by the Bond Registrar, or issued by the City, such
11 Bonds may nevertheless be authenticated, delivered and issued and upon such
12 authentication, delivery and issuance, shall be as binding upon the City as though
13 those who signed the same had continued to be such officers of the City. Any
14 Bond may be signed and attested on behalf of the City by such persons who at the
15 date of the actual execution of such Bond, are the proper officers of the City,
16 although at the original date of such Bond any such person shall not have been
17 such officer of the City.

20 Section 9. Application of Bond Proceeds; Refunding Plan.

21 (a) Construction Fund. There is hereby created and established a
22 separate fund to be known as the "2015 Solid Waste Bond Construction Fund" (the
23 "Construction Fund"). A portion of the proceeds of the Bonds shall be deposited
24 into the Construction Fund for application to the payment of the costs of the
25

26



1 Projects and to pay costs of issuance for the Bonds (if not provided for under
2 subsection (b) below) as set forth in the closing memorandum for the Bonds.

3 Except as provided by the Code, the income from the investment of Bond
4 proceeds in the Construction Fund shall be deposited in the Construction Fund and
5 applied to the payment of the costs of the Projects.
6

7 Except as provided by the Code, if any money allocable to the Bond
8 proceeds remains in the Construction Fund after payment of all the costs of the
9 Projects or after termination of the Projects by the City, such money shall be
10 transferred to the Bond Fund and applied after consultation with Bond Counsel to
11 the payment of the principal of or interest on the Bonds.
12

13 Pending application as described in this Section 9 and subject to the
14 requirements of the Code, money allocable to the Bond proceeds in the
15 Construction Fund may be temporarily invested in Permitted Investments.
16

17 (b) Refunding Plan. For the purpose of modifying debt service and
18 restructuring the 2006 Bonds, the City proposes to defease and/or refund the
19 Refunded Bonds as set forth herein. If the Designated Representative determines
20 that it is in the best interest of the City to proceed with the refunding authorized
21 herein, the Designated Representative shall designate all or a portion of each
22 series of the Refunding Candidates as Refunded Bonds and such designation shall
23 be set forth in the Bond Purchase Contract.
24

25 A portion of the proceeds of the Bonds shall be deposited with the
26 Refunding Trustee pursuant to the Escrow Deposit Agreement to be used



1 immediately upon receipt thereof to defease the Refunded Bonds as authorized by
2 the applicable 2006 Bond Ordinances and to pay costs of issuance of the Bonds.
3 The net proceeds deposited with the Refunding Trustee shall be used to defease
4 the Refunded Bonds and discharge the obligations thereon by the purchase of
5 certain Acquired Obligations bearing such interest and maturing as to principal and
6 interest in such amounts and at such times which, together with any necessary
7 beginning cash balance, will provide for the payment of:
8

9 (1) interest on each series of Refunded Bonds as such becomes
10 due on and prior to the Call Date; and
11

12 (2) the redemption price (100 percent of the principal amount) of
13 each series of Refunded Bonds on the Call Date.

14 Such Acquired Obligations shall be purchased at a yield not greater than the
15 yield permitted by the Code and regulations relating to acquired obligations in
16 connection with refunding bond issues.
17

18 A beginning cash balance, if any, and the Acquired Obligations shall be
19 deposited irrevocably with the Refunding Trustee in an amount sufficient to
20 defease the Refunded Bonds. In order to carry out the purposes of this Section 9,
21 the Finance Director is authorized and directed to execute and deliver to the
22 Refunding Trustee, an Escrow Deposit Agreement.
23

24 The City hereby sets aside sufficient funds out of the purchase of Acquired
25 Obligations from proceeds of the Bonds to make the payments described above.
26



1 The City hereby calls the Refunded Bonds for redemption on their respective
2 Call Date in accordance with the provisions of the 2006 Bond Ordinances
3 authorizing the redemption and retirement of the applicable 2006 Bonds prior to
4 their fixed maturities.

5
6 Said defeasance and call for redemption of the Refunded Bonds shall be
7 irrevocable after the issuance of the Bonds and delivery of the Acquired Obligations
8 to the Refunding Trustee.

9 The Refunding Trustee is hereby authorized and directed to provide for the
10 giving of notices of the defeasance and/or redemption of the Refunded Bonds in
11 accordance with the applicable provisions of the 2006 Bond Ordinances. The
12 costs of publication of such notices shall be an expense of the City.

13
14 The Refunding Trustee is hereby authorized and directed to pay to the
15 Finance Director, or, at the direction of the Finance Director, to the paying agent
16 for the Refunded Bonds, sums sufficient to pay, when due, the payments specified
17 in this Section 9. All such sums shall be paid from the moneys and Acquired
18 Obligations deposited with the Refunding Trustee, and the income therefrom and
19 proceeds thereof. All such sums so paid to or to the order of the Finance Director
20 shall be credited to the Refunding Account. All moneys and Acquired Obligations
21 deposited with the Refunding Trustee and any income therefrom shall be held,
22 invested (but only at the direction of the Finance Director) and applied in
23 accordance with the provisions of this ordinance and with the laws of the State for
24 the benefit of the City and owners of the Refunded Bonds.
25
26



1 The City will take such actions as are found necessary to see that all
2 necessary and proper fees, compensation and expenses of the Refunding Trustee
3 for the Refunded Bonds shall be paid when due.

4 Section 10. Solid Waste Operating Fund; Pledge of Revenues. A special
5 fund of the City has been created and designated the "Solid Waste Operating
6 Fund". The City covenants and agrees that so long as any of the Parity Bonds are
7 outstanding, it will pay or cause to be paid into the Solid Waste Operating Fund all
8 Gross Revenues, except income from the investment of money in any construction
9 funds and any rebate fund, as collected and the Solid Waste Operating Fund shall
10 be held separate and apart from all other funds and accounts of the City. The
11 money in the Solid Waste Operating Fund shall be used only for the following
12 purposes and in the following order of priority:
13

14 First, to pay the Costs of Maintenance and Operation;

15 Second, to make all payments required to be made for the Parity Bonds in
16 the following order:
17

18 (a) into the Debt Service Account to pay the interest due on any
19 Parity Bonds for which money shall not have been provided by income from the
20 investment of money in the Bond Fund;
21

22 (b) to make all payments required to be made into the Debt
23 Service Account to pay the principal of any Parity Bonds due at maturity for which
24 money shall not have been provided by income from the investment of money in
25 the Bond Fund, and to make all payments heretofore or hereafter required to be
26



1 made into the Debt Service Account under any schedule for the amortization of
2 Term Bonds;

3 (c) to make all payments required to be made pursuant to a
4 reimbursement obligation in connection with a Qualified Letter of Credit or
5 Qualified Insurance with respect to the Reserve Fund, *and after the Outstanding*
6 *Parity Bonds are fully redeemed, refunded or defeased*, into any other reserve fund
7 created in the future for the payment of debt service on Parity Bonds, provided that
8 if there is not sufficient money to make all payments under reimbursement
9 agreements the payments will be made on a pro rata basis;

10 (d) to make all payments required to be made into the Reserve
11 Fund to secure the payment of any Covered Bonds, *and after the Outstanding*
12 *Parity Bonds are fully redeemed, refunded or defeased*, into any other reserve fund
13 created in the future for the payment of debt service on Parity Bonds;

14 Third, to make all payments required to be made into any other revenue
15 bond redemption fund, revenue warrant redemption fund, debt service account,
16 reserve account or sinking fund account created to pay and secure the payment of
17 the principal of and interest on any revenue bonds or revenue warrants of the City
18 having a lien upon Gross Revenues and the money in the Solid Waste Operating
19 Fund junior and inferior to the lien thereon for the payment of the principal of and
20 interest on Parity Bonds;

21 Fourth, to pay municipal taxes and payments to the City in lieu of taxes; and
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1 Fifth, to retire by redemption or purchase in the open market any
2 outstanding solid waste revenue bonds, notes or revenue warrants of the City or to
3 make necessary additions, improvements, extraordinary repairs, extensions and
4 replacements of the System, to make payments into the Rate Stabilization Fund, or
5 any other lawful City purposes, including the payment of legal claims and
6 judgments against the System.
7

8 The City hereby pledges Gross Revenues, after payment of the Costs of
9 Maintenance and Operation, to the repayment of the Parity Bonds.
10

11 Section 11. Bond Fund. There has been created the "Tacoma Solid Waste
12 Revenue Bond Fund" (the "Bond Fund") for the sole purpose of paying and
13 securing the payment of Parity Bonds. The Bond Fund contains the Debt Service
14 Account and the Reserve Fund. At the option of the City, separate funds and
15 accounts may be created in the Bond Fund for the purpose of paying or securing
16 the payment of principal, premium, if any, and interest on any series of Parity
17 Bonds.
18

19 (a) A Debt Service Account has been created in the Bond Fund for the
20 purpose of paying the interest on any Parity Bonds and the principal or Sinking
21 Fund Requirement for and premium, if any, on any Parity Bonds. As long as any
22 Parity Bonds remain outstanding, the City hereby irrevocably obligates and binds
23 itself to set aside and pay from the Solid Waste Operating Fund into the Debt
24 Service Account those amounts necessary, with such other funds as are then on
25 hand and available in the Debt Service Account, to pay the interest on all
26



1 outstanding Parity Bonds, the principal of all outstanding Parity Bonds and the
2 Sinking Fund Requirements as such interest, principal and Sinking Fund
3 Requirements, respectively, become due and payable at maturity or by mandatory
4 redemption. Payments on account of the Parity Bonds shall be made on or before
5 the day on which an installment of interest, principal or Sinking Fund Requirement
6 becomes due.

8 (b) A Reserve Fund has been created in the Bond Fund for the purpose
9 of securing the payment of the principal of and interest on the Covered Bonds.
10 *After the Outstanding Parity Bonds are fully redeemed, refunded or defeased, the*
11 *City may create separate reserve funds and establish separate Reserve Fund*
12 *Requirements, if any, to secure the payment of the principal of and interest on*
13 *Parity Bonds.*

15 The City hereby covenants that at the time of the issuance of the Bonds it
16 will deposit a portion of the proceeds of the Bonds, acquire Qualified Insurance or
17 Qualified Letter of Credit, or use other available funds to satisfy the Reserve Fund
18 Requirement for the Bonds and the Outstanding Parity Bonds as of the date of
19 Closing.

21 The City further covenants that in the event it issues any Future Parity
22 Bonds that are Covered Bonds it will provide in each Parity Bond Ordinance
23 authorizing the issuance of the same that it will deposit proceeds from the Future
24 Parity Bonds or approximately equal monthly payments will be made into the
25 Reserve Fund out of the Solid Waste Operating Fund so that within 36 months or
26



1 less from the date of the issuance of such Future Parity Bonds the total amount of
2 such payments, with the amount already in the Reserve Fund, will be at least equal
3 to the Reserve Fund Requirement; provided, *after the Outstanding Parity Bonds*
4 *are fully redeemed, refunded or defeased, this covenant shall read as follows:* The
5 City further covenants that in the event it issues any Future Parity Bonds that are
6 Covered Bonds it will provide in each Parity Bond Ordinance authorizing the
7 issuance of the same that it will deposit proceeds from the Future Parity Bonds or
8 approximately equal monthly payments will be made into the Reserve Fund out of
9 the Solid Waste Operating Fund so that within five years or less from the date of
10 the issuance of such Future Parity Bonds the total amount of such payments, with
11 the amount already in the Reserve Fund, will be at least equal to the Reserve Fund
12 Requirement.
13
14

15 The City may elect to fund part or all the Reserve Fund with respect to the
16 Bonds and any Future Parity Bonds that are Covered Bonds through the use of a
17 Qualified Letter of Credit or Qualified Insurance. In making the payments and
18 credits to the Reserve Fund required by this Section 11(b), to the extent that the
19 City has obtained Qualified Insurance or a Qualified Letter of Credit for specific
20 amounts required pursuant to this section, such amounts so covered by Qualified
21 Insurance or a Qualified Letter of Credit shall be credited against the amounts
22 required to be maintained in the Reserve Fund by Section 11(b) to the extent that
23 such payments and credits to be made are insured by an insurance company or
24 guaranteed by a letter of credit from a financial institution. In the event of any
25
26



1 cancellation, the Reserve Fund shall be funded in accordance with the first three
2 paragraphs of this Section 11(b), as if the Covered Bonds that remain outstanding
3 had been issued on the date of such notice of cancellation.

4 The City further covenants that when the deposits required by this
5 Section 11(b) have been made into the Reserve Fund, it will at all times maintain
6 therein an amount at least equal to such maximum amount as the same may be
7 recalculated and determined from time to time. The investments in the Reserve
8 Fund shall be valued on each December 31 and may be valued on any other date.
9 Such valuation shall be at the market value of the obligations in such fund
10 including accrued interest; provided that investments which mature within one year
11 shall be valued at their maturity value. Whenever there is a sufficient amount in
12 the Debt Service Account and the Reserve Fund to pay the principal of, premium, if
13 any, and interest on all Covered Bonds then outstanding, the money in the
14 Reserve Fund may be used to pay such principal, premium, if any, or Sinking Fund
15 Requirements or interest. Money in the Reserve Fund may be withdrawn to
16 redeem and retire outstanding Covered Bonds, and to pay the interest due to such
17 date of redemption and premium, if any, or Sinking Fund Requirements on such
18 outstanding Covered Bonds, so long as the money remaining on deposit in the
19 Reserve Fund is at least equal to the Reserve Fund Requirement. When a series
20 of Covered Bonds is refunded in whole or in part, money may be withdrawn from
21 the Reserve Fund to pay or provide for the payment of refunded Covered Bonds;
22 provided that immediately after such withdrawal there shall remain in or be credited
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1 to the Reserve Fund money and Permitted Investments in an amount equal to the
2 Reserve Fund Requirement or so much thereof as is then required to be
3 maintained.

4 In the event there shall be a deficiency in the Debt Service Account to meet
5 maturing installments of either interest on or principal of or Sinking Fund
6 Requirements on any Covered Bonds, such deficiency shall be made up from the
7 Reserve Fund by the withdrawal of money therefrom and by the sale or redemption
8 of obligations held in the Reserve Fund, if necessary, in such amounts as will
9 provide cash in the Reserve Fund sufficient to make up any such deficiency, and if
10 a deficiency still exists immediately prior to an interest payment date and after the
11 withdrawal of cash, the City shall then draw from any Qualified Letter of Credit or
12 Qualified Insurance in sufficient amount to make up the deficiency. Such draw
13 shall be made at such times and under such conditions as the agreement for such
14 Qualified Letter of Credit or such Qualified Insurance shall provide. The City
15 covenants that any deficiency created in the Reserve Fund by reason of any
16 withdrawal therefrom for payment into the Debt Service Account shall be made up
17 from money in the Solid Waste Operating Fund first available after providing for the
18 required payments into the Debt Service Account and after providing for any
19 required payments pursuant to a reimbursement obligation; *provided, that once the*
20 *2006 Bonds are no longer outstanding*, any such deficiency shall be made up
21 within 12 months of such deficiency.
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(c) Said amounts so pledged to be paid into the Debt Service Account and the Reserve Fund from the Solid Waste Operating Fund are hereby declared to be a prior lien and charge upon Gross Revenues superior to all other charges of any kind or nature whatsoever except the Costs of Maintenance and Operation of the System and except that the amounts so pledged are of equal lien to the charges upon such Revenue which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Parity Bonds, and, provided further, if the City elects to meet the requirements of Section 11(b) with respect to the Reserve Fund as to any issue of Parity Bonds through the use of a Qualified Letter of Credit or Qualified Insurance, then the City's reimbursement obligation with respect thereto, if any, may rank on a parity of lien with the Parity Bonds.

(d) Money held in all of the accounts in the Bond Fund shall, to the fullest extent practicable and reasonable, be invested and reinvested at the direction of the Treasurer of the City solely in, and obligations deposited in such accounts shall consist of, Permitted Investments which shall mature on or prior to the respective dates when the money held for the credit of such accounts will be required for the purposes intended. Money in the Reserve Fund not required for immediate disbursement for the purposes for which such fund is created shall, to the fullest extent practicable and reasonable, be invested and reinvested at the direction of the City solely in, and obligations deposited in the Reserve Fund shall consist of, Permitted Investments maturing prior to the final maturity date of the Parity Bonds then outstanding. All interest earned and income derived by virtue of investments



1 of money in the Debt Service Account or the Reserve Fund may remain in the
2 Bond Fund or be deposited into the Solid Waste Operating Fund and all such
3 investment income may be used to meet the required deposits into any account in
4 the Bond Fund.

5
6 (e) The Council hereby finds that in fixing the amounts to be paid into the
7 Bond Fund out of Gross Revenues, it has exercised due regard for the Costs of
8 Maintenance and Operation and has not obligated the City to set aside and pay
9 into such Fund a greater amount of such Revenue than in its judgment will be
10 available over and above the Costs of Maintenance and Operation.

11
12 (f) Money in the Bond Fund may be used, if necessary, to pay Rebate
13 Amounts to the extent that such Rebate Amounts are directly attributable to
14 earnings on such subaccount.

15 Section 12. Rate Stabilization Fund. A special fund of the City designated
16 the "Rate Stabilization Fund" has been established in the Solid Waste Operating
17 Fund. In accordance with the priorities set forth in this ordinance, the City may
18 from time to time deposit Net Revenues into the Rate Stabilization Fund and may
19 from time to time withdraw amounts therefrom to enhance rate stability or for other
20 lawful purposes of the City related to the System.

21
22 Section 13. Defeasance. In the event that the City, to effect the payment,
23 retirement or redemption of any Bond, sets aside in the Bond Fund or in another
24 special account, cash or noncallable Government Obligations, or any combination
25 of cash and/or noncallable Government Obligations, in amounts and maturities
26



1 which, together with the known earned income therefrom, are sufficient to redeem
2 or pay and retire such Bond in accordance with its terms and to pay when due the
3 interest and redemption premium, if any, thereon, and such cash and/or
4 noncallable Government Obligations are irrevocably set aside and pledged for
5 such purpose, then no further payments need be made into the Bond Fund for the
6 payment of the principal of and interest on such Bond. The owner of a Bond so
7 provided for shall cease to be entitled to any lien, benefit or security of this
8 ordinance except the right to receive payment of principal, premium, if any, and
9 interest from the Bond Fund or such special account, and such Bond shall be
10 deemed to be not outstanding under this ordinance.
11
12

13 The City shall give written notice of defeasance to the registered owners of
14 all Bonds so provided for within 20 days of the defeasance and to each party
15 entitled to receive notice in accordance with Section 21.
16

17 Section 14. Covenants. The City hereby covenants and agrees with the
18 owners of the Bonds for as long as any of the same remain outstanding as follows:

19 (a) Establishment and Collection of Rates and Charges. The City shall
20 establish, maintain and collect lawful rates and charges for the use of the services
21 and facilities of the System and all commodities sold, furnished or supplied by the
22 System, and shall adjust such rates and charges from time to time so that:

23
24 (1) Gross Revenues will at all times be sufficient (A) to pay all
25 costs of and charges and expenses in connection with the proper operation and
26 maintenance of the System, (B) to pay the principal of, interest on and any Sinking



1 Fund Requirements for the outstanding Parity Bonds, as and when the same shall
2 become due and payable, (C) to make when due all payments which the City is
3 obligated to make into the Reserve Fund, (D) to make all other payments which the
4 City is obligated to make pursuant to this ordinance or any Parity Bond Ordinance
5 and (E) to pay all taxes, assessments or other governmental charges lawfully
6 imposed on the System or the revenue therefrom or payments in lieu thereof and
7 any and all other amounts which the City may now and hereafter become obligated
8 to pay from Gross Revenues by law or contract; and
9

10 (2) the Net Revenues in each calendar year will equal at least
11
12 1.25 times the Annual Debt Service for such calendar year.

13 Solely for purposes of calculating the coverage requirement set forth above,
14 there shall be added to Gross Revenues in any calendar year any amount
15 withdrawn from the Rate Stabilization Fund in such calendar year and deposited in
16 the Solid Waste Operating Fund, and there shall be subtracted from Gross
17 Revenues in any calendar year any amount withdrawn from the Solid Waste
18 Operating Fund and deposited in the Rate Stabilization Fund. *After all of the*
19 *Outstanding Parity Bonds are fully redeemed, refunded or defeased,* credits to or
20 from the Rate Stabilization Fund that occur within 90 days after the end of a Fiscal
21 Year may be treated as occurring within such Fiscal Year.
22

23
24 The calculation of the coverage requirement set forth above, and in
25 Section 16, and the City's compliance therewith, may be made solely with
26 reference to this ordinance without regard to future changes in generally accepted



1 accounting principles. If the City has changed one or more of the accounting
2 principles used in the preparation of its financial statements, because of a change
3 in generally accepted accounting principles or otherwise, then an event of default
4 relating to this coverage requirement shall not be considered an event of default if
5 the coverage requirement ratio would have been complied with had the City
6 continued to use those accounting principles employed at the date of the most
7 recent audited financial statements prior to the date of this ordinance.
8

9 (b) Maintenance and Operations Standards. The City will at all times
10 keep and maintain the System in good repair, working order and condition and will
11 at all times operate the System and the business in connection therewith in an
12 efficient manner and at a reasonable cost.
13

14 (c) Sale or Disposition of System. The City will not sell or otherwise
15 dispose of the System in its entirety unless simultaneously with such sale or
16 disposition provision is made for payment into the Bond Fund of cash or
17 Government Obligations sufficient to pay the principal of and interest on all then
18 outstanding Parity Bonds in accordance with the terms thereof. The City will not
19 sell or otherwise dispose of any part of the useful operating properties of the
20 System in excess of 5 percent of the book value of the System (original acquisition
21 cost of the System less accumulated depreciation) unless (1) there has been filed
22 with the City Clerk a certificate of an Engineer stating that such disposition will not
23 impair the ability of the City to comply with the rate covenants previously set forth
24 under this section or (2) the proceeds from such disposition are used to acquire
25
26



1 new useful operating properties of the System or to retire System debt. No sale,
2 lease, mortgage or other disposal of any part of the System valued in excess of
3 10 percent of the book value of the System shall be made if, in the opinion of an
4 Engineer, taking into consideration the use of such proceeds to acquire new
5 property or retire debt and based on financial statements of the System for the
6 most recent Fiscal Year available, such sale, mortgage, lease or other disposal
7 would prevent the City from meeting the requirements hereunder and with respect
8 to any other obligations of the System.
9

10 (d) No Free Service. The City will not furnish any service of the System
11 free of charge in an aggregate amount per year exceeding 1/10 of 1 percent of
12 annual Gross Revenues.
13

14 (e) Books and Accounts – Operating Statement. The City will keep and
15 maintain proper books and accounts with respect to the operations, income and
16 expenditures of the System that are in accordance with proper and legal
17 accounting procedures. All expenses incurred in the maintenance of such books
18 and accounts and the preparation of such statement may be regarded and paid as
19 an expense of operation of the System.
20

21 (f) Tax Covenants. The City covenants that it will not take or permit to
22 be taken on its behalf any action that would adversely affect the exemption from
23 federal income taxation of the interest on the Tax-Exempt Bonds and will take or
24 require to be taken such acts as may reasonably be within its ability and as may
25
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1 from time to time be required under applicable law to continue the exemption from
2 federal income taxation of the interest on the Tax-Exempt Bonds.

3 (1) Arbitrage Covenant. Without limiting the generality of the
4 foregoing, the City covenants that it will not take any action or fail to take any
5 action with respect to the proceeds of sale of the Tax-Exempt Bonds or any other
6 funds of the City which may be deemed to be proceeds of the Tax-Exempt Bonds
7 pursuant to Section 148 of the Code and the regulations promulgated thereunder
8 which, if such use had been reasonably expected on the dates of delivery of the
9 Tax-Exempt Bonds to the initial purchasers thereof, would have caused the Tax-
10 Exempt Bonds to be treated as "arbitrage bonds" within the meaning of such term
11 as used in Section 148 of the Code. The City will comply with the requirements of
12 Section 148 of the Code and the applicable regulations thereunder throughout the
13 term of the Tax-Exempt Bonds.
14

15
16 (2) Private Person Use Limitation for Tax-Exempt Bonds. The
17 City covenants that for as long as the Tax-Exempt Bonds are outstanding, it will
18 not permit:
19

20 (A) More than 10 percent of the Net Proceeds of the Tax-
21 Exempt Bonds to be allocated to any Private Person Use; and

22 (B) More than 10 percent of the principal or interest
23 payments on the Tax-Exempt Bonds in a Bond Year to be directly or indirectly:
24 (1) secured by any interest in property used or to be used for any Private Person
25 Use or secured by payments in respect of property used or to be used for any
26



1 Private Person Use, or (2) derived from payments (whether or not made to the
2 City) in respect of property, or borrowed money, used or to be used for any Private
3 Person Use.

4 The City further covenants that, if:

5 (C) More than 5 percent of the Net Proceeds of the Tax-
6 Exempt Bonds are allocable to any Private Person Use; and
7

8 (D) More than 5 percent of the principal or interest
9 payments on the Tax-Exempt Bonds in a Bond Year are (under the terms of this
10 ordinance or any underlying arrangement) directly or indirectly:

11 (i) secured by any interest in property used or to be
12 used for any Private Person Use or secured by payments in respect of property
13 used or to be used for any Private Person Use, or
14

15 (ii) derived from payments (whether or not made to
16 the City) in respect of property, or borrowed money, used or to be used for any
17 Private Person Use, then, (1) any Private Person Use of the projects described in
18 subsection (C) hereof or Private Person Use payments described in subsection (D)
19 hereof that is in excess of the 5 percent limitations described in such
20 subsections (C) or (D) will be for a Private Person Use that is related to the state or
21 local governmental use of the Projects financed and/or refinanced by the proceeds
22 of the Tax-Exempt Bonds; and (2) any Private Person Use will not exceed the
23 amount of Net Proceeds of the Tax-Exempt Bonds allocable to the state or local
24 governmental use portion of the Projects to which the Private Person Use of such
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1 portion of the Projects financed and/or refinanced by the proceeds of the Tax-
2 Exempt Bonds relate. The City further covenants that it will comply with any
3 limitations on the use of the Projects financed and/or refinanced by the proceeds of
4 the Tax-Exempt Bonds by other than state and local governmental users that are
5 necessary, in the opinion of its bond counsel, to preserve the tax exemption of the
6 interest on the Tax-Exempt Bonds.
7

8 (3) Modification of Tax Covenants. The covenants of this section
9 are specified solely to assure the continued exemption from regular income
10 taxation of the interest on the Tax-Exempt Bonds. To that end, the provisions of
11 this section may be modified or eliminated without any requirement for formal
12 amendment thereof upon receipt of an opinion of the City's bond counsel that such
13 modification or elimination will not adversely affect the tax exemption of interest on
14 any Tax-Exempt Bonds.
15

16 (4) The City does not designate the Tax-Exempt Bonds as
17 "qualified tax-exempt obligations" under Section 265(b)(3) of the Code for
18 investment by financial institutions.
19

20 (g) Junior Lien Bonds. In the event the City issues revenue bonds or
21 other revenue obligations having a lien upon the Gross Revenues junior and
22 inferior to the lien on the Parity Bonds ("Junior Lien Bonds"), the City covenants
23 that a default on such Junior Lien Bonds will not constitute a default on the Parity
24 Bonds and that the City will not permit, to the extent legally practicable, an
25 acceleration of such Junior Lien Bonds in the event of a default on such bonds.
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Section 15. Parity Derivative Products. For purposes of this Section 15, the following words shall have the following definitions:

(a) "Payment" means any payment (designated as such by an ordinance or resolution) required to be made by or on behalf of the City under a Payment Agreement and which is determined according to a formula set forth in the Payment Agreement.

(b) "Parity Payment Agreement" means a Payment Agreement under which the City's payment obligations are expressly stated to be secured by a pledge of and lien on Net Revenues on an equal and ratable basis with the Net Revenues required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on Parity Bonds.

(c) "Payment Agreement" means a written agreement, for the purpose of managing or reducing the City's exposure to fluctuations or levels of interest rates, currencies or commodities or for other interest rate, investment, asset or liability management purposes, entered into on either a current or forward basis by the City and a Qualified Counterparty, all as authorized by any applicable laws of the State. Such agreement may or may not be characterized by a structure of reciprocity of payment.

(d) "Payment Date" means any date specified in the Payment Agreement on which a City Payment or Receipt is due and payable under the Payment Agreement.



1 (e) "Receipt" means any payment (designated as such by an ordinance
2 or resolution) to be made to, or for the benefit of, the City under a Payment
3 Agreement by the Payor.

4 (f) "Payor" means a Qualified Counterparty to a Payment Agreement
5 that is obligated to make one or more payments thereunder.
6

7 (g) "Qualified Counterparty" means a party (other than the City or a party
8 related to the City) who is the other party to a Payment Agreement that has or
9 whose obligations are unconditionally guaranteed by a party that has at least an
10 investment grade rating from a rating agency (who, if the City's Parity Bonds are
11 rated by Moody's, must have a rating of at least "A") and who is otherwise qualified
12 to act as the other party to a Payment Agreement under any applicable laws of the
13 State.
14

15 A Payment made under a Payment Agreement may be on a parity with the
16 Bonds if the Payment Agreement satisfies the requirements for Future Parity
17 Bonds described in Section 16, taking into consideration regularly scheduled
18 Payments and Receipts (if any) under the Payment Agreement. The following
19 shall be conditions precedent to the use of any Payment Agreement on a parity
20 with the Bonds:
21

22 (1) The City shall obtain an opinion of Bond Counsel on the due
23 authorization and execution of such Payment Agreement, the validity and
24 enforceability thereof and opining that the action proposed to be taken is
25 authorized or permitted by this ordinance or the applicable provisions of any
26



1 supplemental ordinance and will not adversely affect the excludability for federal
2 income tax purposes of the interest on any outstanding Parity Bonds.

3 (2) Prior to entering into a Payment Agreement, the City shall
4 adopt an ordinance, which shall:

5 (A) set forth the manner in which the Payments and
6 Receipts are to be calculated and a schedule of Payment Dates;

7 (B) establish general provisions for the rights of parties to
8 Payment Agreements; and
9

10 (C) set forth such other matters as the City deems
11 necessary or desirable in connection with the management of Payment
12 Agreements as are not clearly inconsistent with the provisions of this ordinance.
13

14 The Payment Agreement may oblige the City to pay, on one or more
15 scheduled and specified Payment Dates, the Payments in exchange for the
16 Payor's obligation to pay or to cause to be paid to the City, on scheduled and
17 specified Payment Dates, the Receipts. The City may also enter into Payment
18 Agreements that are not reciprocated by the other party to the agreement.
19

20 If the City enters into a Parity Payment Agreement, Payments shall be made
21 from the Debt Service Account in the Bond Fund and Annual Debt Service shall
22 include any regularly scheduled City Payments adjusted by any regularly
23 scheduled Receipts during a Fiscal Year. Receipts shall be paid directly into the
24 Bond Fund. Obligations to make unscheduled payments, such as termination
25 payments, may not be entered into on a parity with the Parity Bonds.
26



1 Nothing in this section shall preclude the City from entering into Payment
2 Agreements with a claim on Net Revenues junior to that of the Bonds.

3 Furthermore, nothing in this section shall preclude the City from entering into
4 obligations on a parity with the Bonds in connection with the use of Payment
5 Agreements or similar instruments if the City obtains an opinion of Bond Counsel
6 that the obligations of the City thereunder are consistent with this ordinance.
7

8 Section 16. Future Parity Bonds. The City reserves the right to issue
9 Future Parity Bonds for the purposes of (a) providing funds to acquire, construct,
10 reconstruct, install, or replace any equipment, facilities, additions, or other capital
11 improvements to the System for which it is authorized by law to issue revenue
12 bonds; (b) any lawful purpose of the System, including the payment of a judgment
13 or settlement of a claim; or (c) refunding at or prior to their maturity, any revenue
14 bond anticipation notes or outstanding revenue bonds or other obligations payable
15 out of Gross Revenues. The City may pledge that payments will be made out of
16 money in the Solid Waste Operating Fund into the Bond Fund and the funds and
17 accounts therein to pay and secure the payment of the principal of and interest on
18 such Future Parity Bonds on a parity with the payments required herein to be
19 made out of such money into such fund and accounts to pay and secure the
20 payment of the principal of and interest on any Parity Bonds then outstanding,
21 upon compliance with the following conditions:
22
23

24 (a) At the time of the issuance of any Future Parity Bonds there is no
25 deficiency in the Bond Fund.
26



1 (b) The principal of and interest on any Future Parity Bonds shall be
2 payable out of the Bond Fund and the requirements for Sinking Fund
3 Requirements and Reserve Fund payments (with respect to Covered Bonds) in
4 Section 11 shall be met.

5
6 (c) Prior to the delivery of any Future Parity Bonds, the City shall have
7 on file in the office of the City Clerk either:

8 (1) A certificate of the Finance Director of the City stating that Net
9 Revenues in any 12 consecutive months out of the most recent 24 months
10 preceding the delivery of the bonds then proposed to be issued, as determined
11 from the financial statements of the System, were not less than 1.25 times
12 Maximum Annual Debt Service for any year on all outstanding Parity Bonds and
13 the bonds proposed to be issued, provided that in the event that any adjustment in
14 the rates, fees and charges collected by the City for the services of the System
15 shall have been adopted by the City Council at any time on or prior to the date of
16 delivery of the bonds then proposed to be issued, the Finance Director shall reflect
17 in his or her certificate the Net Revenues he or she estimates would have been
18 collected in such 12-month period if such new rates, fees and charges had been in
19 effect for the entire 12-month period, or

20
21
22 (2) A certificate of an Engineer or a Certified Public Accountant
23 showing that the "Adjusted Net Revenues" (as determined as provided below) for
24 each calendar year during the life of the bonds proposed to be issued will equal not
25
26



1 less than 1.25 times Maximum Annual Debt Service for any year on all outstanding
2 Parity Bonds and the bonds proposed to be issued.

3
4 The Adjusted Net Revenues shall be the Net Revenues for a period of any
5 12 consecutive months out of the 24 months immediately preceding the date of
6 delivery of such proposed Future Parity Bonds as adjusted by such Engineer or
7 Certified Public Accountant to take into consideration changes in Net Revenues
8 estimated to occur under the following conditions for each year after such delivery
9 for so long as any Parity Bonds, including the Future Parity Bonds proposed to be
10 issued, shall be outstanding:

11
12 (i) the additional Net Revenues which would have been
13 received if any change in rates and charges adopted prior to the date of such
14 certificate and subsequent to the beginning of such 24 month period, had been in
15 force during the full 24 month period;

16
17 (ii) the additional Net Revenues which would have been
18 received if any customers added to the System during such 24-month period were
19 customers for the entire period. For these purposes, customers shall mean only
20 customers for collection and disposal of solid waste; and

21
22 (iii) the additional Net Revenues estimated by such
23 Engineer or Certified Public Accountant to be received as a result of any additions
24 and improvements to and extensions of any facilities of the System which are
25 (a) under construction at the time of such certificate or (b) will be constructed or
26 acquired from the proceeds of the Future Parity Bonds to be issued.



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Such Engineer or Certified Public Accountant may rely upon, and such certificate shall have attached thereto, financial statements of the System, certified by the City Finance Director, showing income and expenses for the period upon which the same is based. The certificate of such Engineer or Certified Public Accountant shall be conclusive and the only evidence required to show compliance with the provisions and requirements of this subsection.

(d) Refunding Bonds. Notwithstanding the foregoing requirement, if Future Parity Bonds are to be issued for the purpose of refunding at or prior to their maturity any part or all of the then outstanding Parity Bonds and the issuance of such refunding Future Parity Bonds will result in a debt service savings and does not require an increase of more than \$5,000 in any fiscal or calendar year for principal of and interest on such refunding Future Parity Bonds over and above the amount required in such year for the principal of and interest on the bonds being refunded thereby, it is not necessary to obtain a certificate of the Finance Director or an Engineer or Certified Public Accountant prior to issuing such bonds.

(e) Junior Lien Bonds. Nothing herein contained shall prevent the City from issuing revenue bonds or other obligations which are a charge upon Gross Revenues junior or inferior to the payments required by this ordinance to be made out of such Revenue into the Bond Fund and accounts therein to pay and secure the payment of any outstanding Parity Bonds.



1 (f) Nothing herein contained shall prevent the City from issuing revenue
2 bonds to refund maturing Parity Bonds for the payment of which money is not
3 otherwise available.

4 (g) In the event that the City elects additionally to secure any issue of
5 Variable Interest Rate Bonds through the use of a letter of credit, insurance or
6 other equivalent credit enhancement, the City may contract with the entity
7 providing such letter of credit, insurance or other equivalent credit enhancement
8 that the City's reimbursement obligation, if any, to such entity ranks on a parity of
9 lien with the Parity Bonds; provided, that the payments due under such
10 reimbursement agreement are such that if such reimbursement obligation were a
11 series of Future Parity Bonds, such Future Parity Bonds could be issued in
12 compliance with the provisions of this Section 16.

15 Section 17. Sale of Bonds.

16 (a) Bond Sale. The Bonds shall be sold by negotiated sale to the
17 Underwriter selected by the Designated Representative pursuant to the terms of
18 this ordinance and the Bond Purchase Contract. The Designated Representative
19 is hereby authorized to select the Underwriter that submits the proposal that is in
20 the best interest of the City.
21

22 Market conditions are fluctuating and, as a result, the most favorable market
23 conditions may occur on a day other than a regular meeting date of the Council.
24 The Council has determined that it would be in the best interest of the City to
25 delegate to the Designated Representative for a limited time the authority to select
26



1 the Underwriter, approve the selection of Refunded Bonds (if any), determine
2 whether the Bonds shall be issued in one or more series, determine whether the
3 Bonds (or the Bonds of a series) shall be issued as Tax-Exempt Bonds or Taxable
4 Bonds, and approve the final interest rates, aggregate principal amount, principal
5 amounts of each maturity, and redemption rights for the Bonds.
6

7 The Designated Representative is further authorized to designate all or a
8 portion of the Bonds allocated to finance Projects with environmental benefits as
9 “green bonds,” and to undertake such action, execute such certificates, and agree
10 to such terms as necessary to accomplish such designation.
11

12 Subject to the terms and conditions set forth in this Section 17, the
13 Designated Representative is hereby authorized to enter into the Bond Purchase
14 Contract with the Underwriter to issue and sell the Bonds in one or more series
15 upon his or her approval of the final interest rates, maturity dates, aggregate
16 principal amounts, principal maturities, and redemption rights set forth therein for
17 the Bonds in accordance with the authority granted by this section so long as:
18

19 (1) the aggregate principal amount of the Bonds does not exceed
20 \$75,000,000,

21 (2) the final maturity date for the Bonds is no later than
22 December 1, 2040,

23 (3) the Bonds are sold (in the aggregate) at a price not less than
24 97 percent and not greater than 130 percent,
25
26



1 (4) the true interest cost for the Bonds (in the aggregate) does not
2 exceed 5.50 percent, and

3 (5) the Bonds conform to all other terms of this ordinance.

4 Subject to the terms and conditions set forth in this section, the Designated
5 Representative is hereby authorized to execute the Bond Purchase Contract. The
6 signature of one Designated Representative shall be sufficient to bind the City.
7

8 Following the execution of the Bond Purchase Contract, the Designated
9 Representative shall provide a report to the City Council describing the final terms
10 of the Bonds approved pursuant to the authority delegated in this section. The
11 authority granted to the Designated Representative by this Section 17 shall expire
12 120 days after the effective date of this ordinance. If a Bond Purchase Contract for
13 the Bonds has not been executed within 120 days after the effective date of this
14 ordinance, the authorization for the issuance of the Bonds shall be rescinded and
15 the Bonds shall not be issued nor their sale approved unless such Bonds shall
16 have been reauthorized by ordinance of the City Council. The ordinance
17 reauthorizing the issuance and sale of such Bonds may be in the form of a new
18 ordinance repealing this ordinance in whole or in part or may be in the form of an
19 amendatory ordinance approving a bond purchase contract or establishing terms
20 and conditions for the authority delegated under this Section 17.
21
22
23

24 (b) Delivery of Bonds; Documentation. Upon the passage and approval
25 of this ordinance, the proper officials of the City, including the Finance Director,
26 Treasurer, and City Manager, are authorized and directed to undertake all action



1 necessary for the prompt execution and delivery of the Bonds to the Underwriter
2 and further to execute all closing certificates and documents required to effect the
3 closing and delivery of the Bonds in accordance with the terms of this ordinance
4 and the Bond Purchase Contract.

5
6 Section 18. Approval of Official Statement. The Finance Director is hereby
7 authorized to ratify and to deem final the preliminary Official Statement relating to
8 the Bonds for the purposes of the Rule. The Finance Director is further authorized
9 to ratify and to approve for purposes of the Rule, on behalf of the City, the final
10 Official Statement relating to the issuance and sale of the Bonds and the
11 distribution of the final Official Statement pursuant thereto with such changes, if
12 any, as may be deemed by him or her to be appropriate.

14 Section 19. Defaults and Remedies. The following constitute "Events of
15 Default" under this ordinance:

16 (a) If default shall be made in the due and punctual payment of the
17 principal of and premium, if any, on any of the Parity Bonds when the same shall
18 become due and payable, either at maturity or by mandatory redemption;

20 (b) If default shall be made in the due and punctual payment of any
21 installment of interest on any Parity Bond;

22 (c) If the City shall default in the observance and performance of any
23 other of the covenants, conditions and agreements on the part of the City
24 contained in this ordinance or any covenants, conditions or agreements on the part
25 of the City contained in any ordinance of the City authorizing Future Parity Bonds
26



1 and such default or defaults shall have continued for a period of 90 days after the
2 City shall have received from the owners of not less than 20 percent in principal
3 amount of the Parity Bonds outstanding a written notice specifying and demanding
4 the cure of such default.

5
6 The failure to collect Net Revenues in any calendar year sufficient to comply
7 with the covenant contained in Section 14(a)(2) shall not constitute an Event of
8 Default if the City, before the 100th day of the following calendar year:

9 (a) Employs an Engineer to recommend changes in the System's rates
10 which are estimated to produce Net Revenues sufficient (once the rates
11 recommended by the Engineer have been imposed by the City) to meet the
12 requirements of Section 14(a)(2); and

13
14 (b) Promptly imposes rates at least as high as those recommended by
15 such Engineer.

16
17 So long as such Event of Default shall not have been remedied, a
18 bondowners' trustee may be appointed by the Registered Owners of 25 percent in
19 principal amount of the Parity Bonds.

20 The bondowners' trustee may upon the happening of an Event of Default,
21 and during the continuance thereof, take such steps and institute such suits,
22 actions or other proceedings in its own name, or as trustee, all as it may deem
23 appropriate for the protection and enforcement of the rights of bondowners to
24 collect any amounts due and owing the City, or to obtain other appropriate relief,
25 and may enforce the specific performance of any covenant, agreement or condition
26



1 contained in this ordinance or in any of the Parity Bonds. The Registered Owners
2 of the Parity Bonds, by taking and holding the same, shall be deemed irrevocably
3 to appoint the bondowners' trustee the true and lawful trustee of the respective
4 owners of said Parity Bonds.
5

6 No owner of any one or more of the Parity Bonds shall have any right to
7 institute any action, suit or proceeding at law or in equity for the enforcement of
8 same unless an Event of Default shall have happened and be continuing, and
9 unless no bondowners' trustee has been appointed. In the event no bondowners'
10 trustee has been appointed, or with the consent of the bondowners' trustee if such
11 bondowners' trustee has been appointed, a bondowner may exercise any remedy
12 given the bondowner's trustee.
13

14 Section 20. Supplemental Ordinances.

15 (a) The Council from time to time and at any time may adopt an
16 ordinance or ordinances supplemental to this ordinance which supplemental
17 ordinance or ordinances thereafter shall become a part of this ordinance, for any
18 one or more or all of the following purposes:
19

20 (1) To add to the covenants and agreements of the City in this
21 ordinance other covenants and agreements thereafter to be observed, which shall
22 not adversely affect the interests of the owners of any Parity Bonds, or to surrender
23 any right or power herein reserved to or conferred upon the City.
24

25 (2) To make such provisions for the purpose of curing any
26 ambiguities or of curing, correcting or supplementing any defective provision



1 contained in this ordinance or any ordinance authorizing future Parity Bonds in
2 regard to matters or questions arising under such ordinances as the Council may
3 deem necessary or desirable and not inconsistent with such ordinances and which
4 shall not adversely affect the interest of the owners of Parity Bonds.
5

6 Any such supplemental ordinance of the City may be adopted without the
7 consent of the Registered Owners of any Parity Bonds at any time outstanding,
8 notwithstanding any of the provisions of subsection (b) of this section.

9 (b) With the consent of the Registered Owners of not less than
10 65 percent in aggregate principal amount of the Parity Bonds at the time
11 outstanding, the Council may adopt an ordinance or ordinances supplemental
12 hereto for the purpose of adding any provisions to or changing in any manner or
13 eliminating any of the provisions of this ordinance or of any supplemental
14 ordinance; provided, however, that no such supplemental ordinance shall:
15

16 (1) Extend the fixed maturity of any Parity Bonds, or reduce the
17 rate of interest thereon, or extend the time of payment of interest from their due
18 date, or reduce the amount of the principal thereof, or reduce any premium
19 payable on the redemption thereof, without the consent of the Registered Owner of
20 each bond so affected; or
21

22 (2) Reduce the aforesaid percentage of bondowners required to
23 approve any such supplemental ordinance, without the consent of the Registered
24 Owners of all of the Parity Bonds then outstanding.
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It shall not be necessary for the consent of Registered Owners under this subsection (b) to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

Section 21. Ongoing Disclosure.

(a) Contract/Undertaking. This section constitutes the City's written undertaking for the benefit of the owners, including Beneficial Owners, of the Bonds as required by Section (b)(5) of the Rule.

(b) Financial Statements/Operating Data. The City agrees to provide or cause to be provided to the MSRB the following annual financial information and operating data for the prior fiscal year (commencing in 2015 for the fiscal year ended December 31, 2014):

- (1) Annual financial statements, which statements may or may not be audited, showing ending fund balances for the System prepared in accordance with Generally Accepted Accounting Principles prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute);
- (2) Principal amount of outstanding Parity Bonds;
- (3) Debt service coverage for outstanding Parity Bonds;
- (4) Total number of residential and commercial customers;
- (5) Aggregate percent of total revenue received from the System's ten largest customers;
- (6) Tonnage and percentage for each disposal method;



1 (7) Rates for the System substantially as provided in the rate
2 ordinance approved by the Council; and

3 (8) Gross Revenues by service.

4 Items (2)-(8) shall be required only to the extent that such information is not
5 included in the annual financial statements.
6

7 The information and data described above shall be provided on or before
8 the last day of the ninth month after the end of the City's fiscal year. The City's
9 current fiscal year ends December 31. The City may adjust such fiscal year by
10 providing written notice of the change of fiscal year to the MSRB. In lieu of
11 providing such annual financial information and operating data, the City may
12 cross-reference to other documents available to the public on the MSRB's internet
13 website or filed with the Commission.
14

15 If not provided as part of the annual financial information discussed above,
16 the City shall provide the City's audited annual financial statement prepared in
17 accordance with Generally Accepted Accounting Principles prescribed by the
18 Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute)
19 when and if available to the MSRB.
20

21 (c) Listed Events. The City agrees to provide or cause to be provided to
22 the MSRB, in a timely manner not in excess of ten business days after the
23 occurrence of the event, notice of the occurrence of any of the following events
24 with respect to the Bonds:
25

- 26
- Principal and interest payment delinquencies;



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- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to the rights of Bondholders, if material;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34 23856, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the City;
- The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of



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the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(d) Format for Filings with the MSRB. All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(e) Notification Upon Failure to Provide Financial Data. The City agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the date set forth in subsection (b) above.

(f) Termination/Modification. The City's obligations to provide annual financial information and notices of certain listed events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of this section shall be null and void if the City (i) obtains an opinion of Bond Counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (ii) notifies the MSRB of such opinion and the cancellation of this section.



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The City may amend this section with an opinion of Bond Counsel in accordance with the Rule. In the event of any amendment of this section, the City shall describe such amendment in the next annual report, and shall include a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (A) notice of such change shall be given in the same manner as for a listed event under subsection (c), and (B) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) Bond Owner's Remedies Under This Section. The right of any bondowner or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the City's obligations under this section, and any failure by the City to comply with the provisions of this undertaking shall not be an Event of Default with respect to the Bonds.

(h) No Default. Except as otherwise disclosed in the City's Official Statement relating to the Bonds, the City is not and has not been in default in the performance of its obligations of any prior undertaking for ongoing disclosure with respect to its obligations.



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Section 22. Lost or Destroyed Bonds. In case any Bonds shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond(s) of like series, amount, date, tenor, and effect to the owner thereof upon the owner paying the expenses and charges of the City in connection therewith and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond(s) were actually lost, stolen or destroyed and of ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

Section 23. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.



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Section 24. Effective Date. This ordinance shall take effect and be in force
10 days after its passage, approval and publication as required by law.

Passed: _____

Mayor

Attest:

City Clerk

Approved as to form and legality:

Pacifica Law Group LLP
Bond Counsel to the City of Tacoma

By _____



CLERK'S CERTIFICATE

1 I, the undersigned, the duly chosen, qualified City Clerk of the City of
2 Tacoma, Washington, and keeper of the records of the Council (herein called the
3 "Council"), DO HEREBY CERTIFY:
4

5 1. That the attached Ordinance No. ____ (herein called the
6 "Ordinance") is a true and correct copy of an Ordinance of the Council, as finally
7 passed at a regular meeting of the Council held on the 13th day of January, 2015,
8 and duly recorded in my office.
9

10 2. That said meeting was duly convened and held in all respects in
11 accordance with law, and to the extent required by law, due and proper notice of
12 such meeting was given; that a legal quorum was present throughout the meeting
13 and a legally sufficient number of members of the Council voted in the proper
14 manner for the passage of said Ordinance; that all other requirements and
15 proceedings incident to the proper adoption of said Ordinance have been duly
16 fulfilled, carried out and otherwise observed, and that I am authorized to execute
17 this certificate.
18

19 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
20 official seal of the City as of this 13th day of January, 2015.
21
22

23 _____
24 City Clerk
25 City of Tacoma, Washington
26