



ORDINANCE NO. 28805

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 bonds of the City in
3 the aggregate principal amount of not to exceed \$16,000,000 to finance
4 and/or reimburse the City for costs associated with the construction,
5 improvement and equipping of the City's municipal solid waste system and to
6 pay costs of issuing the bonds; providing the form and terms of the bonds;
7 and delegating the authority to approve the method sale and the final terms
8 of the bonds.

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

12 WHEREAS the City has issued and has outstanding certain solid waste
13 revenue bonds and obligations of the System (as further described herein, the
14 "Outstanding Parity Bonds"), and

15 WHEREAS the ordinances authorizing the Outstanding Parity Bonds provide
16 that additional solid waste revenue bonds or obligations may be issued with a lien
17 on Net Revenues (as defined herein) on a parity with the lien of the Outstanding
18 Parity Bonds if certain conditions are met, and

19 WHEREAS the City Council (the "Council") desires to determine that it is in
20 the public interest to issue one or more series of solid waste revenue bonds in the
21 aggregate principal amount of not to exceed \$16,000,000 (the "Bonds") to finance
22 and/or reimburse the City for costs associated with the construction, improvement
23 and equipping of the System and to pay costs of issuing the Bonds, and

24 WHEREAS the Council wishes to delegate authority to the City Finance
25 Director, Treasurer, and Assistant Finance Director/Controller, or their designees
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1 (each, a “Designated Representative”) for a limited time, to approve the method of
2 sale and the interest rates, maturity dates, redemption terms, principal maturities
3 and other terms for each series of Bonds within the parameters set by this
4 ordinance, and

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6 WHEREAS the Bonds shall be sold by negotiated or competitive sale as
7 set forth herein;

8 Now, Therefore,

9 BE IT ORDAINED BY THE CITY OF TACOMA:

10 Section 1. Definitions and Interpretation of Terms.

11 As used in this ordinance, the following words and terms shall have the
12 following meanings, unless the context or use indicates another or different
13 meaning or intent. Unless the context indicates otherwise, words importing the
14 singular number shall include the plural number and vice versa.

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

4 "Accreted Value Table" means the Accreted Value Table printed on the
5 Capital Appreciation Bonds reflecting the Accreted Value of such Capital
6 Appreciation Bonds as of each Payment Date.

7 "Adjusted Net Revenues" has the meaning set forth in Section 16 of this
8 ordinance.

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

15 In the case of Variable Interest Rate Bonds, for the purpose of calculating
16 Annual Debt Service for purposes of the Future Parity Bond tests outlined in
17 Section 16 and the Reserve Fund Requirement, the interest rate thereon shall be
18 equal to the higher of (i) the average of the SIFMA Municipal Swap Index over the
19 60-month period immediately preceding the date of computation, or (ii) the average
20 of the SIFMA Municipal Swap Index over the 12-month period immediately
21 preceding the date of computation, in each case as determined within ten days prior
22 to the date of computation; provided, that if on such date of calculation the interest
23 rate on any Variable Interest Rate Bonds shall then be fixed for a specified period,
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1 including pursuant to a Payment Agreement, the interest rate used for such
2 specified period shall be such fixed interest rate.

3 For purposes of computing Annual Debt Service on any Parity Bonds which
4 constitute Balloon Indebtedness, it shall be assumed that the principal of such
5 Balloon Indebtedness, together with interest thereon at the rate applicable to such
6 Balloon Indebtedness, shall be amortized in equal annual installments over a term
7 equal to the lesser of (a) 25 years or (b) the remaining term to final maturity of the
8 Balloon Indebtedness beginning with the first Fiscal Year following the date of
9 calculation.
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11 Annual Debt Service for any Fiscal Year or calendar year shall exclude any
12 Debt Service Offsets received or expected to be received in such Fiscal Year or
13 calendar year.
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15 "Balloon Indebtedness" means any series of Parity Bonds more than
16 25 percent of the principal of which, in accordance with the terms of such Parity
17 Bonds, is due and payable in any one Fiscal Year either by reason of the stated
18 maturity date of such Parity Bonds or pursuant to a Sinking Fund Requirement;
19 provided that with respect to any Parity Bonds issued as Term Bonds, such Bonds
20 shall only be treated as Balloon Indebtedness if more than 25 percent of the
21 principal thereof is due in any one Fiscal Year pursuant to the applicable Sinking
22 Fund Requirement or upon the stated maturity date thereof (assuming that the only
23 principal due on the stated maturity date thereof will be the principal remaining
24 outstanding after all redemptions have been made pursuant to the applicable
25 Sinking Fund Requirement).
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“Bond Counsel” means an attorney at law or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

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

“Bond Purchase Contract” means one or more contracts, if any, for the purchase of any Bonds of a series sold by negotiated sale to the initial purchaser, executed pursuant to Section 17.

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

“Bond Registrar” means, initially, the fiscal agent of the state of Washington, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

“Bonds” mean the solid waste revenue bonds authorized to be issued pursuant to this ordinance.

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

“Capital Improvement Plan” means the Capital Improvement Plan of the City relating to the System, as it may be amended from time to time.



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“Certificate of Award” means one or more certificates, if any, for the purchase of any Bonds of a series sold by competitive sale awarding such Bonds to the bidder as set forth in Section 17 of this ordinance.

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

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

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

“City Attorney” means the duly appointed and acting City Attorney of the City, including anyone acting in an interim or other capacity for the position, or the successor to the duties of that office.

“City Clerk” means the duly appointed and acting City Clerk of the City, including anyone acting in an interim or other capacity for the position, or the successor to the duties of that office.

“City Manager” means the duly appointed and acting City Manager of the City, including anyone acting in an interim or other capacity for the position, or the successor to the duties of that office.

“Closing” means the date of issuance and delivery of a series of Bonds to the Underwriter.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Tax-Exempt Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Tax-



1 Exempt Bonds, together with applicable proposed, temporary and final regulations
2 promulgated, and applicable official public guidance published, under the Code.

3 “Commission” means the Securities and Exchange Commission.

4
5 “Continuing Disclosure Certificate” means the written undertaking for the
6 benefit of the holders of each series of Bonds as required by Section (b)(5) of the
7 Rule.

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

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21 “Council” means the Council of the City as the same shall be duly and
22 regularly constituted from time to time.

23
24 “Covered Bonds” mean:

25 (a) the 2015 Bonds,

26 (b) the Bonds, if the Bonds are designated as “Covered Bonds” by a

Designated Representative at the time of sale; and



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(c) those Future Parity Bonds designated in the Parity Bond Ordinance authorizing their issuance as Covered Bonds secured by the Reserve Fund.

“Current Interest Bonds” mean Parity Bonds, the interest on which is paid periodically.

“Debt Service Account” means the account of that name created in the Bond Fund.

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

“Designated Representative” means the City Finance Director, Treasurer, and Assistant Finance Director/Controller, or their designees. The signature of one Designated Representative shall be sufficient to bind the City.

“DTC” means The Depository Trust Company, New York, New York.

“Engineer” means an independent licensed professional engineer (or firm of licensed professional engineers) selected by the City and experienced and knowledgeable in the operation of solid waste utilities of comparable size and character to the System.

“Event of Default” has the meaning set forth in Section 19 of this ordinance.

“Fair Market Value” means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm’s length transaction, except for specified investments as described in Treasury Regulation §1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed



1 investment contracts, and investments for yield restricted defeasance escrows. Fair
2 Market Value is generally determined on the date on which a contract to purchase
3 or sell an investment becomes binding, and, to the extent required by the applicable
4 regulations under the Code, the term “investment” will include a hedge.

5
6 “Federal Tax Certificate” means one or more certificates of the City
7 pertaining to the tax-exemption of interest on a series of Tax-Exempt Bonds, and
8 any attachments thereto.

9
10 “Finance Director” means the duly appointed and acting Finance Director of
11 the City or the successor to the duties of that office.

12
13 “Fiscal Year” means the fiscal year used by the City at any time. At the time
14 of the passage of this ordinance, the Fiscal Year is the 12-month period beginning
15 January 1 of each year.

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17 “Fitch” means Fitch, Inc., a corporation duly organized and existing under
18 and by virtue of the laws of the State of Delaware, and its successors and assigns.

19
20 “Future Parity Bonds” mean any revenue bonds of the City issued after the
21 date of issuance of the Bonds having a charge or lien upon the Net Revenues for
22 payment of the principal thereof and interest thereon equal in priority to the charge
23 or lien upon the Net Revenues for the payment of the principal of and interest on
24 the Outstanding Parity Bonds and the Bonds.

25
26 “Government Obligations” mean those obligations now or hereafter defined
as such in chapter 39.53 RCW constituting direct obligations of, or obligations the
principal of and interest on which are unconditionally guaranteed by the United
States of America, as such chapter may be hereafter amended or restated.



1 “Gross Revenues” mean (a) revenues received for the use of the System or
2 from services rendered by the System, (b) the proceeds received by the City from
3 the sale or other disposition of any of the properties of the System, (c) investment
4 income earned on money held in any fund or account of the City in connection with
5 the ownership and operation of the System, including any bond redemption funds,
6 and (d) federal or state reimbursement of operating expenses to the extent that
7 such expenses are included as Costs of Maintenance and Operation, but excluding
8 (i) insurance proceeds, (ii) investment income irrevocably pledged to the payment
9 of any solid waste revenue bonds of the City refunded or defeased pursuant to a
10 plan of refunding heretofore or hereafter adopted by the City, (iii) investment
11 income earned on money in any rebate fund, and (iv) grants, gifts or donations.
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14 “Letter of Representations” means the Blanket Issuer Letter of
15 Representations from the City to DTC.

16
17 “Maximum Annual Debt Service” means at the time of calculation, the
18 maximum amount of Annual Debt Service that will mature or come due in the
19 current Fiscal Year or any future Fiscal Year on the Parity Bonds.

20 “Maximum Interest Rate” means, with respect to any particular Variable
21 Interest Rate Bond, a numerical rate of interest, which shall be set forth in any
22 Parity Bond Ordinance authorizing such Bond, which shall be the maximum rate of
23 interest such Bond may at any time bear.
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25 “Maximum Reserve Requirement” means the maximum dollar amount
26 permitted by the Code to be allocated to a reserve fund from tax-exempt bond
proceeds without requiring a balance to be invested at a restricted yield.



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“Moody’s” means Moody’s Investors Service, Inc. or its comparable recognized business successor.

“MSRB” means the Municipal Securities Rulemaking Board or any successor to its functions.

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

“Outstanding Parity Bond Ordinances” mean the ordinances and resolutions identified herein authorizing the issuance of the Outstanding Parity Bonds.

“Outstanding Parity Bonds” means, as of the date of this ordinance, the 2015 Bonds, the 2016A Bonds, and the 2016B Bonds.

“Parity Bond Ordinances” mean the Outstanding Parity Bond Ordinances, this ordinance, and any ordinance hereafter passed for the purpose of authorizing Future Parity Bonds.

“Parity Bonds” mean the Outstanding Parity Bonds, the Bonds and any Future Parity Bonds.

“Payment Date” means the dates on which principal and/or interest on the Parity Bonds is due and payable.

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

“Project” has the meaning set forth in Section 3 of this ordinance.



1 “Project Fund” means the account created pursuant to this ordinance.

2 “Qualified Insurance” means any non-cancellable municipal bond insurance
3 policy or surety bond issued by any insurance company licensed to conduct an
4 insurance business in any state of the United States (or by a service corporation
5 acting on behalf of one or more such insurance companies), which insurance
6 company or companies, as of the time of issuance of such policy or surety bond,
7 are then rated in one of the two highest rating categories by Moody’s, S&P or Fitch,
8 or any other rating agency then maintaining a rating on the Bonds.
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10 “Qualified Letter of Credit” means any irrevocable letter of credit issued by a
11 financial institution for the account of the City on behalf of the owners of one or more
12 series of Parity Bonds, which institution maintains an office, agency or branch in the
13 United States and as of the time of issuance of such letter of credit is then rated in
14 one of the two highest rating categories by Moody’s, S&P or Fitch, or any other
15 rating agency then maintaining a rating on the Bonds.
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17 “Rate Stabilization Fund” means the fund of that name in the Solid Waste
18 Operating Fund.
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20 “Rebate Amount” means the amount, if any, determined to be payable with
21 respect to a series of Parity Bonds by the City to the United States of America in
22 accordance with Section 148(f) of the Code
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24 “Record Date” means the close of business for the Bond Registrar that is 15
25 days preceding any interest and/or principal payment or redemption date.
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“Registered Owner” means the person named as the registered owner of a 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.

“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 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) 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 or in a certificate or other document referenced in such Parity Bond Ordinance; provided, however, such Reserve Fund Requirement shall not exceed the Maximum Reserve Requirement for such series of Parity Bonds.



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“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.

“Sale Document” means the Bond Purchase Contract or Certificate of Award, as applicable, executed by a Designated Representative in connection with the sale of a series of Bonds pursuant to Section 17 of this ordinance.

“S&P” means S&P Global Ratings, or its comparable recognized business successor.

“Serial Bonds” mean Parity Bonds other than Term Bonds.

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

“Solid Waste Operating Fund” means the Solid Waste Operating Fund maintained by the City.

“State” means the state of Washington.

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

“Term Bond Maturity Year” means any year in which any Parity Bonds that are Term Bonds mature.

“Term Bonds” mean Parity Bonds designated by the City as term bonds.



1 “Taxable Bonds” mean any Bonds determined to be issued on a taxable
2 basis pursuant to Section 17.

3 “Tax-Exempt Bonds” mean any Bonds determined to be issued on a tax-
4 exempt basis under the Code pursuant to Section 17.

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

7 “2015 Bonds” mean the outstanding City of Tacoma, Washington, Solid
8 Waste Bonds, 2015 (Green Bonds) issued pursuant to Ordinance No. 28279.

9 “2016A Bonds” mean the City of Tacoma, Washington, Solid Waste
10 Revenue Refunding Bonds, 2016A, issued pursuant to Ordinance No. 28356.

11 “2016B Bonds” mean the City of Tacoma, Washington, Solid Waste
12 Revenue Refunding Bonds, 2016B, issued pursuant to Ordinance No. 28356.

13 “Underwriter” means any underwriter or group of underwriters, in the case of
14 a negotiated sale, or initial purchaser, in the case of a competitive sale, for a series
15 of Bonds selected pursuant to Section 17.

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

5
6 "Variable Interest Rate Bonds" for any period of time means Parity Bonds
7 that during such period bear a Variable Interest Rate, provided that Parity Bonds
8 the interest rate on which shall have been fixed for the remainder of the term
9 thereof shall no longer be Variable Interest Rate Bonds.

10 Section 2. Findings; Compliance with Parity Conditions.

11
12 The Council hereby finds that it is in the public interest for the City to
13 undertake the Project and to issue the Bonds to finance a portion of the costs of the
14 Project.

15 On or prior to the Closing of the Bonds, the City shall satisfy, or cause to be
16 satisfied, the conditions relating to the execution and delivery of Future Parity
17 Bonds (as described in the Outstanding Parity Bond Ordinances), as set forth in the
18 Outstanding Parity Bond Ordinances for the then-outstanding Outstanding Parity
19 Bonds. Upon the satisfaction of such conditions, the Bonds authorized herein shall
20 constitute "Parity Bonds" under (and as defined in) the Outstanding Parity Bond
21 Ordinances and shall have a lien and charge on Net Revenues equal in rank with
22 the lien and charge upon the Net Revenues to pay and secure the payment of the
23 then-outstanding Outstanding Parity Bonds.
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1 Section 3. Adoption of Plan of Additions.

2 The City specifies, adopts and orders the following capital improvements to
3 the System (together, the "Project"): the acquisition of compressed natural gas
4 collection-vehicles; the acquisition of other vehicles, containers and compactors;
5 fleet and fueling station repairs and replacements; and/or other capital upgrades,
6 repairs, replacements, and improvements to the System as identified in the Capital
7 Improvement Plan, as it may be amended from time to time. The specifications for
8 the Project, and the components thereof, as well as the timing, order and manner
9 of completing all or which portions thereof, shall be as determined by the City.
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11 The cost of all necessary appraisals, negotiation, closing, architectural,
12 engineering, financial, legal and other consulting services, inspection and testing,
13 demolition, administrative expenses and other costs incurred in connection with the
14 foregoing capital improvements shall be deemed a part of the capital costs of such
15 Project. Such Project shall be complete with all necessary equipment, extensions
16 and appurtenances.
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18 The estimated cost of carrying out the Project, including the costs of
19 issuance and sale of the Bonds, is expected to be at least \$16,000,000, which cost
20 shall be paid from the proceeds of the Bonds and from other money available to
21 the City for such purpose.
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23 Section 4. Authorization and Description of Bonds.

24 The City is hereby authorized to issue and sell one or more series of Bonds
25 in the aggregate principal amount of not to exceed \$16,000,000 to finance and/or
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1 reimburse the City for costs of the Project and to pay costs of issuance of the
2 Bonds.

3 The Bonds of each series shall be designated as the “City of Tacoma,
4 Washington, Solid Waste Revenue Bonds, 2022” with such series or other
5 designation as set forth in applicable Sale Document and approved by a
6 Designated Representative. The Bonds of each series shall be dated as of their
7 date of initial delivery, shall be fully registered as to both principal and interest, shall
8 be in the denomination of \$5,000 each or any integral multiple thereof within a
9 maturity, shall be numbered separately in the manner and with any additional
10 designation as the Bond Registrar deems necessary for purposes of identification
11 and control, and shall bear interest payable on the dates set forth in the applicable
12 Sale Document. The Bonds shall bear interest at the rates set forth in the
13 applicable Sale Document; and shall mature on the dates and in the principal
14 amounts set forth in the applicable Sale Document and as approved by a
15 Designated Representative pursuant to Section 17.

16 The Bonds shall be special obligations of the City payable only from the
17 Bond Fund and shall be payable and secured as provided herein. The Bonds shall
18 not be general obligations of the City, the State or any political subdivision thereof.

19 Section 5. Registration, Exchange and Payments.

20 (a) Bond Registrar/Bond Register. The City hereby specifies and adopts the
21 system of registration approved by the Washington State Finance Committee from
22 time to time through the appointment of a state fiscal agent. The City shall cause a
23 Bond Register to be maintained by the Bond Registrar. So long as any Bonds
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1 remain outstanding, the Bond Registrar shall make all necessary provisions to
2 permit the exchange or registration or transfer of Bonds at its designated office.

3 The Bond Registrar may be removed at any time at the option of the Finance
4 Director upon prior notice to the Bond Registrar and a successor Bond Registrar
5 appointed by the Finance Director. No resignation or removal of the Bond Registrar
6 shall be effective until a successor shall have been appointed and until the
7 successor Bond Registrar shall have accepted the duties of the Bond Registrar
8 hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate
9 and deliver Bonds transferred or exchanged in accordance with the provisions of
10 such Bonds and this ordinance and to carry out all of the Bond Registrar's powers
11 and duties under this ordinance. The Bond Registrar shall be responsible for its
12 representations contained in the Certificate of Authentication of the Bonds.
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15 (b) Registered Ownership. The City and the Bond Registrar, each in its
16 discretion, may deem and treat the Registered Owner of each Bond as the absolute
17 owner thereof for all purposes (except as provided in the Continuing Disclosure
18 Certificate), and neither the City nor the Bond Registrar shall be affected by any
19 notice to the contrary. Payment of any such Bond shall be made only as described
20 in Section 6(g), but such Bond may be transferred as herein provided. All such
21 payments made as described in Section 6(g) shall be valid and shall satisfy and
22 discharge the liability of the City upon such Bond to the extent of the amount or
23 amounts so paid.
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26 (c) DTC Acceptance/Letters of Representations. The Bonds initially shall be
held in fully immobilized form by DTC acting as depository. The City has executed



1 and delivered to DTC the Letter of Representations. Neither the City nor the Bond
2 Registrar will have any responsibility or obligation to DTC participants or the
3 persons for whom they act as nominees (or any successor depository) with respect
4 to the Bonds in respect of the accuracy of any records maintained by DTC (or any
5 successor depository) or any DTC participant, the payment by DTC (or any
6 successor depository) or any DTC participant of any amount in respect of the
7 principal of or interest on Bonds, any notice which is permitted or required to be
8 given to Registered Owners under this ordinance (except such notices as shall be
9 required to be given by the City to the Bond Registrar or to DTC (or any successor
10 depository)), or any consent given or other action taken by DTC (or any successor
11 depository) as the Registered Owner. For so long as any Bonds are held in fully
12 immobilized form by a depository, DTC or its successor depository shall be deemed
13 to be the Registered Owner for all purposes hereunder, and all references herein to
14 the Registered Owners shall mean DTC (or any successor depository) or its
15 nominee and shall not mean the owners of any beneficial interest in such Bonds.

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19 (d) Use of Depository.

20 (1) The Bonds shall be registered initially in the name of
21 "Cede & Co.", as nominee of DTC, with one Bond of each series maturing on each
22 of the maturity dates for the Bonds in a denomination corresponding to the total
23 principal therein designated to mature on such date. Registered ownership of such
24 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any
25 successor of DTC or its nominee, provided that any such successor shall be
26 qualified under any applicable laws to provide the service proposed to be provided



1 by it; (B) to any substitute depository appointed by the Finance Director pursuant to
2 subsection (2) below or such substitute depository's successor; or (C) to any
3 person as provided in subsection (4) below.

4 (2) Upon the resignation of DTC or its successor (or any substitute
5 depository or its successor) from its functions as depository or a determination by
6 the Finance Director to discontinue the system of book entry transfers through DTC
7 or its successor (or any substitute depository or its successor), the Finance Director
8 may hereafter appoint a substitute depository. Any such substitute depository shall
9 be qualified under any applicable laws to provide the services proposed to be
10 provided by it.
11

12 (3) In the case of any transfer pursuant to clause (A) or (B) of
13 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding
14 Bonds of a series, together with a written request on behalf of the Finance Director,
15 issue a single new Bond for each series and maturity then outstanding, registered
16 in the name of such successor or such substitute depository, or their nominees, as
17 the case may be, all as specified in such written request of the Finance Director.
18

19 (4) In the event that (A) DTC or its successor (or substitute depository
20 or its successor) resigns from its functions as depository and no substitute
21 depository can be obtained, or (B) the Finance Director determines that it is in the
22 best interest of the beneficial owners of the Bonds that such owners be able to
23 obtain physical Bond certificates, the ownership of such Bonds may then be
24 transferred to any person or entity as herein provided, and such Bonds shall no
25 longer be held by a depository. The Finance Director shall deliver a written request
26



1 to the Bond Registrar, together with a supply of physical Bonds, to issue Bonds as
2 herein provided in any authorized denomination. Upon receipt by the Bond
3 Registrar of all then outstanding Bonds of a series together with a written request
4 on behalf of the Finance Director to the Bond Registrar, new Bonds shall be issued
5 in the appropriate denominations and registered in the names of such persons as
6 are requested in such written request.
7

8 (e) Registration of Transfer of Ownership or Exchange; Change in
9 Denominations. The transfer of any Bond may be registered and Bonds may be
10 exchanged, but no transfer of any such Bond shall be valid unless it is surrendered
11 to the Bond Registrar with the assignment form appearing on such Bond duly
12 executed by the Registered Owner or such Registered Owner's duly authorized
13 agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the
14 Bond Registrar shall cancel the surrendered Bond and shall authenticate and
15 deliver, without charge to the Registered Owner or transferee therefor, a new Bond
16 (or Bonds at the option of the new Registered Owner) of the same series, date,
17 maturity and interest rate and for the same aggregate principal amount in any
18 authorized denomination, naming as Registered Owner the person or persons listed
19 as the assignee on the assignment form appearing on the surrendered Bond, in
20 exchange for such surrendered and canceled Bond. Any Bond may be surrendered
21 to the Bond Registrar and exchanged, without charge, for an equal aggregate
22 principal amount of Bonds of the same series, date, maturity and interest rate, in
23 any authorized denomination. The Bond Registrar shall not be obligated to register
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26



1 the transfer or to exchange any Bond between the Record Date and the next
2 principal payment or redemption date.

3 (f) Bond Registrar's Ownership of Bonds. The Bond Registrar may become
4 the Registered Owner of any Bond with the same rights it would have if it were not
5 the Bond Registrar, and to the extent permitted by law, may act as depository for
6 and permit any of its officers or directors to act as a member of, or in any other
7 capacity with respect to, any committee formed to protect the right of the Registered
8 Owners of Bonds.
9

10 (g) Place and Medium of Payment.

11 Both principal of and interest on the Bonds shall be payable in lawful money
12 of the United States of America. Interest on the Bonds shall be calculated on the
13 basis of a year of 360 days and twelve 30-day months. For so long as all Bonds
14 are held by a depository, payments of principal and interest thereon shall be made
15 as provided in accordance with the operational arrangements of DTC referred to in
16 the Letter of Representations. In the event that the Bonds are no longer held by a
17 depository, interest on the Bonds shall be paid by check or draft mailed to the
18 Registered Owners at the addresses for such Registered Owners appearing on the
19 Bond Register on the Record Date, or upon the written request of a Registered
20 Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar by the
21 Record Date), such payment shall be made by the Bond Registrar by wire transfer
22 to the account within the United States designated by the Registered Owner.
23
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26 Principal of the Bonds shall be payable upon presentation and surrender of such
Bonds by the Registered Owners at the designated office of the Bond Registrar.



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 any.

7 The Bonds of each series shall be subject to mandatory redemption to the extent, if
8 any, set forth in the applicable Sale Document approved by a Designated
9 Representative pursuant to Section 17. The Bonds of each series shall be subject
10 to optional redemption on the dates, at the prices and under the terms set forth in
11 the applicable Sale Document approved by a Designated Representative pursuant
12 to 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 held in
16 book-entry only form, the selection of particular Bonds within a series and maturity
17 to be redeemed shall be made in accordance with the operational arrangements
18 then in effect at DTC. If the Bonds are no longer held by a depository, the selection
19 of such Bonds to be redeemed and the surrender and reissuance thereof, as
20 applicable, shall be made as provided in the following provisions of this
21 subsection (c). If the City redeems at any one time fewer than all of the Bonds of a
22 series having the same maturity date, the particular Bonds or portions of Bonds of
23 such maturity to be redeemed shall be selected by lot (or in such manner
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25
26



1 determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond
2 of a denomination greater than \$5,000, the City and the Bond Registrar shall treat
3 each Bond as representing such number of separate Bonds each of the
4 denomination of \$5,000 as is obtained by dividing the actual principal amount of
5 Bonds by \$5,000. In the event that only a portion of the principal sum of a Bond is
6 redeemed, upon surrender of such Bond at the designated office of the Bond
7 Registrar there shall be issued to the Registered Owner, without charge therefor,
8 for the then unredeemed balance of the principal sum thereof, at the option of the
9 Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any
10 of the denominations herein authorized. Notwithstanding the foregoing, any Taxable
11 Bonds shall be selected on a pro rata pass through distribution of principal basis.
12
13

14 (d) Notice of Redemption.

15 (1) Official Notice. For so long as the Bonds are held by a
16 depository, notice of redemption shall be given in accordance with the operational
17 arrangements of DTC as then in effect, and neither the City nor the Bond Registrar
18 will provide any notice of redemption to any beneficial owners. The notice of
19 redemption may be conditional. Unless waived by any owner of Bonds to be
20 redeemed, official notice of any such redemption (which redemption may be
21 conditioned by the Bond Registrar on the receipt of sufficient funds for redemption
22 or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a
23 copy of an official redemption notice by first-class mail at least 20 days and not
24 more than 60 days prior to the date fixed for redemption to the Registered Owner of
25 the Bond or Bonds to be redeemed at the address shown on the Bond Register or
26



1 at such other address as is furnished in writing by such Registered Owner to the
2 Bond Registrar.

3 All official notices of redemption shall be dated and shall state:

- 4 (A) the redemption date,
5 (B) the redemption price,
6 (C) if fewer than all outstanding Bonds are to be redeemed,
7 the identification by maturity (and, in the case of partial redemption, the respective
8 principal amounts) of the Bonds to be redeemed,
9 (D) that unless conditional notice of redemption has been
10 given and such conditions have not been satisfied or waived or such notice has
11 been rescinded, on the redemption date the redemption price will become due and
12 payable upon each such Bond or portion thereof called for redemption, and if the
13 Bond Registrar then holds sufficient funds to pay such Bonds at the redemption
14 price, interest thereon shall cease to accrue from and after said date,
15 (E) any conditions to redemption, and
16 (F) the place where such Bonds are to be surrendered for
17 payment of the redemption price, which place of payment shall be the designated
18 office of the Bond Registrar.

19 On or prior to any redemption date, unless any condition to such redemption
20 has not been satisfied or waived or the notice has been rescinded or revoked, the
21 City shall deposit with the Bond Registrar an amount of money sufficient to pay the
22 redemption price of all the Bonds or portions of Bonds which are to be redeemed on
23 that date. The City retains the right to rescind any redemption notice and the
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1 related optional redemption of Bonds by giving notice of rescission to the affected
2 Registered Owners at any time on or prior to the scheduled redemption date. Any
3 notice of optional redemption that is so rescinded shall be of no effect, and the
4 Bonds for which the notice of optional redemption has been rescinded shall remain
5 outstanding.
6

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

21 (3) Additional Notice. In addition to the foregoing notice, further
22 notice shall be given by the City as set out below, but no defect in said further
23 notice nor any failure to give all or any portion of such further notice shall in any
24 manner defeat the effectiveness of a call for redemption if notice thereof is given as
25 above prescribed. Each further notice of redemption given hereunder shall contain
26 the information required above for an official notice of redemption plus (A) the



1 CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as
2 originally issued; (C) the rate of interest borne by each Bond being redeemed; (D)
3 the maturity date of each Bond being redeemed; and (E) any other descriptive
4 information needed to identify accurately the Bonds being redeemed. Each further
5 notice of redemption may be sent at least 20 days before the redemption date to
6 each party entitled to receive notice pursuant to the Continuing Disclosure
7 Certificate with such additional information as the City shall deem appropriate, but
8 such mailings shall not be a condition precedent to the redemption of such Bonds.
9

10 (4) Amendment of Notice Provisions. The foregoing notice
11 provisions of this Section 5, including, but not limited to, the information to be
12 included in redemption notices and the persons designated to receive notices, may
13 be amended by additions, deletions and changes in order to maintain compliance
14 with duly promulgated regulations and recommendations regarding notices of
15 redemption of municipal securities.
16

17
18 Section 7. Form of Bonds and Certificate of Authentication.

19 The Bonds shall be in substantially the form set forth in Exhibit A, which is
20 incorporated herein by this reference, with appropriate or necessary insertions,
21 depending upon the omissions and variations as permitted or required hereby.
22

23 Section 8. Execution of Bonds.

24 The Bonds shall be executed on behalf of the City with the manual or
25 facsimile signatures of the Mayor and City Clerk of the City and the seal of the
26 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 and
6 are entitled to the benefits of this ordinance.
7

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 Bonds
11 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 Bond
14 may be signed and attested on behalf of the City by such persons who at the date
15 of the actual execution of such Bond, are the proper officers of the City, although at
16 the original date of such Bond any such person shall not have been such officer of
17 the City.
18
19

20 Section 9. Application of Bond Proceeds.

21 A portion of the proceeds of the Bonds, net of any underwriter's discount and
22 fees and any amount to be used to satisfy the Reserve Fund Requirement for the
23 Bonds, if any, shall be deposited into a fund or account created by the Finance
24 Director (the "Project Fund"), and subaccounts therein as necessary, in the
25 amounts specified in the closing memorandum prepared in connection with the
26



1 issuance of the Bonds. Such proceeds shall be used to pay and/or reimburse the
2 City for the costs of the Project and to pay costs of issuance of the Bonds.

3 The Finance Director shall invest money in the Project Fund and the
4 subaccounts contained therein in Permitted Investments and which will mature
5 prior to the date on which such money shall be needed, but only to the extent that
6 the same are acquired, valued and disposed of at Fair Market Value. Upon
7 completion of the Project, Bond proceeds (including interest earnings thereon) may
8 be used for other capital projects of the System or shall be transferred to the Bond
9 Fund.
10 Fund.

11 Section 10. Solid Waste Operating Fund; Pledge of Revenues.

12 A special fund of the City has been created and designated the “Solid
13 Waste Operating Fund”. The City covenants and agrees that so long as any of the
14 Parity Bonds are outstanding, it will pay or cause to be paid into the Solid Waste
15 Operating Fund all Gross Revenues, except income from the investment of money
16 in any construction funds and any rebate fund, as collected and the Solid Waste
17 Operating Fund shall be held separate and apart from all other funds and accounts
18 of the City. The money in the Solid Waste Operating Fund shall be used only for
19 the following purposes and in the following order of priority:
20

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

22 Second, to make all payments required to be made for the Parity Bonds in
23 the following order:
24
25
26



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

4 (b) to make all payments required to be made into the Debt Service
5 Account to pay the principal of any Parity Bonds due at maturity for which money
6 shall not have been provided by income from the investment of money in the Bond
7 Fund, and to make all payments heretofore or hereafter required to be made into
8 the Debt Service Account under any schedule for the amortization of Term Bonds;

9 (c) to make all payments required to be made pursuant to a
10 reimbursement obligation in connection with a Qualified Letter of Credit or Qualified
11 Insurance with respect to the Reserve Fund, and into any other reserve fund
12 created in the future for the payment of debt service on Parity Bonds, provided that
13 if there is not sufficient money to make all payments under reimbursement
14 agreements the payments will be made on a pro rata basis;

15 (d) to make all payments required to be made into the Reserve Fund
16 to secure the payment of any Covered Bonds, and into any other reserve fund
17 created in the future for the payment of debt service on Parity Bonds;

18 Third, to make all payments required to be made into any other revenue
19 bond redemption fund, revenue warrant redemption fund, debt service account,
20 reserve account or sinking fund account created to pay and secure the payment of
21 the principal of and interest on any revenue bonds or revenue warrants of the City
22 having a lien upon Gross Revenues and the money in the Solid Waste Operating
23
24
25
26



1 Fund junior and inferior to the lien thereon for the payment of the principal of and
2 interest on Parity Bonds;

3 Fourth, to pay municipal taxes and payments to the City in lieu of taxes; and

4 Fifth, to retire by redemption or purchase in the open market any outstanding
5 solid waste revenue bonds, notes or revenue warrants of the City or to make
6 necessary additions, improvements, extraordinary repairs, extensions and
7 replacements of the System, to make payments into the Rate Stabilization Fund, or
8 any other lawful City purposes, including the payment of legal claims and
9 judgments against the System.
10

11 The City hereby pledges Gross Revenues, after payment of the Costs of
12 Maintenance and Operation, to the payment of the Parity Bonds.
13

14 Section 11. Bond Fund.

15 There has been created the "Tacoma Solid Waste Revenue Bond Fund" (the
16 "Bond Fund") for the sole purpose of paying and securing the payment of Parity
17 Bonds. The Bond Fund contains the Debt Service Account and the Reserve Fund.
18 At the option of the City, separate funds and accounts may be created in the Bond
19 Fund for the purpose of paying or securing the payment of principal, premium, if
20 any, and interest on any series of Parity Bonds.
21

22 (a) A Debt Service Account has been created in the Bond Fund for the
23 purpose of paying the interest on any Parity Bonds and the principal or Sinking
24 Fund Requirement for and premium, if any, on any Parity Bonds. As long as any
25 Parity Bonds remain outstanding, the City hereby irrevocably obligates and binds
26 itself to set aside and pay from the Solid Waste Operating Fund into the Debt



1 Service Account those amounts necessary, with such other funds as are then on
2 hand and available in the Debt Service Account, to pay the interest on all
3 outstanding Parity Bonds, the principal of all outstanding Parity Bonds and the
4 Sinking Fund Requirements as such interest, principal and Sinking Fund
5 Requirements, respectively, become due and payable at maturity or by mandatory
6 redemption. Payments on account of the Parity Bonds shall be made on or before
7 the day on which an installment of interest, principal or Sinking Fund Requirement
8 becomes due.
9

10 (b) A Reserve Fund has been created in the Bond Fund for the purpose of
11 securing the payment of the principal of and interest on the Covered Bonds. The
12 City may create separate reserve funds and establish separate Reserve Fund
13 Requirements, if any, to secure the payment of the principal of and interest on other
14 Parity Bonds.
15

16 If designated as Covered Bonds in the applicable Sale Documents, the
17 Bonds of each series may initially be issued as Covered Bonds and the payment of
18 the principal of and interest on the Bonds would then initially be secured by the
19 Reserve Fund. The City, in its sole discretion, may create a separate reserve fund
20 and establish a separate Reserve Fund Requirement, if any, to secure the payment
21 of the principal of and interest on the Bonds. If the City determines to create a
22 separate reserve fund and establish a Reserve Fund Requirement for the Bonds,
23 from such date the Bonds will no longer be Covered Bonds and the payment of the
24 principal of and interest on the Bonds will no longer be secured by the Reserve
25 Fund. The new Reserve Fund Requirement for the Bonds shall be equal to the
26



1 amount, if any, specified in a certificate of the Finance Director, Treasurer and
2 Environmental Services Director. The City shall provide notice of any such
3 separate reserve fund and corresponding Reserve Fund Requirement for the Bonds
4 in the same manner as a listed event notice that would be required upon the
5 occurrence of a material “release, substitution, or sale of property securing
6 repayment of the Bonds” in accordance with this ordinance.
7

8 The City hereby covenants that if the Bonds are designated as Covered
9 Bonds, at the time of the issuance of the Bonds it will deposit a portion of the
10 proceeds of the Bonds, acquire Qualified Insurance or Qualified Letter of Credit, or
11 use other available funds to satisfy the Reserve Fund Requirement for the Bonds
12 and the Outstanding Parity Bonds that are Covered Bonds as of the date of
13 Closing.
14

15 The City further covenants that in the event it issues any Future Parity Bonds
16 that are Covered Bonds it will provide in each Parity Bond Ordinance authorizing
17 the issuance of the same that it will deposit proceeds from the Future Parity Bonds
18 or approximately equal monthly payments will be made into the Reserve Fund out
19 of the Solid Waste Operating Fund so that within five years or less from the date of
20 the issuance of such Future Parity Bonds the total amount of such payments, with
21 the amount already in the Reserve Fund, will be at least equal to the Reserve Fund
22 Requirement.
23
24

25 The City may elect to fund part or all the Reserve Fund with respect to the
26 Bonds and any Future Parity Bonds that are Covered Bonds through the use of a
Qualified Letter of Credit or Qualified Insurance. In making the payments and



1 credits to the Reserve Fund required by this Section 11(b), to the extent that the
2 City has obtained Qualified Insurance or a Qualified Letter of Credit for specific
3 amounts required pursuant to this section, such amounts so covered by Qualified
4 Insurance or a Qualified Letter of Credit shall be credited against the amounts
5 required to be maintained in the Reserve Fund by this Section 11(b) to the extent
6 that such payments and credits to be made are insured by an insurance company
7 or guaranteed by a letter of credit from a financial institution. In the event of any
8 cancellation, the Reserve Fund shall be funded in accordance with the first three
9 paragraphs of this Section 11(b), as if the Covered Bonds that remain outstanding
10 had been issued on the date of such notice of cancellation.
11
12

13 The City further covenants that when the deposits required by this
14 Section 11(b) have been made into the Reserve Fund, it will at all times maintain
15 therein an amount at least equal to the Reserve Fund Requirement as the same
16 may be recalculated and determined from time to time. The investments in the
17 Reserve Fund shall be valued on each December 31 and may be valued on any
18 other date. Such valuation shall be at the market value of the obligations in such
19 fund including accrued interest; provided that investments which mature within one
20 year shall be valued at their maturity value. Whenever there is a sufficient amount
21 in the Debt Service Account and the Reserve Fund to pay the principal of, premium,
22 if any, and interest on all Covered Bonds then outstanding, the money in the
23 Reserve Fund may be used to pay such principal, premium, if any, or Sinking Fund
24 Requirements or interest. Money in the Reserve Fund may be withdrawn to
25 redeem and retire outstanding Covered Bonds, and to pay the interest due to such
26



1 date of redemption and premium, if any, or Sinking Fund Requirements on such
2 outstanding Covered Bonds, so long as the money remaining on deposit in the
3 Reserve Fund is at least equal to the Reserve Fund Requirement. When a series
4 of Covered Bonds is refunded in whole or in part, money may be withdrawn from
5 the Reserve Fund to pay or provide for the payment of refunded Covered Bonds;
6 provided that immediately after such withdrawal there shall remain in or be credited
7 to the Reserve Fund money and Permitted Investments in an amount equal to the
8 Reserve Fund Requirement or so much thereof as is then required to be
9 maintained.
10

11
12 In the event there shall be a deficiency in the Debt Service Account to meet
13 maturing installments of either interest on or principal of or Sinking Fund
14 Requirements on any Covered Bonds, such deficiency shall be made up from the
15 Reserve Fund by the withdrawal of money therefrom and by the sale or redemption
16 of obligations held in the Reserve Fund, if necessary, in such amounts as will
17 provide cash in the Reserve Fund sufficient to make up any such deficiency, and if
18 a deficiency still exists immediately prior to an interest payment date and after the
19 withdrawal of cash, the City shall then draw from any Qualified Letter of Credit or
20 Qualified Insurance in sufficient amount to make up the deficiency. Such draw shall
21 be made at such times and under such conditions as the agreement for such
22 Qualified Letter of Credit or such Qualified Insurance shall provide. The City
23 covenants that any deficiency created in the Reserve Fund by reason of any
24 withdrawal therefrom for payment into the Debt Service Account shall be made up
25 from money in the Solid Waste Operating Fund first available after providing for the
26



1 required payments into the Debt Service Account and after providing for any
2 required payments pursuant to a reimbursement obligation; provided, that once the
3 2006 Bonds are no longer outstanding, any such deficiency shall be made up within
4 12 months of such deficiency.

5
6 (c) Said amounts so pledged to be paid into the Debt Service Account and
7 the Reserve Fund from the Solid Waste Operating Fund are hereby declared to be
8 a prior lien and charge upon Gross Revenues superior to all other charges of any
9 kind or nature whatsoever except the Costs of Maintenance and Operation of the
10 System and except that the amounts so pledged are of equal lien to the charges
11 upon such Revenue which may hereafter be made to pay and secure the payment
12 of the principal of and interest on any Future Parity Bonds, and, provided further, if
13 the City elects to meet the requirements of this Section 11(b) with respect to the
14 Reserve Fund as to any issue of Parity Bonds through the use of a Qualified Letter
15 of Credit or Qualified Insurance, then the City's reimbursement obligation with
16 respect thereto, if any, may rank on a parity of lien with the Parity Bonds.

17
18
19 (d) Money held in all of the accounts in the Bond Fund shall, to the fullest
20 extent practicable and reasonable, be invested and reinvested at the direction of
21 the Treasurer of the City solely in, and obligations deposited in such accounts shall
22 consist of, Permitted Investments which shall mature on or prior to the respective
23 dates when the money held for the credit of such accounts will be required for the
24 purposes intended, but only to the extent that the same are acquired, valued and
25 disposed of at Fair Market Value. Money in the Reserve Fund not required for
26 immediate disbursement for the purposes for which such fund is created shall, to



1 the fullest extent practicable and reasonable, be invested and reinvested at the
2 direction of the City solely in, and obligations deposited in the Reserve Fund shall
3 consist of, Permitted Investments maturing prior to the final maturity date of the
4 Parity Bonds then outstanding. All interest earned and income derived by virtue of
5 investments of money in the Debt Service Account or the Reserve Fund may
6 remain in the Bond Fund or be deposited into the Solid Waste Operating Fund and
7 all such investment income may be used to meet the required deposits into any
8 account in the Bond Fund.
9

10 (e) The Council hereby finds that in fixing the amounts to be paid into the
11 Bond Fund out of Gross Revenues, it has exercised due regard for the Costs of
12 Maintenance and Operation and has not obligated the City to set aside and pay into
13 such Fund a greater amount of such Revenue than in its judgment will be available
14 over and above the Costs of Maintenance and Operation.
15

16 (f) Money in the Bond Fund may be used, if necessary, to pay Rebate
17 Amounts to the extent that such Rebate Amounts are directly attributable to
18 earnings on the Bond Fund.
19

20 Section 12. Rate Stabilization Fund.

21 A special fund of the City designated the "Rate Stabilization Fund" has been
22 established in the Solid Waste Operating Fund. In accordance with the priorities
23 set forth in this ordinance, the City may from time to time deposit Net Revenues into
24 the Rate Stabilization Fund and may from time to time withdraw amounts therefrom
25 to enhance rate stability or for other lawful purposes of the City related to the
26 System.



1 Section 13. Defeasance.

2 In the event that the City, to effect the payment, retirement or redemption of
3 any Bond, sets aside in the Bond Fund or in another special account, cash or
4 noncallable Government Obligations, or any combination of cash and/or noncallable
5 Government Obligations, in amounts and maturities which, together with the known
6 earned income therefrom, are sufficient to redeem or pay and retire such Bond in
7 accordance with its terms and to pay when due the interest and redemption
8 premium, if any, thereon, and such cash and/or noncallable Government
9 Obligations are irrevocably set aside and pledged for such purpose, then no further
10 payments need be made into the Bond Fund for the payment of the principal of and
11 interest on such Bond. The owner of a Bond so provided for shall cease to be
12 entitled to any lien, benefit or security of this ordinance except the right to receive
13 payment of principal, premium, if any, and interest from the Bond Fund or such
14 special account, and such Bond shall be deemed to be not outstanding under this
15 ordinance.
16

17
18
19 The City shall give written notice of defeasance in accordance with the
20 Continuing Disclosure Certificate.

21 Section 14. Covenants.

22 The City hereby covenants and agrees with the owners of the Bonds for as
23 long as any of the same remain outstanding as follows:
24

25 (a) Establishment and Collection of Rates and Charges. The City shall
26 establish, maintain and collect lawful rates and charges for the use of the services



1 and facilities of the System and all commodities sold, furnished or supplied by the
2 System, and shall adjust such rates and charges from time to time so that:

3 (1) Gross Revenues will at all times be sufficient (A) to pay all costs
4 of and charges and expenses in connection with the proper operation and
5 maintenance of the System, (B) to pay the principal of, interest on and any Sinking
6 Fund Requirements for the outstanding Parity Bonds, as and when the same shall
7 become due and payable, (C) to make when due all payments which the City is
8 obligated to make into the Reserve Fund, (D) to make all other payments which the
9 City is obligated to make pursuant to this ordinance or any Parity Bond Ordinance
10 and (E) to pay all taxes, assessments or other governmental charges lawfully
11 imposed on the System or the revenue therefrom or payments in lieu thereof and
12 any and all other amounts which the City may now and hereafter become obligated
13 to pay from Gross Revenues by law or contract; and

14 (2) the Net Revenues in each calendar year will equal at least
15 1.25 times the Annual Debt Service for such calendar year.

16 Solely for purposes of calculating the coverage requirement set forth above,
17 there shall be added to Gross Revenues in any calendar year any amount
18 withdrawn from the Rate Stabilization Fund in such calendar year and deposited in
19 the Solid Waste Operating Fund, and there shall be subtracted from Gross
20 Revenues in any calendar year any amount withdrawn from the Solid Waste
21 Operating Fund and deposited in the Rate Stabilization Fund. Credits to or from the
22 Rate Stabilization Fund that occur within 90 days after the end of a Fiscal Year may
23 be treated as occurring within such Fiscal Year.



1 The calculation of the coverage requirement set forth above, and in
2 Section 16, and the City's compliance therewith, may be made solely with reference
3 to this ordinance without regard to future changes in generally accepted accounting
4 principles. If the City has changed one or more of the accounting principles used in
5 the preparation of its financial statements, because of a change in generally
6 accepted accounting principles or otherwise, then an event of default relating to this
7 coverage requirement shall not be considered an event of default if the coverage
8 requirement ratio would have been complied with had the City continued to use
9 those accounting principles employed at the date of the most recent audited
10 financial statements prior to the date of this ordinance.
11
12

13 (b) Maintenance and Operations Standards. The City will at all times keep
14 and maintain the System in good repair, working order and condition and will at all
15 times operate the System and the business in connection therewith in an efficient
16 manner and at a reasonable cost.
17

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



1 ability of the City to comply with the rate covenants previously set forth under this
2 section or (2) the proceeds from such disposition are used to acquire new useful
3 operating properties of the System or to retire System debt. No sale, lease,
4 mortgage or other disposal of any part of the System valued in excess of 10 percent
5 of the book value of the System shall be made if, in the opinion of an Engineer,
6 taking into consideration the use of such proceeds to acquire new property or retire
7 debt and based on financial statements of the System for the most recent Fiscal
8 Year available, such sale, mortgage, lease or other disposal would prevent the City
9 from meeting the requirements hereunder and with respect to any other obligations
10 of the System.
11
12

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

16 (e) Books and Accounts – Operating Statement. The City will keep and
17 maintain proper books and accounts with respect to the operations, income and
18 expenditures of the System that are in accordance with proper and legal accounting
19 procedures. All expenses incurred in the maintenance of such books and accounts
20 and the preparation of such statement may be regarded and paid as an expense of
21 operation of the System.
22

23 (f) Tax Covenants. The City will take all actions necessary to assure the
24 exclusion of interest on any Tax-Exempt Bonds from the gross income of the
25 owners of such Tax-Exempt Bonds to the same extent as such interest is permitted
26



1 to be excluded from gross income under the Code as in effect on the date of
2 issuance of such Tax-Exempt Bonds, including but not limited to the following:

3 (1) Private Activity Bond Limitation. The City will assure that the
4 proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt
5 Bonds to satisfy the private business tests of Section 141(b) of the Code or the
6 private loan financing test of Section 141(c) of the Code.
7

8 (2) Limitations on Disposition of Project. The City will not sell or
9 otherwise transfer or dispose of (i) any personal property components of the Project
10 other than in the ordinary course of an established government program under
11 Treasury Regulation § 1.141 2(d)(4) or (ii) any real property components of the
12 Project, unless it has received an opinion of Bond Counsel to the effect that such
13 disposition will not adversely affect the treatment of interest on the Tax-Exempt
14 Bonds as excludable from gross income for federal income tax purposes.
15

16 (3) Federal Guarantee Prohibition. The City will not take any action
17 or permit or suffer any action to be taken if the result of such action would be to
18 cause any of the Tax-Exempt Bonds to be “federally guaranteed” within the
19 meaning of Section 149(b) of the Code.
20

21 (4) Rebate Requirement. The City will take any and all actions
22 necessary to assure compliance with Section 148(f) of the Code, relating to the
23 rebate of excess investment earnings, if any, to the federal government, to the
24 extent that such section is applicable to the Tax-Exempt Bonds.

25 (5) No Arbitrage. The City will not take, or permit or suffer to be
26 taken, any action with respect to the proceeds of the Tax-Exempt Bonds which, if



1 such action had been reasonably expected to have been taken, or had been
2 deliberately and intentionally taken, on the date of issuance of the Tax-Exempt
3 Bonds would have caused the Tax-Exempt Bonds to be “arbitrage bonds” within the
4 meaning of Section 148 of the Code.

5
6 (6) Registration Covenant. The City will maintain a system for
7 recording the ownership of each Tax-Exempt Bond that complies with the
8 provisions of Section 149 of the Code until all Tax-Exempt Bonds have been
9 surrendered and canceled.

10
11 (7) Record Retention. The City will retain its records of all
12 accounting and monitoring it carries out with respect to the Tax-Exempt Bonds for
13 at least three years after the Tax-Exempt Bonds mature or are redeemed
14 (whichever is earlier); however, if the Tax-Exempt Bonds are redeemed and
15 refunded, the City will retain its records of accounting and monitoring at least three
16 years after the earlier of the maturity or redemption of the obligations that refunded
17 the Tax-Exempt Bonds.

18
19 (8) Compliance with Federal Tax Certificate. The City will comply
20 with the provisions of the Federal Tax Certificate with respect to a series of Tax-
21 Exempt Bonds, which are incorporated herein as if fully set forth herein.

22
23 The covenants of this Section will survive payment in full or defeasance of
24 the Tax-Exempt Bonds.

25 (g) Junior Lien Bonds. In the event the City issues revenue bonds or other
26 revenue obligations having a lien upon the Gross Revenues junior and inferior to
the lien on the Parity Bonds (“Junior Lien Bonds”), the City covenants that a default



1 on such Junior Lien Bonds will not constitute a default on the Parity Bonds and that
2 the City will not permit an acceleration of such Junior Lien Bonds in the event of a
3 default on such bonds.

4 Section 15. Parity Derivative Products.

5 For purposes of this Section 15, the following words shall have the following
6 definitions:
7

8 (a) "Payment" means any payment (designated as such by an ordinance or
9 resolution) required to be made by or on behalf of the City under a Payment
10 Agreement and which is determined according to a formula set forth in the Payment
11 Agreement.
12

13 (b) "Parity Payment Agreement" means a Payment Agreement under which
14 the City's payment obligations are expressly stated to be secured by a pledge of
15 and lien on Net Revenues on an equal and ratable basis with the Net Revenues
16 required to be paid into the Bond Fund to pay and secure the payment of the
17 principal of and interest on Parity Bonds.
18

19 (c) "Payment Agreement" means a written agreement for the purpose of
20 managing or reducing the City's exposure to fluctuations or levels of interest rates,
21 currencies or commodities or for other interest rate, investment, asset or liability
22 management purposes, entered into on either a current or forward basis by the City
23 and a Qualified Counterparty, all as authorized by any applicable laws of the State.
24 Such agreement may or may not be characterized by a structure of reciprocity of
25 payment.
26



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

4 (e) "Receipt" means any payment (designated as such by an ordinance or
5 resolution) to be made to, or for the benefit of, the City under a Payment Agreement
6 by the Payor.
7

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

10 (g) "Qualified Counterparty" means a party (other than the City or a party
11 related to the City) who is the other party to a Payment Agreement that has or
12 whose obligations are unconditionally guaranteed by a party that has at least an
13 investment grade rating from a rating agency (who, if the City's Parity Bonds are
14 rated by Moody's, must have a rating of at least "A") and who is otherwise qualified
15 to act as the other party to a Payment Agreement under any applicable laws of the
16 State.
17
18

19 A Payment made under a Payment Agreement may be on a parity with the
20 Bonds if the Payment Agreement satisfies the requirements for Future Parity Bonds
21 described in Section 16, taking into consideration regularly scheduled Payments
22 and Receipts (if any) under the Payment Agreement. The following shall be
23 conditions precedent to the use of any Payment Agreement on a parity with the
24 Bonds:
25

26 (1) The City shall obtain an opinion of Bond Counsel on the due
authorization and execution of such Payment Agreement, the validity and



1 enforceability thereof and opining that the action proposed to be taken is authorized
2 or permitted by this ordinance or the applicable provisions of any supplemental
3 ordinance and will not adversely affect the excludability for federal income tax
4 purposes of the interest on any outstanding Parity Bonds.

5
6 (2) Prior to entering into a Payment Agreement, the City shall adopt
7 an ordinance, which shall:

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

10 (B) establish general provisions for the rights of parties to
11 Payment Agreements; and

12 (C) set forth such other matters as the City deems necessary
13 or desirable in connection with the management of Payment Agreements as are not
14 clearly inconsistent with the provisions of this ordinance.
15

16 The Payment Agreement may oblige the City to pay, on one or more
17 scheduled and specified Payment Dates, the Payments in exchange for the Payor's
18 obligation to pay or to cause to be paid to the City, on scheduled and specified
19 Payment Dates, the Receipts. The City may also enter into Payment Agreements
20 that are not reciprocated by the other party to the agreement.
21

22 If the City enters into a Parity Payment Agreement, Payments shall be made
23 from the Debt Service Account in the Bond Fund and Annual Debt Service shall
24 include any regularly scheduled City Payments adjusted by any regularly scheduled
25 Receipts during a Fiscal Year. Receipts shall be paid directly into the Bond Fund.
26



1 Obligations to make unscheduled payments, such as termination payments, may
2 not be entered into on a parity with the Parity Bonds.

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

5 Furthermore, nothing in this section shall preclude the City from entering into
6 obligations on a parity with the Bonds in connection with the use of Payment
7 Agreements or similar instruments if the City obtains an opinion of Bond Counsel
8 that the obligations of the City thereunder are consistent with this ordinance.
9

10 Section 16. Future Parity Bonds.

11 The City reserves the right to issue Future Parity Bonds for the purposes of
12 (a) providing funds to acquire, construct, reconstruct, install, or replace any
13 equipment, facilities, additions, or other capital improvements to the System for
14 which it is authorized by law to issue revenue bonds; (b) any lawful purpose of the
15 System, including the payment of a judgment or settlement of a claim; or
16 (c) refunding at or prior to their maturity, any revenue bond anticipation notes or
17 outstanding revenue bonds or other obligations payable out of Gross Revenues.
18

19 The City may pledge that payments will be made out of money in the Solid Waste
20 Operating Fund into the Bond Fund and the funds and accounts therein to pay and
21 secure the payment of the principal of and interest on such Future Parity Bonds on
22 a parity with the payments required herein to be made out of such money into such
23 fund and accounts to pay and secure the payment of the principal of and interest on
24 any Parity Bonds then outstanding, upon compliance with the following conditions:
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(a) At the time of the issuance of any Future Parity Bonds there is no deficiency in the Bond Fund.

(b) The principal of and interest on any Future Parity Bonds shall be payable out of the Bond Fund and the requirements for Sinking Fund Requirements and Reserve Fund payments (with respect to Covered Bonds) in Section 10 shall be met.

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

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

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



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

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

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

19 (iii) the additional Net Revenues estimated by such Engineer
20 or Certified Public Accountant to be received as a result of any additions and
21 improvements to and extensions of any facilities of the System which are (a) under
22 construction at the time of such certificate or (b) will be constructed or acquired
23 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. Subject to Section 14(g) of this ordinance, 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.



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

(g) Future Parity Bonds shall not be subject to acceleration under any circumstances, including, without limitation, upon the occurrence and continuance of an Event of Default. This prohibition against acceleration shall not be deemed to prohibit mandatory tender or other tender provisions with respect to variable rate obligations.

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

Section 17. Sale of Bonds.

(a) Bond Sale. The Council has determined that it would be in the best interest of the City to delegate to each Designated Representative for a limited time the authority to determine whether the Bonds shall be issued in one or more series, the method of sale of each series, whether a series shall be designated as Taxable Bonds or Tax-Exempt Bonds, and to approve the final interest rates,



1 maturity dates, redemption terms, principal maturities and other terms for each
2 series of Bonds. Bonds may be issued pursuant to this ordinance at one time or
3 from time to time as provided herein. Each Designated Representative is hereby
4 authorized to approve the issuance, from time to time, of one or more series of
5 Bonds and to determine whether the Bonds of such series shall be sold through a
6 competitive public sale or a negotiated sale, designated as Taxable Bonds or Tax-
7 Exempt Bonds, and to approve the final terms of the Bonds, as set forth below.

9 If a Designated Representative determines that the Bonds of a series are to
10 be sold by negotiated public sale, a Designated Representative shall select one or
11 more Underwriters who the Designated Representative believes is in the best
12 interest of the City. Such Bonds shall be sold to the Underwriter pursuant to the
13 terms of a Bond Purchase Contract.

15 If a Designated Representative determines that the Bonds of a series are to
16 be sold at a competitive public sale, a Designated Representative shall: (1)
17 establish the date of the public sale; (2) establish the criteria by which the
18 successful bidder will be determined; (3) request that a good faith deposit in an
19 amount not less than one percent of the principal amount of the offering
20 accompany each bid; (4) cause notice of the public sale to be given; and (5)
21 provide for such other matters pertaining to the public sale as such individual
22 deems necessary or desirable. The Designated Representative shall cause the
23 notice of sale to be given and provide for such other matters pertaining to the
24 public sale as such individual deems necessary or desirable. Such Bonds shall be
25 sold to the Underwriter pursuant to the terms of a Certificate of Award.
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Subject to the terms and conditions set forth in this Section 17, each Designated Representative is hereby authorized to approve the method of sale and the sale of the Bonds in accordance with the authority granted by this section so long as:

(1) the aggregate principal amount (face amount) of all Bonds issued pursuant to this ordinance does not exceed \$16,000,000,

(2) the final maturity date for each series of Bonds is no later than December 1, 2032,

(3) the Bonds of each series are sold (in the aggregate) at a price not less than 98 percent,

(4) the true interest cost for each series of Bonds (in the aggregate) does not exceed 4.00 percent, and

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

Subject to the terms and conditions set forth in this section, each Designated Representative is hereby authorized to execute one or more applicable Sale Document. Each Sale Document shall be dated the date of sale of the Bonds. The signature of one Designated Representative shall be sufficient to bind the City.

Following the execution of a Sale Document, a Designated Representative shall provide a report to the City Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 17 shall expire 180 days after the effective date of this ordinance. If a Sale Document for the Bonds has not been executed within 180 days after the effective date of this ordinance, the



1 authorization for the issuance of the Bonds shall be rescinded and the Bonds shall
2 not be issued nor their sale approved unless such Bonds shall have been
3 reauthorized by ordinance of the City Council. The ordinance reauthorizing the
4 issuance and sale of such Bonds may be in the form of a new ordinance repealing
5 this ordinance in whole or in part or may be in the form of an amendatory
6 ordinance approving a sale document or establishing terms and conditions for the
7 authority delegated under this Section 17.
8

9 (b) Delivery of Bonds; Documentation. Upon the passage and approval of
10 this ordinance, the proper officials of the City, including the Finance Director,
11 Treasurer, City Clerk, City Attorney, and City Manager, are authorized and directed
12 to undertake all action necessary for the prompt execution and delivery of the
13 Bonds to the Underwriter and further to execute all closing certificates and
14 documents required to effect the closing and delivery of the Bonds, in accordance
15 with the terms of this ordinance and the Sale Document.
16
17

18 Section 18. Approval of Official Statement.
19 The Finance Director is hereby authorized to approve and to deem final the
20 preliminary Official Statement relating to the Bonds for the purposes of the Rule.
21 The Finance Director is further authorized to approve for purposes of the Rule, on
22 behalf of the City, the final Official Statement relating to the issuance and sale of
23 the Bonds and the distribution of the final Official Statement pursuant thereto with
24 such changes, if any, as may be deemed by such officer to be appropriate.
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26 Section 19. Defaults and Remedies.
The following constitute "Events of Default" under this ordinance:



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

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

(c) If the City shall default in the observance and performance of any other of the covenants, conditions and agreements on the part of the City contained in this ordinance or any covenants, conditions or agreements on the part of the City contained in any other Parity Bond Ordinance and such default or defaults shall have continued for a period of 90 days after the City shall have received from the owners of not less than 20 percent in principal amount of the Parity Bonds outstanding a written notice specifying and demanding the cure of such default.

The failure to collect Net Revenues in any calendar year sufficient to comply with the covenant contained in Section 15(a)(2) shall not constitute an Event of Default if the City, before the 100th day of the following calendar year:

(1) Employs an Engineer to recommend changes in the System's rates which are estimated to produce Net Revenues sufficient (once the rates recommended by the Engineer have been imposed by the City) to meet the requirements of Section 15(a)(2); and

(2) Promptly imposes rates at least as high as those recommended by such Engineer.



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So long as such Event of Default shall not have been remedied, a bondowners' trustee may be appointed by the registered owners of 25 percent in principal amount of the Parity Bonds.

The bondowners' trustee may upon the happening of an Event of Default, and during the continuance thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of bondowners to collect any amounts due and owing the City, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this ordinance or in any of the Parity Bonds. The registered owners of the Parity Bonds, by taking and holding the same, shall be deemed irrevocably to appoint the bondowners' trustee the true and lawful trustee of the respective owners of said Parity Bonds.

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

Section 20. Supplemental Ordinances.

(a) The Council from time to time and at any time may adopt an ordinance or ordinances supplemental to this ordinance, which supplemental ordinance or



1 ordinances thereafter shall become a part of this ordinance, for any one or more or
2 all of the following purposes:

3 (1) To add to the covenants and agreements of the City in this
4 ordinance other covenants and agreements thereafter to be observed, which shall
5 not adversely affect the interests of the owners of any Parity Bonds, or to surrender
6 any right or power herein reserved to or conferred upon the City.
7

8 (2) To make such provisions for the purpose of curing any
9 ambiguities or of curing, correcting or supplementing any defective provision
10 contained in this ordinance or any ordinance authorizing future Parity Bonds in
11 regard to matters or questions arising under such ordinances as the Council may
12 deem necessary or desirable and not inconsistent with such ordinances and which
13 shall not adversely affect the interest of the owners of Parity Bonds.
14

15 Any such supplemental ordinance of the City may be adopted without the
16 consent of the registered owners of any Parity Bonds at any time outstanding,
17 notwithstanding any of the provisions of subsection (b) of this section.
18

19 (b) With the consent of the registered owners of not less than 65 percent in
20 aggregate principal amount of the Parity Bonds at the time outstanding, the Council
21 may adopt an ordinance or ordinances supplemental hereto for the purpose of
22 adding any provisions to or changing in any manner or eliminating any of the
23 provisions of this ordinance or of any supplemental ordinance; provided, however,
24 that no such supplemental ordinance shall:
25

26 (1) Extend the fixed maturity of any Parity Bonds, or reduce the rate
of interest thereon, or extend the time of payment of interest from their due date, or



1 reduce the amount of the principal thereof, or reduce any premium payable on the
2 redemption thereof, without the consent of the registered owner of each bond so
3 affected; or

4 (2) Reduce the aforesaid percentage of bondowners required to
5 approve any such supplemental ordinance, without the consent of the registered
6 owners of all of the Parity Bonds then outstanding.

7 It shall not be necessary for the consent of registered owners under this
8 subsection (b) to approve the particular form of any proposed supplemental
9 ordinance, but it shall be sufficient if such consent shall approve the substance
10 thereof.
11

12 Section 21. Bond Insurance.

13 Each Designated Representative is hereby further authorized to solicit
14 proposals from municipal bond insurance companies for the issuance of a bond
15 insurance policy. In the event that the City receives multiple proposals in response
16 to a solicitation, a Designated Representative may select the proposal having the
17 lowest cost and resulting in an overall lower interest cost with respect to the Bonds
18 to be insured. Alternatively, in the case of a competitive sale, bidders may elect to
19 insure all or a portion of the Bonds at the bidders' risk and expense.
20

21 In the event that all or a portion of the Bonds are to be insured, a Designated
22 Representative may execute a commitment received from the insurer. The Council
23 further authorizes all proper officers, agents, attorneys and employees of the City to
24 cooperate with the insurer in preparing such additional agreements, certificates, and
25
26



1 other documentation on behalf of the City as shall be necessary or advisable in
2 providing for the bond insurance policy.

3 Section 22. Ongoing Disclosure.

4 The City covenants to execute and deliver at the time of Closing of each
5 series Bonds a Continuing Disclosure Certificate. Each Designated Representative
6 is hereby authorized to execute and deliver a Continuing Disclosure Certificate
7 upon the issuance, delivery and sale of the Bonds with such terms and provisions
8 as such officer shall deem appropriate and in the best interests of the City.
9

10 Section 23. Lost or Destroyed Bonds.

11 In case any Bonds shall be lost, stolen or destroyed, the Bond Registrar may
12 authenticate and deliver a new Bond(s) of like series, amount, date, tenor, and
13 effect to the owner thereof upon the owner paying the expenses and charges of the
14 City in connection therewith and upon filing with the Bond Registrar evidence
15 satisfactory to the Bond Registrar that such Bond(s) were actually lost, stolen or
16 destroyed and of ownership thereof, and upon furnishing the City with indemnity
17 satisfactory to both.
18

19 Section 24. Severability.

20 If any one or more of the covenants or agreements provided in this
21 ordinance to be performed on the part of the City shall be declared by any court of
22 competent jurisdiction to be contrary to law, then such covenant or covenants,
23 agreement or agreements, shall be null and void and shall be deemed separable
24 from the remaining covenants and agreements of this ordinance and shall in no
25 way affect the validity of the other provisions of this ordinance or of the Bonds. All
26



1 acts taken pursuant to the authority granted in this ordinance but prior to its
2 effective date are hereby ratified and confirmed.

3 Section 25. Effective Date.

4 This ordinance shall take effect and be in force ten (10) days after its
5 passage, approval and publication as required by law.
6

7 Passed: _____
8

9
10 _____
Mayor

11 Attest:
12

13 _____
City Clerk
14

15 Approved as to form and legality:

16 Pacifica Law Group LLP
17 Bond Counsel to the City of Tacoma

18 By _____
19
20
21
22
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24
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26



EXHIBIT A

[DTC Language]

UNITED STATES OF AMERICA

No. _____ \$ _____

STATE OF WASHINGTON
CITY OF TACOMA
SOLID WASTE REVENUE BOND, 2022[_____]

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 _____, 2022, 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 February 22, 2022 (the "Bond Ordinance") to provide the funds necessary 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, if necessary], 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.

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 bonds of this issue are not "private activity bonds" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). The City has not designated the bonds of this issue as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

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



1 does not violate any constitutional, statutory or other limitation upon the amount of
2 bonded indebtedness that the City may incur.

3 IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this
4 bond to be signed with the manual or facsimile signature of the Mayor and attested
5 by the manual or facsimile signature of the City Clerk, and the seal of the City to be
6 impressed or a facsimile thereof to be imprinted hereon, as of this _____ day of
7 _____, 2022.

7 [SEAL]

8 CITY OF TACOMA, WASHINGTON

9 By /s/ manual or facsimile _____
10 Mayor

11 ATTEST:

12 /s/ manual or facsimile _____
13 City Clerk

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

17 CERTIFICATE OF AUTHENTICATION

18 This bond is one of the bonds described in the within-mentioned Bond Ordinance
19 and is one of the Solid Waste Revenue Bonds, 2022[_____] of the City of Tacoma,
20 Washington, dated _____, 2022.

21 WASHINGTON STATE FISCAL AGENT, as Bond
22 Registrar

23 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 "Ordinance") is a
6 true and correct copy of an Ordinance of the Council, as finally passed at a regular
7 meeting of the Council held on the 22nd day of February, 2022, and duly recorded
8 in my office.

9
10 2. That said meeting was duly convened and held in all respects in
11 accordance with law, including but not limited to Washington State Governor
12 Inslee's emergency proclamation No. 20-28 issued on March 24, 2020, as
13 amended and supplemented, temporarily suspending portions of the Open Public
14 Meetings Act (chapter 42.30 RCW), and due and proper notice of such meeting
15 was given; that a legal quorum was present throughout the meeting and a legally
16 sufficient number of members of the Council voted in the proper manner for the
17 passage of said Ordinance; that all other requirements and proceedings incident to
18 the proper passage of said Ordinance have been fully fulfilled, carried out and
19 otherwise observed; and that I am authorized to execute this certificate.
20

21
22 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
23 official seal of the City as of this 22nd day of February, 2022.
24

25 _____
26 City Clerk
City of Tacoma, Washington