

**ORDINANCE NO. 28356**

AN ORDINANCE of the City of Tacoma, Washington, providing for the issuance and sale of two series of solid waste revenue refunding bonds of the City in the aggregate principal amount of not to exceed \$55,000,000 to refund and defease certain outstanding solid waste revenue bonds of the City, and to pay costs of issuing the bonds; providing the form and terms of the bonds; and delegating the authority to approve the final terms of the bonds.

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

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

Designation	Authorizing Documents	Date of Ordinance	Principal Amount Outstanding as of March 1, 2016
Solid Waste Utility Revenue Bonds, 2006 Series A (the "2006A Bonds")	Ordinance No. 27489, as amended by Ordinance No. 27492, and Substitute Resolution No. 36905	5/16/2006, 6/13/2006, and 6/27/2006, respectively	\$ 27,960,000
Solid Waste Utility Revenue Refunding Bonds, 2006 Series B (the "2006B Bonds")	Ordinance No. 27489, as amended by Ordinance No. 27492 and by Substitute Ordinance No. 27523	5/16/2006, 6/13/2006, and 9/12/2006, respectively	20,290,000
Solid Waste Utility Revenue Refunding Bonds, 2008 (the "2008 Bonds")	Ordinance No. 27736 and Substitute Resolution No. 37575	8/5/2008 and 8/19/2008, respectively	5,230,000
Solid Waste Revenue Bonds, 2015 (Green Bonds)	Ordinance No. 28279	1/13/2015	21,095,000



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

4 WHEREAS the Outstanding Parity Bond Ordinances provide that additional
5 solid waste revenue bonds may be issued with a lien on Net Revenues (as defined
6 herein) on a parity with the lien of the Outstanding Parity Bonds if certain conditions
7 are met, and

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

15 WHEREAS, after due consideration, it appears to the City Council ("Council")
16 that defeasing and refunding all or a portion of the 2006 Bonds (the "Refunding
17 Candidates") to modify the debt service schedule and otherwise restructure the
18 2006 Bonds is in the best interest of the City, and

20 WHEREAS the Council deems it in the best interest of the City to issue two
21 series of solid waste revenue refunding bonds in the aggregate principal amount of
22 not to exceed \$55,000,000 (the "Bonds") to redeem and defease all or a portion of
23 the Refunding Candidates, and to pay costs of issuing the Bonds, and

25 WHEREAS the Council wishes to delegate authority to the City Finance
26 Director and Treasurer, or their designee (each, a "Designated Representative") for
a limited time, to select the Refunding Candidates to be refunded, if any, and to



1 approve the interest rates, maturity dates, redemption terms, principal maturities
2 and other terms for each series of Bonds within the parameters set by this
3 ordinance, and

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

5
6 Now, Therefore,

7 BE IT ORDAINED BY THE CITY OF TACOMA:
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* This Table of Contents is provided for convenience only and is not a part of this ordinance.



1 Section 1. Definitions and Interpretation of Terms.

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

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

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20 "Accreted Value Table" means the Accreted Value Table printed on the
21 Capital Appreciation Bonds reflecting the Accreted Value of such Capital
22 Appreciation Bonds as of any Payment Date.

23
24 "Acquired Obligations" means noncallable direct obligations of, or obligations
25 the principal of and interest on which are unconditionally guaranteed by, the United
26 States Government, but only to the extent that the same are acquired at Fair Market
Value.



1 “Adjusted Net Revenues” has the meaning set forth in Section 15 of this
2 ordinance.

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

10 In the case of Variable Interest Rate Bonds, for the purpose of calculating
11 Annual Debt Service for purposes of the Future Parity Bond tests outlined in
12 Section 15 and the Reserve Fund Requirement, the interest rate thereon shall be
13 calculated on the assumption that such bonds will bear interest during such period
14 at a rate equal to the lesser of (a) the Maximum Interest Rate or (b) the rate most
15 recently reported by The Bond Buyer as the Bond Buyer Municipal Bond Index for
16 long-term revenue bonds; provided, that if on such date of calculation the interest
17 rate on such bonds shall then be fixed for a specified period, including, pursuant to
18 a Payment Agreement as provided in Section 14, the interest rate used for such
19 specified period for the purpose of the foregoing calculation shall be such actual
20 interest rate. After all of the 2006 Bonds and 2008 Bonds are fully redeemed,
21 refunded or defeased, this paragraph shall read as follows: In the case of Variable
22 Interest Rate Bonds, for the purpose of calculating Annual Debt Service for
23 purposes of the Future Parity Bond tests outlined in Section 15 and the Reserve
24 Fund Requirement, the interest rate thereon shall be equal to the higher of (i) the
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1 average of the SIFMA Municipal Swap Index over the 60-month period immediately
2 preceding the date of computation, or (ii) the average of the SIFMA Municipal Swap
3 Index over the 12-month period immediately preceding the date of computation, in
4 each case as determined within ten days prior to the date of computation, with the
5 principal thereof amortized to provide for essentially level annual debt service of
6 principal and interest over such period; provided, that if on such date of calculation
7 the interest rate on any Variable Interest Rate Bonds shall then be fixed for a
8 specified period, including pursuant to a Payment Agreement, the interest rate used
9 for such specified period shall be such fixed interest rate.
10

11
12 For purposes of computing Annual Debt Service on any Parity Bonds which
13 constitute Balloon Indebtedness, it shall be assumed that the principal of such
14 Balloon Indebtedness, together with interest thereon at the rate applicable to such
15 Balloon Indebtedness, shall be amortized in equal annual installments over a term
16 equal to the lesser of (a) 25 years or (b) the average weighted useful life
17 (expressed in years and rounded to the next highest integer) of the properties and
18 assets constituting the project (if any) financed out of the proceeds of such Balloon
19 Indebtedness.
20

21 After all of the 2006 Bonds and 2008 Bonds are fully redeemed, refunded or
22 defeased, for purposes of satisfying the coverage test pursuant to Section 13 or the
23 requirements for the issuance of Future Parity Bonds pursuant to Section 15,
24 Annual Debt Service for any Fiscal Year or calendar year shall exclude any Debt
25 Service Offsets received or expected to be received in such Fiscal Year or calendar
26 year.



1 “Balloon Indebtedness” means any series of Parity Bonds more than
2 25 percent of the principal of which, in accordance with the terms of such Parity
3 Bonds, is due and payable in any one Fiscal Year either by reason of the stated
4 maturity date of such Parity Bonds or pursuant to a Sinking Fund Requirement;
5 provided that with respect to any Parity Bonds issued as Term Bonds, such Bonds
6 shall only be treated as Balloon Indebtedness if more than 25 percent of the
7 principal thereof is due in any one Fiscal Year pursuant to the applicable Sinking
8 Fund Requirement or upon the stated maturity date thereof (assuming that the only
9 principal due on the stated maturity date thereof will be the principal remaining
10 outstanding after all redemptions have been made pursuant to the applicable
11 Sinking Fund Requirement).

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

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

20 “Bond Purchase Contract” means one or more contracts for the purchase of
21 the Bonds between the Underwriter and the City, executed pursuant to Section 16.

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

26 “Bond Registrar” means, initially, the fiscal agent of the state of Washington,
for the purposes of registering and authenticating the Bonds, maintaining the Bond



1 Register, effecting transfer of ownership of the Bonds and paying interest on and
2 principal of the Bonds.

3 "Bonds" mean the 2016A Bonds and the 2016B Bonds.

4 "Call Date" means the dates specified in the Escrow Deposit Agreement for
5 the refunding of each series of the Refunded Bonds.
6

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

9 "Certified Public Accountant" means an independent licensed certified public
10 accountant (or firm of certified public accountants) selected by the City.
11

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

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

16 "City Manager" means the duly appointed and acting City Manager of the
17 City or the successor to the duties of that office.
18

19 "Closing" means the applicable dates of delivery of the 2016A Bonds and the
20 2016B Bonds to the Underwriter.

21 "Code" means the Internal Revenue Code of 1986 as in effect on the date of
22 issuance of the Bonds or (except as otherwise referenced herein) as it may be
23 amended to apply to obligations issued on the date of issuance of the Bonds,
24 together with applicable proposed, temporary and final regulations promulgated,
25 and applicable official public guidance published, under the Code.
26

"Commission" means the Securities and Exchange Commission.



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

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

16 “Covered Bonds” mean (a) the Outstanding Parity Bonds, (b) so long as the
17 2006 Bonds and the 2008 Bonds remain outstanding, the Bonds, (c) after all of the
18 2006 Bonds and 2008 Bonds are fully redeemed, refunded or defeased, the Bonds,
19 unless and until the City determines pursuant to Section 10(b) of this ordinance that
20 the Bonds are no longer to be Covered Bonds secured by the Reserve Fund, and
21 (d) those Future Parity Bonds designated in the Parity Bond Ordinance authorizing
22 their issuance as Covered Bonds secured by the Reserve Fund.

25 “Current Interest Bonds” means Parity Bonds, the interest on which is paid
26 periodically.



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

3 “Debt Service Offset” means receipts of the City that are not included in
4 Gross Revenues and that are legally available to pay debt service on Parity Bonds,
5 including without limitation federal interest subsidy payments, designated as such
6 by the City.
7

8 “Designated Representative” means the City Finance Director and Treasurer,
9 or his or her designee. The signature of one Designated Representative shall be
10 sufficient to bind the City.
11

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

13 “Engineer” means an independent licensed professional engineer (or firm of
14 licensed professional engineers) selected by the City and experienced and
15 knowledgeable in the operation of solid waste utilities of comparable size and
16 character to the System.
17

18 “Environmental Services Director” means the duly appointed and acting
19 Environmental Services Director of the City or the successor to the duties of that
20 office.

21 “Escrow Agent” means U.S. Bank National Association.

22 “Escrow Deposit Agreement” means one or more Escrow Deposit
23 Agreements between the City and the Escrow Agent to be dated as of the date of
24 Closing for a series of Bonds.
25

26 “Event of Default” has the meaning set forth in Section 18 of this ordinance.



1 “Fair Market Value” means the price at which a willing buyer would purchase
2 the investment from a willing seller in a bona fide, arm’s length transaction
3 (determined as of the date the contract to purchase or sell the investment becomes
4 binding) if the investment is traded on an established securities market (within the
5 meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value”
6 means the acquisition price in a bona fide arm’s length transaction (as referenced
7 above) if (i) the investment is a certificate of deposit that is acquired in accordance
8 with applicable regulations under the Code, (ii) the investment is an agreement with
9 specifically negotiated withdrawal or reinvestment provisions and a specifically
10 negotiated interest rate (for example, a guaranteed investment contract, a forward
11 supply contract or other investment agreement) that is acquired in accordance with
12 applicable regulations under the Code, (iii) the investment is a United States
13 Treasury Security – State and Local Government Series that is acquired in
14 accordance with applicable regulations of the United States Bureau of Public Debt,
15 or (iv) any commingled investment fund in which the City and related parties do not
16 own more than a 10 percent beneficial interest therein if the return paid by the fund
17 is without regard to the source of the investment. To the extent required by the
18 applicable regulations under the Code, the term “investment” will include a hedge.
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23 “Federal Tax Certificate” means as applicable, the certificate executed by the
24 Finance Director setting forth the requirements of the Code for maintaining the tax
25 exemption of interest on a series of Bonds to be dated as of the date of Closing for
26 a series of Bonds, and attachments thereto.



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

3 "Fiscal Year" means the fiscal year used by the City at any time. At the time
4 of the adoption of this ordinance, the Fiscal Year is the 12-month period beginning
5 January 1 of each year.
6

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

9 "Future Parity Bonds" means any revenue bonds of the City issued after the
10 date of issuance of the Bonds having a charge or lien upon the Net Revenues for
11 payment of the principal thereof and interest thereon equal in priority to the charge
12 or lien upon the Net Revenues for the payment of the principal of and interest on
13 the Outstanding Parity Bonds and the Bonds.
14

15 "Government Obligations" mean those obligations now or hereafter defined
16 as such in chapter 39.53 RCW.
17

18 "Gross Revenues" mean (a) revenues received for the use of the System or
19 from services rendered by the System, (b) the proceeds received by the City from
20 the sale or other disposition of any of the properties of the System, (c) investment
21 income earned on money held in any fund or account of the City in connection with
22 the ownership and operation of the System, including any bond redemption funds,
23 and (d) federal or state reimbursement of operating expenses to the extent that
24 such expenses are included as Costs of Maintenance and Operation, but excluding
25 (i) insurance proceeds, (ii) investment income irrevocably pledged to the payment
26 of any solid waste revenue bonds of the City refunded or defeased pursuant to a



1 plan of refunding heretofore or hereafter adopted by the City, (iii) investment
2 income earned on money in any rebate fund, and (iv) grants, gifts or donations.

3 "Letter of Representations" means the Blanket Issuer Letter of
4 Representations from the City to DTC.
5

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

9 "Maximum Interest Rate" means, with respect to any particular Variable
10 Interest Rate Bond, a numerical rate of interest, which shall be set forth in any
11 Parity Bond Ordinance authorizing such Bond, which shall be the maximum rate of
12 interest such Bond may at any time bear.
13

14 "Maximum Reserve Requirement" means the maximum dollar amount
15 permitted by the Code to be allocated to a reserve fund from tax-exempt bond
16 proceeds without requiring a balance to be invested at a restricted yield.
17

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

20 "MSRB" means the Municipal Securities Rulemaking Board or any successor
21 to its functions.
22

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



1 “Outstanding Parity Bond Ordinances” mean the ordinances and resolutions
2 authorizing the issuance of the Outstanding Parity Bonds as described in the
3 recitals to this ordinance.

4 “Outstanding Parity Bonds” means, as of the date of this ordinance, the
5 2006 Bonds, the 2008 Bonds, and the 2015 Bonds as identified in the recitals to
6 this ordinance. After the Closing of each series of Bonds and the refunding of the
7 Refunded Bonds, the Outstanding Parity Bonds will include the then-outstanding
8 2006 Bonds, if any, the 2008 Bonds, and the 2015 Bonds.

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

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

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

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

18 “Qualified Insurance” means any municipal bond insurance policy or surety
19 bond issued by any insurance company licensed to conduct an insurance business
20 in any state of the United States (or by a service corporation acting on behalf of one
21 or more such insurance companies), which insurance company or companies, as of
22 the time of issuance of such policy or surety bond, are currently rated in one of the
23 two highest rating categories by Moody's and S&P; provided, after all of the 2006
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1 Bonds and 2008 Bonds are fully redeemed, refunded or defeased, this definition
2 shall be amended to read as follows: "Qualified Insurance" means any
3 non-cancellable municipal bond insurance policy or surety bond issued by any
4 insurance company licensed to conduct an insurance business in any state of the
5 United States (or by a service corporation acting on behalf of one or more such
6 insurance companies), which insurance company or companies, as of the time of
7 issuance of such policy or surety bond, are currently rated in one of the two highest
8 rating categories by Moody's, S&P or Fitch, or any other rating agency then
9 maintaining a rating on the Bonds.
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12 "Qualified Letter of Credit" means any letter of credit issued by a financial
13 institution for the account of the City on behalf of the owners of the Bonds, which
14 institution maintains an office, agency or branch in the United States and as of the
15 time of issuance of such letter of credit is currently rated in one of the two highest
16 rating categories by Moody's and S&P; provided, after all of the 2006 Bonds and
17 2008 Bonds are fully redeemed, refunded or defeased, this definition shall be
18 amended to read as follows: "Qualified Letter of Credit" means any irrevocable letter
19 of credit issued by a financial institution for the account of the City on behalf of the
20 owners of one or more series of Parity Bonds, which institution maintains an office,
21 agency or branch in the United States and as of the time of issuance of such letter of
22 credit is currently rated in one of the two highest rating categories by Moody's, S&P
23 or Fitch, or any other rating agency then maintaining a rating on the Bonds.
24

25
26 "Rate Stabilization Fund" means the fund of that name in the Solid Waste
Operating Fund.



1 “Rebate Amount” means the amount, if any, determined to be payable with
2 respect to the Bonds by the City to the United States of America in accordance with
3 Section 148(f) of the Code.

4 “Refunded Bonds” means the 2006A Refunded Bonds and the
5 2006B Refunded Bonds.
6

7 “Refunding Account” means the account by that name established pursuant
8 to Section 9 of this ordinance.

9 “Refunding Candidates” means the 2006A Refunding Candidates and the
10 2006B Refunding Candidates.
11

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

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

16 “Reserve Fund Requirement” is the dollar amount to be calculated with
17 respect to all Covered Bonds and, after the 2006 Bonds and 2008 Bonds are fully
18 redeemed, refunded or defeased, separately with respect to other Parity Bonds.
19

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



1 Requirement. If the dollar amount required to be contributed at the time of issuance
2 of a series of Future Parity Bonds exceeds the Maximum Reserve Requirement,
3 then the amount required to be contributed shall be equal to the Maximum Reserve
4 Requirement.

5
6 (b) After the 2006 Bonds and 2008 Bonds are fully redeemed,
7 refunded or defeased, with respect to other series of Parity Bonds, the Reserve
8 Fund Requirement shall be equal to the amount, if any, specified in either the Parity
9 Bond Ordinance authorizing the issuance of such Parity Bonds or in a certificate of
10 the Finance Director, Treasurer, and Environmental Services Director; provided,
11 however, such Reserve Fund Requirement shall not exceed the Maximum Reserve
12 Requirement.

13
14 "Rule" means the Commission's Rule 15c2-12 under the Securities and
15 Exchange Act of 1934, as the same may be amended from time to time.

16
17 "S&P" means Standard & Poor's Ratings Services, or its comparable
18 recognized business successor.

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

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

24
25 "Solid Waste Operating Fund" means the Solid Waste Operating Fund
26 maintained by the City.

"State" means the state of Washington.



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

5
6 “Term Bond Maturity Year” means any year in which any Parity Bonds that
7 are Term Bonds mature.

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

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

11
12 “2006 Bond Ordinances” mean, collectively, the ordinances and resolution
13 authorizing the issuance of the 2006 Bonds as described in the recitals of this
14 ordinance.

15 “2006 Bonds” mean the 2006A Bonds and the 2006B Bonds.

16 “2006A Bonds” mean the City of Tacoma, Washington Solid Waste Utility
17 Revenue Bonds, 2006 Series A, issued pursuant to Ordinance No. 27489, as
18 amended by Ordinance No. 27492 and by Substitute Resolution No. 36905.

19
20 “2006A Refunded Bonds” mean all or a portion of the 2006A Refunding
21 Candidates designated by the Designated Representative for defeasance and/or
22 refunding pursuant to Section 8 and Section 16 of this ordinance.

23
24 “2006A Refunding Candidates” means any or all of the 2006A Bonds.

25 “2006B Bonds” mean the City of Tacoma, Washington Solid Waste Utility
26 Revenue Refunding Bonds, 2006 Series B, issued pursuant to Ordinance



1 No. 27489, as amended by Ordinance No. 27492 and by Substitute Ordinance
2 No. 27523.

3 "2006B Refunded Bonds" mean all or a portion of the 2006B Refunding
4 Candidates designated by the Designated Representative for defeasance and/or
5 refunding pursuant to Section 8 and Section 16 of this ordinance.
6

7 "2006B Refunding Candidates" means any or all of the 2006B Bonds.

8 "2008 Bonds" mean the City of Tacoma, Washington Solid Waste Utility
9 Revenue Refunding Bonds, 2008, issued pursuant to Ordinance No. 27736 and
10 Substitute Resolution No. 37575.
11

12 "2015 Bonds" means the outstanding Solid Waste Bonds, 2015 (Green
13 Bonds) issued pursuant to Ordinance No. 28279.

14 "2016A Bonds" mean the City of Tacoma, Washington, Solid Waste
15 Revenue Refunding Bonds, 2016A, authorized to be issued pursuant to this
16 ordinance for the purpose set forth in Section 3 of this ordinance.
17

18 "2016B Bonds" mean the City of Tacoma, Washington, Solid Waste
19 Revenue Refunding Bonds, 2016B, authorized to be issued pursuant to this
20 ordinance for the purpose set forth in Section 3 of this ordinance.

21 "Underwriter" means, collectively, the initial purchaser or purchasers of the
22 Bonds, as selected by the Designated Representative.
23

24 "Variable Interest Rate" means a variable interest rate or rates to be borne
25 by a series of Parity Bonds or any one or more maturities within a series of Parity
26 Bonds. The method of computing such variable interest rate shall be specified in
the bond ordinance authorizing such series of Parity Bonds. Such variable interest



1 rate shall be subject to a Maximum Interest Rate and there may be an initial rate
2 specified, in each case as provided in such bond ordinance, or a stated interest rate
3 that may be changed from time to time as provided in the bond ordinance
4 authorizing such Parity Bonds. Such bond ordinance shall also specify either
5 (a) the particular period or periods of time or manner of determining such period or
6 periods of time for which each value of such variable interest rate shall remain in
7 effect or (b) the time or times upon which any change in such variable interest rate
8 shall become effective.
9

10 "Variable Interest Rate Bonds" for any period of time means Parity Bonds
11 that during such period bear a Variable Interest Rate, provided that Parity Bonds
12 the interest rate on which shall have been fixed for the remainder of the term
13 thereof shall no longer be Variable Interest Rate Bonds.
14

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

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

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



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

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

8 (5) All references herein to “articles,” “sections” and other
9 subdivisions or clauses are to the corresponding articles, sections, subdivisions or
10 clauses hereof.
11

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

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

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

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



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

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

11
12 Section 3. Authorization and Description of Bonds.

13 (a) 2016A Bonds. For the purposes of defeasing and refunding the 2006A
14 Refunded Bonds and paying costs of issuance of the 2016A Bonds, the City is
15 hereby authorized to issue and sell solid waste revenue refunding bonds
16 (the "2016A Bonds").
17

18 The 2016A Bonds shall be designated as the "City of Tacoma, Washington,
19 Solid Waste Revenue Refunding Bonds, 2016A" with additional series designation
20 or other designation as set forth in the Bond Purchase Contract and approved by
21 the Designated Representative.

22 The 2016A Bonds shall be dated as of their date of initial delivery, shall be
23 fully registered as to both principal and interest, shall be in the denomination of
24 \$5,000 each or any integral multiple thereof within a maturity, shall be numbered
25 separately in the manner and with any additional designation as the Bond Registrar
26 deems necessary for purposes of identification and control, and shall bear interest



1 payable on the dates set forth in the Bond Purchase Contract. The 2016A Bonds
2 shall bear interest at the rates set forth in the Bond Purchase Contract; and shall
3 mature on the dates and in the principal amounts set forth in the Bond Purchase
4 Contract and as approved by a Designated Representative pursuant to Section 16.

5
6 (b) 2016B Bonds. For the purposes of defeasing and refunding the 2006B
7 Refunded Bonds and paying costs of issuance of the 2016B Bonds, the City is
8 hereby authorized to issue and sell solid waste revenue refunding bonds
9 (the "2016B Bonds").

10 The 2016B Bonds shall be designated as the "City of Tacoma, Washington,
11 Solid Waste Revenue Refunding Bonds, 2016B" with additional series designation
12 or other designation as set forth in the Bond Purchase Contract and approved by
13 the Designated Representative.

14
15 The 2016B Bonds shall be dated as of their date of initial delivery, shall be
16 fully registered as to both principal and interest, shall be in the denomination of
17 \$5,000 each or any integral multiple thereof within a maturity, shall be numbered
18 separately in the manner and with any additional designation as the Bond Registrar
19 deems necessary for purposes of identification and control, and shall bear interest
20 payable on the dates set forth in the Bond Purchase Contract. The 2016B Bonds
21 shall bear interest at the rates set forth in the Bond Purchase Contract; and shall
22 mature on the dates and in the principal amounts set forth in the Bond Purchase
23 Contract and as approved by a Designated Representative pursuant to Section 16.

24
25 (c) Limited Obligations. The Bonds shall be special obligations of the City
26 payable only from the Bond Fund and shall be payable and secured as provided



1 herein. The Bonds shall not be general obligations of the City, the State or any
2 political subdivision thereof.

3 Section 4. Registration, Exchange and Payments.

4 (a) Bond Registrar/Bond Register. The City hereby specifies and adopts the
5 system of registration approved by the Washington State Finance Committee from
6 time to time through the appointment of a state fiscal agent. The City shall cause a
7 Bond Register to be maintained by the Bond Registrar. So long as any Bonds
8 remain outstanding, the Bond Registrar shall make all necessary provisions to
9 permit the exchange or registration or transfer of Bonds at its designated office.
10 The Bond Registrar may be removed at any time at the option of the Finance
11 Director upon prior notice to the Bond Registrar and a successor Bond Registrar
12 appointed by the Finance Director. No resignation or removal of the Bond Registrar
13 shall be effective until a successor shall have been appointed and until the
14 successor Bond Registrar shall have accepted the duties of the Bond Registrar
15 hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate
16 and deliver Bonds transferred or exchanged in accordance with the provisions of
17 such Bonds and this ordinance and to carry out all of the Bond Registrar's powers
18 and duties under this ordinance. The Bond Registrar shall be responsible for its
19 representations contained in the Certificate of Authentication of the Bonds.
20

21 (b) Registered Ownership. The City and the Bond Registrar, each in its
22 discretion, may deem and treat the Registered Owner of each Bond as the absolute
23 owner thereof for all purposes (except as provided in Section 21 of this ordinance),
24 and neither the City nor the Bond Registrar shall be affected by any notice to the
25
26



1 contrary. Payment of any such Bond shall be made only as described in
2 Section 5(g), but such Bond may be transferred as herein provided. All such
3 payments made as described in Section 5(g) shall be valid and shall satisfy and
4 discharge the liability of the City upon such Bond to the extent of the amount or
5 amounts so paid.
6

7 (c) DTC Acceptance/Letters of Representations. The Bonds initially shall be
8 held in fully immobilized form by DTC acting as depository. The City has executed
9 and delivered to DTC the Letter of Representations. Neither the City nor the Bond
10 Registrar will have any responsibility or obligation to DTC participants or the
11 persons for whom they act as nominees (or any successor depository) with respect
12 to the Bonds in respect of the accuracy of any records maintained by DTC (or any
13 successor depository) or any DTC participant, the payment by DTC (or any
14 successor depository) or any DTC participant of any amount in respect of the
15 principal of or interest on Bonds, any notice which is permitted or required to be
16 given to Registered Owners under this ordinance (except such notices as shall be
17 required to be given by the City to the Bond Registrar or to DTC (or any successor
18 depository))), or any consent given or other action taken by DTC (or any successor
19 depository) as the Registered Owner. For so long as any Bonds are held in fully
20 immobilized form by a depository, DTC or its successor depository shall be deemed
21 to be the Registered Owner for all purposes hereunder, and all references herein to
22 the Registered Owners shall mean DTC (or any successor depository) or its
23 nominee and shall not mean the owners of any beneficial interest in such Bonds.
24
25
26



1 (d) Use of Depository.

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

14 (2) Upon the resignation of DTC or its successor (or any substitute
15 depository or its successor) from its functions as depository or a determination by
16 the Finance Director to discontinue the system of book entry transfers through DTC
17 or its successor (or any substitute depository or its successor), the Finance Director
18 may hereafter appoint a substitute depository. Any such substitute depository shall
19 be qualified under any applicable laws to provide the services proposed to be
20 provided by it.
21

22 (3) In the case of any transfer pursuant to clause (A) or (B) of
23 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding
24 Bonds of a series, together with a written request on behalf of the Finance Director,
25 issue a single new Bond for each series and maturity then outstanding, registered
26



1 in the name of such successor or such substitute depository, or their nominees, as
2 the case may be, all as specified in such written request of the Finance Director.

3 (4) In the event that (A) DTC or its successor (or substitute depository
4 or its successor) resigns from its functions as depository and no substitute
5 depository can be obtained, or (B) the Finance Director determines that it is in the
6 best interest of the beneficial owners of the Bonds that such owners be able to
7 obtain physical Bond certificates, the ownership of such Bonds may then be
8 transferred to any person or entity as herein provided, and such Bonds shall no
9 longer be held by a depository. The Finance Director shall deliver a written request
10 to the Bond Registrar, together with a supply of physical Bonds, to issue Bonds as
11 herein provided in any authorized denomination. Upon receipt by the Bond
12 Registrar of all then outstanding Bonds of a series together with a written request
13 on behalf of the Finance Director to the Bond Registrar, new Bonds shall be issued
14 in the appropriate denominations and registered in the names of such persons as
15 are requested in such written request.

16 (e) Registration of Transfer of Ownership or Exchange; Change in
17 Denominations. The transfer of any Bond may be registered and Bonds may be
18 exchanged, but no transfer of any such Bond shall be valid unless it is surrendered
19 to the Bond Registrar with the assignment form appearing on such Bond duly
20 executed by the Registered Owner or such Registered Owner's duly authorized
21 agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the
22 Bond Registrar shall cancel the surrendered Bond and shall authenticate and
23 deliver, without charge to the Registered Owner or transferee therefor, a new Bond



1 (or Bonds at the option of the new Registered Owner) of the same series, date,
2 maturity and interest rate and for the same aggregate principal amount in any
3 authorized denomination, naming as Registered Owner the person or persons listed
4 as the assignee on the assignment form appearing on the surrendered Bond, in
5 exchange for such surrendered and canceled Bond. Any Bond may be surrendered
6 to the Bond Registrar and exchanged, without charge, for an equal aggregate
7 principal amount of Bonds of the same series, date, maturity and interest rate, in
8 any authorized denomination. The Bond Registrar shall not be obligated to register
9 the transfer or to exchange any Bond during the 15 days preceding any principal
10 payment date any such Bond is to be redeemed.
11
12

13 (f) Bond Registrar's Ownership of Bonds. The Bond Registrar may become
14 the Registered Owner of any Bond with the same rights it would have if it were not
15 the Bond Registrar, and to the extent permitted by law, may act as depository for
16 and permit any of its officers or directors to act as a member of, or in any other
17 capacity with respect to, any committee formed to protect the right of the Registered
18 Owners of Bonds.
19

20 (g) Place and Medium of Payment. Both principal of and interest on the
21 Bonds shall be payable in lawful money of the United States of America. Interest
22 on the Bonds shall be calculated on the basis of a year of 360 days and twelve
23 30-day months. For so long as all Bonds are held by a depository, payments of
24 principal and interest thereon shall be made as provided in accordance with the
25 operational arrangements of DTC referred to in the Letter of Representations. In
26 the event that the Bonds are no longer held by a depository, interest on the Bonds



1 shall be paid by check or draft mailed to the Registered Owners at the addresses
2 for such Registered Owners appearing on the Bond Register on the 15th day of the
3 month preceding the interest payment date, or upon the written request of a
4 Registered Owner of more than \$1,000,000 of Bonds (received by the Bond
5 Registrar at least 15 days prior to the applicable payment date), such payment shall
6 be made by the Bond Registrar by wire transfer to the account within the United
7 States designated by the Registered Owner. Principal of the Bonds shall be
8 payable upon presentation and surrender of such Bonds by the Registered Owners
9 at the designated office of the Bond Registrar.
10
11

12 If any Bond shall be duly presented for payment and funds have not been
13 duly provided by the City on such applicable date, then interest shall continue to
14 accrue thereafter on the unpaid principal thereof at the rate stated on such Bond
15 until it is paid.
16

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

18 (a) Mandatory Redemption of Term Bonds and Optional Redemption, if any.
19 The Bonds of each series shall be subject to mandatory redemption to the extent, if
20 any, set forth in the Bond Purchase Contract approved by the Designated
21 Representative pursuant to Section 16. The Bonds of each series shall be subject
22 to optional redemption on the dates, at the prices and under the terms set forth in
23 the Bond Purchase Contract approved by the Designated Representative pursuant
24 to Section 16.
25

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



1 (c) Selection of Bonds for Redemption. For as long as the Bonds are held in
2 book-entry only form, the selection of particular Bonds within a series and maturity
3 to be redeemed shall be made in accordance with the operational arrangements
4 then in effect at DTC. If the Bonds are no longer held in uncertificated form, the
5 selection of such Bonds to be redeemed and the surrender and reissuance thereof,
6 as applicable, shall be made as provided in the following provisions of this
7 subsection (c). If the City redeems at any one time fewer than all of the Bonds of a
8 series having the same maturity date, the particular Bonds or portions of Bonds of
9 such maturity to be redeemed shall be selected by lot (or in such manner
10 determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond
11 of a denomination greater than \$5,000, the City and the Bond Registrar shall treat
12 each Bond as representing such number of separate Bonds each of the
13 denomination of \$5,000 as is obtained by dividing the actual principal amount of
14 Bonds by \$5,000. In the event that only a portion of the principal sum of a Bond is
15 redeemed, upon surrender of such Bond at the designated office of the Bond
16 Registrar there shall be issued to the Registered Owner, without charge therefor,
17 for the then unredeemed balance of the principal sum thereof, at the option of the
18 Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any
19 of the denominations herein authorized.
20
21
22
23

24 (d) Notice of Redemption.

25 (1) Official Notice. For so long as the Bonds are held in uncertificated
26 form, notice of redemption (which notice may be conditional) shall be given in
accordance with the operational arrangements of DTC as then in effect, and neither



1 the City nor the Bond Registrar will provide any notice of redemption to any
2 beneficial owners. Thereafter (if the Bonds are no longer held in uncertificated
3 form), notice of redemption shall be given in the manner hereinafter provided.
4 Unless waived by any owner of Bonds to be redeemed, official notice of any such
5 redemption (which redemption may be conditioned by the Bond Registrar on the
6 receipt of sufficient funds for redemption or otherwise) shall be given by the Bond
7 Registrar on behalf of the City by mailing a copy of an official redemption notice by
8 first-class mail at least 20 days and not more than 60 days prior to the date fixed for
9 redemption to the Registered Owner of the Bond or Bonds to be redeemed at the
10 address shown on the Bond Register or at such other address as is furnished in
11 writing by such Registered Owner to the Bond Registrar.
12

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

- 15 (A) the redemption date,
16 (B) the redemption price,
17 (C) if fewer than all outstanding Bonds are to be redeemed,
18 the identification by maturity (and, in the case of partial redemption, the respective
19 principal amounts) of the Bonds to be redeemed,
20 (D) that unless conditional notice of redemption has been
21 given and such conditions have not been satisfied or waived or such notice has
22 been rescinded, on the redemption date the redemption price will become due and
23 payable upon each such Bond or portion thereof called for redemption, and if the
24 Bond Registrar then holds sufficient funds to pay such Bonds at the redemption
25 price, interest thereon shall cease to accrue from and after said date,
26



1 (E) any conditions to redemption, and

2 (F) the place where such Bonds are to be surrendered for
3 payment of the redemption price, which place of payment shall be the designated
4 office of the Bond Registrar.
5

6 On or prior to any redemption date, unless any condition to such redemption
7 has not been satisfied or waived or notice of such redemption has been rescinded,
8 the City shall deposit with the Bond Registrar an amount of money sufficient to pay
9 the redemption price of all the Bonds or portions of Bonds which are to be
10 redeemed on that date. The City retains the right to rescind any redemption notice
11 and the related optional redemption of Bonds by giving notice of rescission to the
12 affected Registered Owners at any time on or prior to the scheduled redemption
13 date. Any notice of optional redemption that is so rescinded shall be of no effect,
14 and the Bonds for which the notice of optional redemption has been rescinded shall
15 remain outstanding.
16

17
18 (2) Effect of Notice; Bonds Due. If notice of redemption has been
19 given and not rescinded, or if the conditions set forth in a conditional notice of
20 redemption have been satisfied or waived, the Bonds or portions of Bonds to be
21 redeemed shall, on the redemption date, become due and payable at the
22 redemption price therein specified, and, if the Bond Registrar then holds sufficient
23 funds to pay such Bonds at the redemption price, then from and after such date
24 such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of
25 such Bonds for redemption in accordance with said notice, such Bonds shall be
26 paid by the Bond Registrar at the redemption price. Installments of interest due on



1 or prior to the redemption date shall be payable as herein provided for payment of
2 interest. All Bonds which have been redeemed shall be canceled by the Bond
3 Registrar and shall not be reissued.

4 (3) Additional Notice. In addition to the foregoing notice, further
5 notice shall be given by the City as set out below, but no defect in said further
6 notice nor any failure to give all or any portion of such further notice shall in any
7 manner defeat the effectiveness of a call for redemption if notice thereof is given as
8 above prescribed. Each further notice of redemption given hereunder shall contain
9 the information required above for an official notice of redemption plus (A) the
10 CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as
11 originally issued; (C) the rate of interest borne by each Bond being redeemed;
12 (D) the maturity date of each Bond being redeemed; and (E) any other descriptive
13 information needed to identify accurately the Bonds being redeemed. Each further
14 notice of redemption may be sent at least 20 days before the redemption date to
15 each party entitled to receive notice pursuant to Section 21 and with such additional
16 information as the City shall deem appropriate, but such mailings shall not be a
17 condition precedent to the redemption of such Bonds.

18 (4) Amendment of Notice Provisions. The foregoing notice provisions
19 of this Section 5, including, but not limited to, the information to be included in
20 redemption notices and the persons designated to receive notices, may be
21 amended by additions, deletions and changes in order to maintain compliance with
22 duly promulgated regulations and recommendations regarding notices of
23 redemption of municipal securities.



1 Section 6. Form of Bonds and Certificate of Authentication. The Bonds of
2 each series shall be in substantially the form set forth in Exhibit A, which is
3 incorporated herein by this reference, with appropriate or necessary insertions,
4 depending upon the omissions and variations as permitted or required hereby.
5

6 Section 7. Execution of Bonds. The Bonds shall be executed on behalf of
7 the City with the manual or facsimile signatures of the Mayor and City Clerk of the
8 City and the seal of the City shall be impressed, imprinted or otherwise
9 reproduced thereon.
10

11 Only such Bonds as shall bear thereon a Certificate of Authentication in the
12 form provided herein, manually executed by the Bond Registrar, shall be valid or
13 obligatory for any purpose or entitled to the benefits of this ordinance. Such
14 Certificate of Authentication shall be conclusive evidence that the Bonds so
15 authenticated have been duly executed, authenticated and delivered hereunder and
16 are entitled to the benefits of this ordinance.
17

18 In case either of the officers who shall have executed the Bonds shall cease
19 to be an officer or officers of the City before the Bonds so signed shall have been
20 authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds
21 may nevertheless be authenticated, delivered and issued and upon such
22 authentication, delivery and issuance, shall be as binding upon the City as though
23 those who signed the same had continued to be such officers of the City. Any Bond
24 may be signed and attested on behalf of the City by such persons who at the date
25 of the actual execution of such Bond, are the proper officers of the City, although at
26



1 the original date of such Bond any such person shall not have been such officer of
2 the City.

3 Section 8. Application of Bond Proceeds; Refunding Plan. For the purpose
4 of modifying debt service and restructuring the 2006 Bonds, the City proposes to
5 defease and/or refund all or a portion of the 2006 Bonds as set forth herein. If the
6 Designated Representative determines that it is in the best interest of the City to
7 proceed with the refunding authorized herein, the Designated Representative shall
8 designate all or a portion of each series of the Refunding Candidates as Refunded
9 Bonds and such designation shall be set forth in the Bond Purchase Contract. A
10 portion of the proceeds of each series of Bonds shall be deposited with the Escrow
11 Agent pursuant to the Escrow Deposit Agreement to be used immediately upon
12 receipt thereof to defease the 2006A Refunded Bonds and the 2006B Refunded
13 Bonds, as applicable, as authorized by the 2006 Bond Ordinances and to pay costs
14 of issuance of each series of Bonds.
15

16 The net proceeds of each series of Bonds deposited with the Escrow Agent
17 shall be used to defease the applicable Refunded Bonds and discharge the
18 obligations thereon by the purchase of certain Acquired Obligations bearing such
19 interest and maturing as to principal and interest in such amounts and at such times
20 which, together with any necessary beginning cash balance, will provide for the
21 payment of:
22

23 (a) interest on each series of Refunded Bonds as such becomes due on and
24 prior to the applicable Call Date; and
25
26



1 (b) the redemption price (100 percent of the principal amount) of each series
2 of Refunded Bonds on the applicable Call Date.

3 Such Acquired Obligations shall be purchased at a yield not greater than the
4 yield permitted by the Code and regulations relating to acquired obligations in
5 connection with refunding bond issues.
6

7 A beginning cash balance, if any, and the Acquired Obligations shall be
8 deposited irrevocably with the Escrow Agent in an amount sufficient to defease the
9 applicable series of Refunded Bonds. In order to carry out the purposes of this
10 Section 8, the Finance Director is authorized and directed to execute and deliver to
11 the Escrow Agent, one or more Escrow Deposit Agreements.
12

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

15 The City hereby calls the Refunded Bonds for redemption on their Call Date
16 in accordance with the provisions of the 2006 Bond Ordinances authorizing the
17 redemption and retirement of the 2006 Bonds prior to their fixed maturities.
18

19 Said defeasance and call for redemption of the Refunded Bonds shall be
20 irrevocable after the issuance of the Bonds and delivery of the Acquired Obligations
21 to the Escrow Agent.
22

23 The Escrow Agent is hereby authorized and directed to provide for the giving
24 of notices of the defeasance and/or redemption of each series of the Refunded
25 Bonds in accordance with the applicable provisions of the 2006 Bond Ordinances.
26 The costs of publication of such notices shall be an expense of the City.



1 The Escrow Agent is hereby authorized and directed to pay to the Finance
2 Director, or, at the direction of the Finance Director, to the paying agent for the
3 Refunded Bonds, sums sufficient to pay, when due, the payments specified in this
4 Section 8. All such sums shall be paid from the moneys and Acquired Obligations
5 deposited with the Escrow Agent, and the income therefrom and proceeds thereof.
6 All such sums so paid to or to the order of the Finance Director shall be credited to
7 the Refunding Account. All moneys and Acquired Obligations deposited with the
8 Escrow Agent and any income therefrom shall be held, invested (but only at the
9 direction of the Finance Director) and applied in accordance with the provisions of
10 this ordinance, the Escrow Deposit Agreement, and with the laws of the State for
11 the benefit of the City and owners of the Refunded Bonds.
12

14 The City will take such actions as are found necessary to see that all
15 necessary and proper fees, compensation and expenses of the Escrow Agent for
16 the Refunded Bonds shall be paid when due.
17

18 A portion of the proceeds of the Bonds may also be used, if necessary, to
19 satisfy the Reserve Fund Requirement at the time of issuance of the Bonds as set
20 forth in Section 10(b) of this ordinance.

21 Section 9. Solid Waste Operating Fund; Pledge of Revenues. A special
22 fund of the City has been created and designated the "Solid Waste Operating
23 Fund". The City covenants and agrees that so long as any of the Parity Bonds are
24 outstanding, it will pay or cause to be paid into the Solid Waste Operating Fund all
25 Gross Revenues, except income from the investment of money in any construction
26 funds and any rebate fund, as collected and the Solid Waste Operating Fund shall



1 be held separate and apart from all other funds and accounts of the City. The
2 money in the Solid Waste Operating Fund shall be used only for the following
3 purposes and in the following order of priority:

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

5
6 Second, to make all payments required to be made for the Parity Bonds in
7 the following order:

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

11
12 (b) to make all payments required to be made into the Debt Service
13 Account to pay the principal of any Parity Bonds due at maturity for which money
14 shall not have been provided by income from the investment of money in the Bond
15 Fund, and to make all payments heretofore or hereafter required to be made into
16 the Debt Service Account under any schedule for the amortization of Term Bonds;

17
18 (c) to make all payments required to be made pursuant to a
19 reimbursement obligation in connection with a Qualified Letter of Credit or Qualified
20 Insurance with respect to the Reserve Fund, and after the 2006 Bonds and 2008
21 Bonds are fully redeemed, refunded or defeased, into any other reserve fund
22 created in the future for the payment of debt service on Parity Bonds, provided that
23 if there is not sufficient money to make all payments under reimbursement
24 agreements the payments will be made on a pro rata basis;

25
26 (d) to make all payments required to be made into the Reserve Fund
to secure the payment of any Covered Bonds, and after the 2006 Bonds and 2008



1 Bonds are fully redeemed, refunded or defeased, into any other reserve fund
2 created in the future for the payment of debt service on Parity Bonds;

3 Third, to make all payments required to be made into any other revenue
4 bond redemption fund, revenue warrant redemption fund, debt service account,
5 reserve account or sinking fund account created to pay and secure the payment of
6 the principal of and interest on any revenue bonds or revenue warrants of the City
7 having a lien upon Gross Revenues and the money in the Solid Waste Operating
8 Fund junior and inferior to the lien thereon for the payment of the principal of and
9 interest on Parity Bonds;
10

11 Fourth, to pay municipal taxes and payments to the City in lieu of taxes; and
12

13 Fifth, to retire by redemption or purchase in the open market any outstanding
14 solid waste revenue bonds, notes or revenue warrants of the City or to make
15 necessary additions, improvements, extraordinary repairs, extensions and
16 replacements of the System, to make payments into the Rate Stabilization Fund, or
17 any other lawful City purposes, including the payment of legal claims and
18 judgments against the System.
19

20 The City hereby pledges Gross Revenues, after payment of the Costs of
21 Maintenance and Operation, to the payment of the Parity Bonds.
22

23 Section 10. Bond Fund. There has been created the "Tacoma Solid Waste
24 Revenue Bond Fund" (the "Bond Fund") for the sole purpose of paying and
25 securing the payment of Parity Bonds. The Bond Fund contains the Debt Service
26 Account and the Reserve Fund. At the option of the City, separate funds and
accounts may be created in the Bond Fund for the purpose of paying or securing



1 the payment of principal, premium, if any, and interest on any series of Parity
2 Bonds.

3 (a) A Debt Service Account has been created in the Bond Fund for the
4 purpose of paying the interest on any Parity Bonds and the principal or Sinking
5 Fund Requirement for and premium, if any, on any Parity Bonds. As long as any
6 Parity Bonds remain outstanding, the City hereby irrevocably obligates and binds
7 itself to set aside and pay from the Solid Waste Operating Fund into the Debt
8 Service Account those amounts necessary, with such other funds as are then on
9 hand and available in the Debt Service Account, to pay the interest on all
10 outstanding Parity Bonds, the principal of all outstanding Parity Bonds and the
11 Sinking Fund Requirements as such interest, principal and Sinking Fund
12 Requirements, respectively, become due and payable at maturity or by mandatory
13 redemption. Payments on account of the Parity Bonds shall be made on or before
14 the day on which an installment of interest, principal or Sinking Fund Requirement
15 becomes due.

16 (b) A Reserve Fund has been created in the Bond Fund for the purpose of
17 securing the payment of the principal of and interest on the Covered Bonds. After
18 the 2006 Bonds and 2008 Bonds are fully redeemed, refunded or defeased, the
19 City may create separate reserve funds and establish separate Reserve Fund
20 Requirements, if any, to secure the payment of the principal of and interest on other
21 Parity Bonds.

22 The Bonds shall initially be issued as Covered Bonds and the payment of the
23 principal of and interest on the Bonds shall initially be secured by the Reserve
24



1 Fund. After the 2006 Bonds and 2008 Bonds are fully redeemed, refunded or
2 defeased, the City, in its sole discretion, may create a separate reserve fund and
3 establish a separate Reserve Fund Requirement, if any, to secure the payment of
4 the principal of and interest on the Bonds. If the City determines to create a
5 separate reserve fund and establish a Reserve Fund Requirement for the Bonds,
6 from such date the Bonds will no longer be Covered Bonds and the payment of the
7 principal of and interest on the Bonds will no longer be secured by the Reserve
8 Fund. The new Reserve Fund Requirement for the Bonds shall be equal to the
9 amount, if any, specified in a certificate of the Finance Director, Treasurer and
10 Environmental Services Director, a form of which is attached hereto as Exhibit B.
11
12 The City shall provide notice of any such separate reserve fund and corresponding
13 Reserve Fund Requirement for the Bonds in the same manner as a listed event
14 notice that would be required upon the occurrence of a material "release,
15 substitution, or sale of property securing repayment of the Bonds" in accordance
16 with Section 21(c) of this ordinance.
17
18

19 The City hereby covenants that at the time of the issuance of the Bonds it
20 will deposit a portion of the proceeds of the Bonds, acquire Qualified Insurance or
21 Qualified Letter of Credit, or use other available funds to satisfy the Reserve Fund
22 Requirement for the Bonds and the Outstanding Parity Bonds as of the date of
23 Closing.
24

25 The City further covenants that in the event it issues any Future Parity Bonds
26 that are Covered Bonds it will provide in each Parity Bond Ordinance authorizing
the issuance of the same that it will deposit proceeds from the Future Parity Bonds



1 or approximately equal monthly payments will be made into the Reserve Fund out
2 of the Solid Waste Operating Fund so that within 36 months or less from the date of
3 the issuance of such Future Parity Bonds the total amount of such payments, with
4 the amount already in the Reserve Fund, will be at least equal to the Reserve Fund
5 Requirement; provided, after the 2006 Bonds and 2008 Bonds are fully redeemed,
6 refunded or defeased, this covenant shall read as follows: The City further
7 covenants that in the event it issues any Future Parity Bonds that are Covered
8 Bonds it will provide in each Parity Bond Ordinance authorizing the issuance of the
9 same that it will deposit proceeds from the Future Parity Bonds or approximately
10 equal monthly payments will be made into the Reserve Fund out of the Solid Waste
11 Operating Fund so that within five years or less from the date of the issuance of
12 such Future Parity Bonds the total amount of such payments, with the amount
13 already in the Reserve Fund, will be at least equal to the Reserve Fund
14 Requirement.

15
16
17
18 The City may elect to fund part or all the Reserve Fund with respect to the
19 Bonds and any Future Parity Bonds that are Covered Bonds through the use of a
20 Qualified Letter of Credit or Qualified Insurance. In making the payments and
21 credits to the Reserve Fund required by this Section 10(b), to the extent that the
22 City has obtained Qualified Insurance or a Qualified Letter of Credit for specific
23 amounts required pursuant to this section, such amounts so covered by Qualified
24 Insurance or a Qualified Letter of Credit shall be credited against the amounts
25 required to be maintained in the Reserve Fund by this Section 10(b) to the extent
26 that such payments and credits to be made are insured by an insurance company



1 or guaranteed by a letter of credit from a financial institution. In the event of any
2 cancellation, the Reserve Fund shall be funded in accordance with the first three
3 paragraphs of this Section 10(b), as if the Covered Bonds that remain outstanding
4 had been issued on the date of such notice of cancellation.

5
6 The City further covenants that when the deposits required by this
7 Section 10(b) have been made into the Reserve Fund, it will at all times maintain
8 therein an amount at least equal to the Reserve Fund Requirement as the same
9 may be recalculated and determined from time to time. The investments in the
10 Reserve Fund shall be valued on each December 31 and may be valued on any
11 other date. Such valuation shall be at the market value of the obligations in such
12 fund including accrued interest; provided that investments which mature within one
13 year shall be valued at their maturity value. Whenever there is a sufficient amount
14 in the Debt Service Account and the Reserve Fund to pay the principal of, premium,
15 if any, and interest on all Covered Bonds then outstanding, the money in the
16 Reserve Fund may be used to pay such principal, premium, if any, or Sinking Fund
17 Requirements or interest. Money in the Reserve Fund may be withdrawn to
18 redeem and retire outstanding Covered Bonds, and to pay the interest due to such
19 date of redemption and premium, if any, or Sinking Fund Requirements on such
20 outstanding Covered Bonds, so long as the money remaining on deposit in the
21 Reserve Fund is at least equal to the Reserve Fund Requirement. When a series
22 of Covered Bonds is refunded in whole or in part, money may be withdrawn from
23 the Reserve Fund to pay or provide for the payment of refunded Covered Bonds;
24 provided that immediately after such withdrawal there shall remain in or be credited
25
26



1 to the Reserve Fund money and Permitted Investments in an amount equal to the
2 Reserve Fund Requirement or so much thereof as is then required to be
3 maintained.

4 In the event there shall be a deficiency in the Debt Service Account to meet
5 maturing installments of either interest on or principal of or Sinking Fund
6 Requirements on any Covered Bonds, such deficiency shall be made up from the
7 Reserve Fund by the withdrawal of money therefrom and by the sale or redemption
8 of obligations held in the Reserve Fund, if necessary, in such amounts as will
9 provide cash in the Reserve Fund sufficient to make up any such deficiency, and if
10 a deficiency still exists immediately prior to an interest payment date and after the
11 withdrawal of cash, the City shall then draw from any Qualified Letter of Credit or
12 Qualified Insurance in sufficient amount to make up the deficiency. Such draw shall
13 be made at such times and under such conditions as the agreement for such
14 Qualified Letter of Credit or such Qualified Insurance shall provide. The City
15 covenants that any deficiency created in the Reserve Fund by reason of any
16 withdrawal therefrom for payment into the Debt Service Account shall be made up
17 from money in the Solid Waste Operating Fund first available after providing for the
18 required payments into the Debt Service Account and after providing for any
19 required payments pursuant to a reimbursement obligation; provided, that once the
20 2006 Bonds are no longer outstanding, any such deficiency shall be made up within
21 12 months of such deficiency.

22
23
24
25
26 (c) Said amounts so pledged to be paid into the Debt Service Account and
the Reserve Fund from the Solid Waste Operating Fund are hereby declared to be



1 a prior lien and charge upon Gross Revenues superior to all other charges of any
2 kind or nature whatsoever except the Costs of Maintenance and Operation of the
3 System and except that the amounts so pledged are of equal lien to the charges
4 upon such Revenue which may hereafter be made to pay and secure the payment
5 of the principal of and interest on any Future Parity Bonds, and, provided further, if
6 the City elects to meet the requirements of this Section 10(b) with respect to the
7 Reserve Fund as to any issue of Parity Bonds through the use of a Qualified Letter
8 of Credit or Qualified Insurance, then the City's reimbursement obligation with
9 respect thereto, if any, may rank on a parity of lien with the Parity Bonds.
10

11 (d) Money held in all of the accounts in the Bond Fund shall, to the fullest
12 extent practicable and reasonable, be invested and reinvested at the direction of
13 the Treasurer of the City solely in, and obligations deposited in such accounts shall
14 consist of, Permitted Investments which shall mature on or prior to the respective
15 dates when the money held for the credit of such accounts will be required for the
16 purposes intended, but only to the extent that the same are acquired, valued and
17 disposed of at Fair Market Value. Money in the Reserve Fund not required for
18 immediate disbursement for the purposes for which such fund is created shall, to
19 the fullest extent practicable and reasonable, be invested and reinvested at the
20 direction of the City solely in, and obligations deposited in the Reserve Fund shall
21 consist of, Permitted Investments maturing prior to the final maturity date of the
22 Parity Bonds then outstanding. All interest earned and income derived by virtue of
23 investments of money in the Debt Service Account or the Reserve Fund may
24 remain in the Bond Fund or be deposited into the Solid Waste Operating Fund and
25
26



1 all such investment income may be used to meet the required deposits into any
2 account in the Bond Fund.

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

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

13 Section 11. Rate Stabilization Fund. A special fund of the City designated
14 the "Rate Stabilization Fund" has been established in the Solid Waste Operating
15 Fund. In accordance with the priorities set forth in this ordinance, the City may from
16 time to time deposit Net Revenues into the Rate Stabilization Fund and may from
17 time to time withdraw amounts therefrom to enhance rate stability or for other lawful
18 purposes of the City related to the System.

20 Section 12. Defeasance. In the event that the City, to effect the payment,
21 retirement or redemption of any Bond, sets aside in the Bond Fund or in another
22 special account, cash or noncallable Government Obligations, or any combination
23 of cash and/or noncallable Government Obligations, in amounts and maturities
24 which, together with the known earned income therefrom, are sufficient to redeem
25 or pay and retire such Bond in accordance with its terms and to pay when due the
26 interest and redemption premium, if any, thereon, and such cash and/or noncallable



1 Government Obligations are irrevocably set aside and pledged for such purpose,
2 then no further payments need be made into the Bond Fund for the payment of the
3 principal of and interest on such Bond. The owner of a Bond so provided for shall
4 cease to be entitled to any lien, benefit or security of this ordinance except the right
5 to receive payment of principal, premium, if any, and interest from the Bond Fund or
6 such special account, and such Bond shall be deemed to be not outstanding under
7 this ordinance.
8

9 The City shall give written notice of defeasance in accordance with
10 Section 21.
11

12 Section 13. Covenants. The City hereby covenants and agrees with the
13 owners of the Bonds for as long as any of the same remain outstanding as follows:

14 (a) Establishment and Collection of Rates and Charges. The City shall
15 establish, maintain and collect lawful rates and charges for the use of the services
16 and facilities of the System and all commodities sold, furnished or supplied by the
17 System, and shall adjust such rates and charges from time to time so that:
18

19 (1) Gross Revenues will at all times be sufficient (A) to pay all costs
20 of and charges and expenses in connection with the proper operation and
21 maintenance of the System, (B) to pay the principal of, interest on and any Sinking
22 Fund Requirements for the outstanding Parity Bonds, as and when the same shall
23 become due and payable, (C) to make when due all payments which the City is
24 obligated to make into the Reserve Fund, (D) to make all other payments which the
25 City is obligated to make pursuant to this ordinance or any Parity Bond Ordinance
26 and (E) to pay all taxes, assessments or other governmental charges lawfully



1 imposed on the System or the revenue therefrom or payments in lieu thereof and
2 any and all other amounts which the City may now and hereafter become obligated
3 to pay from Gross Revenues by law or contract; and

4 (2) the Net Revenues in each calendar year will equal at least
5
6 1.25 times the Annual Debt Service for such calendar year.

7 Solely for purposes of calculating the coverage requirement set forth above,
8 there shall be added to Gross Revenues in any calendar year any amount
9 withdrawn from the Rate Stabilization Fund in such calendar year and deposited in
10 the Solid Waste Operating Fund, and there shall be subtracted from Gross
11 Revenues in any calendar year any amount withdrawn from the Solid Waste
12 Operating Fund and deposited in the Rate Stabilization Fund. After all of the 2006
13 Bonds and 2008 Bonds are fully redeemed, refunded or defeased, credits to or from
14 the Rate Stabilization Fund that occur within 90 days after the end of a Fiscal Year
15 may be treated as occurring within such Fiscal Year.
16

17
18 The calculation of the coverage requirement set forth above, and in
19 Section 15, and the City's compliance therewith, may be made solely with reference
20 to this ordinance without regard to future changes in generally accepted accounting
21 principles. If the City has changed one or more of the accounting principles used in
22 the preparation of its financial statements, because of a change in generally
23 accepted accounting principles or otherwise, then an event of default relating to this
24 coverage requirement shall not be considered an event of default if the coverage
25 requirement ratio would have been complied with had the City continued to use
26



1 those accounting principles employed at the date of the most recent audited
2 financial statements prior to the date of this ordinance.

3 (b) Maintenance and Operations Standards. The City will at all times keep
4 and maintain the System in good repair, working order and condition and will at all
5 times operate the System and the business in connection therewith in an efficient
6 manner and at a reasonable cost.

8 (c) Sale or Disposition of System. The City will not sell or otherwise dispose
9 of the System in its entirety unless simultaneously with such sale or disposition
10 provision is made for payment into the Bond Fund of cash or Government
11 Obligations sufficient to pay the principal of and interest on all then outstanding
12 Parity Bonds in accordance with the terms thereof. The City will not sell or
13 otherwise dispose of any part of the useful operating properties of the System in
14 excess of 5 percent of the book value of the System (original acquisition cost of the
15 System less accumulated depreciation) unless (1) there has been filed with the City
16 Clerk a certificate of an Engineer stating that such disposition will not impair the
17 ability of the City to comply with the rate covenants previously set forth under this
18 section or (2) the proceeds from such disposition are used to acquire new useful
19 operating properties of the System or to retire System debt. No sale, lease,
20 mortgage or other disposal of any part of the System valued in excess of 10 percent
21 of the book value of the System shall be made if, in the opinion of an Engineer,
22 taking into consideration the use of such proceeds to acquire new property or retire
23 debt and based on financial statements of the System for the most recent Fiscal
24 Year available, such sale, mortgage, lease or other disposal would prevent the City



1 from meeting the requirements hereunder and with respect to any other obligations
2 of the System.

3 (d) No Free Service. The City will not furnish any service of the System free
4 of charge in an aggregate amount per year exceeding 1/10 of 1 percent of annual
5 Gross Revenues.
6

7 (e) Books and Accounts – Operating Statement. The City will keep and
8 maintain proper books and accounts with respect to the operations, income and
9 expenditures of the System that are in accordance with proper and legal accounting
10 procedures. All expenses incurred in the maintenance of such books and accounts
11 and the preparation of such statement may be regarded and paid as an expense of
12 operation of the System.
13

14 (f) Tax Covenants. The City will take all actions necessary to assure the
15 exclusion of interest on the Bonds from the gross income of the owners of the
16 Bonds to the same extent as such interest is permitted to be excluded from gross
17 income under the Code as in effect on the date of issuance of the Bonds, including
18 but not limited to the following:
19

20 (1) Private Activity Bond Limitation. The City will assure that the
21 proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private
22 business tests of Section 141(b) of the Code or the private loan financing test of
23 Section 141(c) of the Code.
24

25 (2) Limitations on Disposition of Project. The City will not sell or
26 otherwise transfer or dispose of (i) any personal property components of the
projects refinanced with proceeds of the Bonds (the “Projects”) other than in the



1 ordinary course of an established government program under Treasury Regulation
2 1.141-2(d)(4) or (ii) any real property components of the Projects, unless it has
3 received an opinion of Bond Counsel to the effect that such disposition will not
4 adversely affect the treatment of interest on the Bonds as excludable from gross
5 income for federal income tax purposes.
6

7 (3) Federal Guarantee Prohibition. The City will not take any action
8 or permit or suffer any action to be taken if the result of such action would be to
9 cause any of the Bonds to be “federally guaranteed” within the meaning of
10 Section 149(b) of the Code.
11

12 (4) Rebate Requirement. The City will take any and all actions
13 necessary to assure compliance with Section 148(f) of the Code, relating to the
14 rebate of excess investment earnings, if any, to the federal government, to the
15 extent that such section is applicable to the Bonds.
16

17 (5) No Arbitrage. The City will not take, or permit or suffer to be taken
18 by the Escrow Agent or otherwise, any action with respect to the proceeds of the
19 Bonds which, if such action had been reasonably expected to have been taken, or
20 had been deliberately and intentionally taken, on the date of issuance of the Bonds
21 would have caused the Bonds to be “arbitrage bonds” within the meaning of
22 Section 148 of the Code.
23

24 (6) Registration Covenant. The City will maintain a system for
25 recording the ownership of each Bond that complies with the provisions of
26 Section 149 of the Code until all Bonds have been surrendered and canceled.



1 (7) Record Retention. The City will retain its records of all accounting
2 and monitoring it carries out with respect to the Bonds for at least three years after
3 the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are
4 redeemed and refunded, the City will retain its records of accounting and monitoring
5 at least three years after the earlier of the maturity or redemption of the obligations
6 that refunded the Bonds.
7

8 (8) Compliance with Federal Tax Certificate. The City will comply
9 with the provisions of the Federal Tax Certificate with respect to the Bonds, which
10 are incorporated herein as if fully set forth herein. The covenants of this Section will
11 survive payment in full or defeasance of the Bonds.
12

13 (g) Junior Lien Bonds. In the event the City issues revenue bonds or other
14 revenue obligations having a lien upon the Gross Revenues junior and inferior to
15 the lien on the Parity Bonds ("Junior Lien Bonds"), the City covenants that a default
16 on such Junior Lien Bonds will not constitute a default on the Parity Bonds and that
17 the City will not permit, to the extent legally practicable, an acceleration of such
18 Junior Lien Bonds in the event of a default on such bonds.
19

20 Section 14. Parity Derivative Products. For purposes of this Section 14, the
21 following words shall have the following definitions:
22

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



1 (b) "Parity Payment Agreement" means a Payment Agreement under which
2 the City's payment obligations are expressly stated to be secured by a pledge of
3 and lien on Net Revenues on an equal and ratable basis with the Net Revenues
4 required to be paid into the Bond Fund to pay and secure the payment of the
5 principal of and interest on Parity Bonds.
6

7 (c) "Payment Agreement" means a written agreement for the purpose of
8 managing or reducing the City's exposure to fluctuations or levels of interest rates,
9 currencies or commodities or for other interest rate, investment, asset or liability
10 management purposes, entered into on either a current or forward basis by the City
11 and a Qualified Counterparty, all as authorized by any applicable laws of the State.
12 Such agreement may or may not be characterized by a structure of reciprocity of
13 payment.
14

15 (d) "Payment Date" means any date specified in the Payment Agreement on
16 which a City Payment or Receipt is due and payable under the Payment
17 Agreement.
18

19 (e) "Receipt" means any payment (designated as such by an ordinance or
20 resolution) to be made to, or for the benefit of, the City under a Payment Agreement
21 by the Payor.
22

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

25 (g) "Qualified Counterparty" means a party (other than the City or a party
26 related to the City) who is the other party to a Payment Agreement that has or
whose obligations are unconditionally guaranteed by a party that has at least an



1 investment grade rating from a rating agency (who, if the City's Parity Bonds are
2 rated by Moody's, must have a rating of at least "A") and who is otherwise qualified
3 to act as the other party to a Payment Agreement under any applicable laws of the
4 State.

5
6 A Payment made under a Payment Agreement may be on a parity with the
7 Bonds if the Payment Agreement satisfies the requirements for Future Parity Bonds
8 described in Section 15, taking into consideration regularly scheduled Payments
9 and Receipts (if any) under the Payment Agreement. The following shall be
10 conditions precedent to the use of any Payment Agreement on a parity with the
11 Bonds:
12

13 (1) The City shall obtain an opinion of Bond Counsel on the due
14 authorization and execution of such Payment Agreement, the validity and
15 enforceability thereof and opining that the action proposed to be taken is authorized
16 or permitted by this ordinance or the applicable provisions of any supplemental
17 ordinance and will not adversely affect the excludability for federal income tax
18 purposes of the interest on any outstanding Parity Bonds.
19

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

22 (A) set forth the manner in which the Payments and Receipts
23 are to be calculated and a schedule of Payment Dates;
24

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



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

4 The Payment Agreement may oblige the City to pay, on one or more
5 scheduled and specified Payment Dates, the Payments in exchange for the Payor's
6 obligation to pay or to cause to be paid to the City, on scheduled and specified
7 Payment Dates, the Receipts. The City may also enter into Payment Agreements
8 that are not reciprocated by the other party to the agreement.
9

10 If the City enters into a Parity Payment Agreement, Payments shall be made
11 from the Debt Service Account in the Bond Fund and Annual Debt Service shall
12 include any regularly scheduled City Payments adjusted by any regularly scheduled
13 Receipts during a Fiscal Year. Receipts shall be paid directly into the Bond Fund.
14 Obligations to make unscheduled payments, such as termination payments, may
15 not be entered into on a parity with the Parity Bonds.
16

17 Nothing in this section shall preclude the City from entering into Payment
18 Agreements with a claim on Net Revenues junior to that of the Bonds.
19

20 Furthermore, nothing in this section shall preclude the City from entering into
21 obligations on a parity with the Bonds in connection with the use of Payment
22 Agreements or similar instruments if the City obtains an opinion of Bond Counsel
23 that the obligations of the City thereunder are consistent with this ordinance.
24

25 Section 15. Future Parity Bonds. The City reserves the right to issue Future
26 Parity Bonds for the purposes of (a) providing funds to acquire, construct,
reconstruct, install, or replace any equipment, facilities, additions, or other capital



1 improvements to the System for which it is authorized by law to issue revenue
2 bonds; (b) any lawful purpose of the System, including the payment of a judgment
3 or settlement of a claim; or (c) refunding at or prior to their maturity, any revenue
4 bond anticipation notes or outstanding revenue bonds or other obligations payable
5 out of Gross Revenues. The City may pledge that payments will be made out of
6 money in the Solid Waste Operating Fund into the Bond Fund and the funds and
7 accounts therein to pay and secure the payment of the principal of and interest on
8 such Future Parity Bonds on a parity with the payments required herein to be made
9 out of such money into such fund and accounts to pay and secure the payment of
10 the principal of and interest on any Parity Bonds then outstanding, upon compliance
11 with the following conditions:
12

13
14 (a) At the time of the issuance of any Future Parity Bonds there is no
15 deficiency in the Bond Fund.

16
17 (b) The principal of and interest on any Future Parity Bonds shall be payable
18 out of the Bond Fund and the requirements for Sinking Fund Requirements and
19 Reserve Fund payments (with respect to Covered Bonds) in Section 10 shall be
20 met.

21
22 (c) Prior to the delivery of any Future Parity Bonds, the City shall have on
23 file in the office of the City Clerk either:

24 (1) A certificate of the Finance Director of the City stating that Net
25 Revenues in any 12 consecutive months out of the most recent 24 months
26 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



1 Annual Debt Service for any year on all outstanding Parity Bonds and the bonds
2 proposed to be issued, provided that in the event that any adjustment in the rates,
3 fees and charges collected by the City for the services of the System shall have
4 been adopted by the City Council at any time on or prior to the date of delivery of
5 the bonds then proposed to be issued, the Finance Director shall reflect in his or
6 her certificate the Net Revenues he or she estimates would have been collected in
7 such 12-month period if such new rates, fees and charges had been in effect for the
8 entire 12-month period, or
9

10 (2) A certificate of an Engineer or a Certified Public Accountant
11 showing that the "Adjusted Net Revenues" (as determined as provided below) for
12 each calendar year during the life of the bonds proposed to be issued will equal not
13 less than 1.25 times Maximum Annual Debt Service for any year on all outstanding
14 Parity Bonds and the bonds proposed to be issued.
15

16 The Adjusted Net Revenues shall be the Net Revenues for a period of any
17 12 consecutive months out of the 24 months immediately preceding the date of
18 delivery of such proposed Future Parity Bonds as adjusted by such Engineer or
19 Certified Public Accountant to take into consideration changes in Net Revenues
20 estimated to occur under the following conditions for each year after such delivery
21 for so long as any Parity Bonds, including the Future Parity Bonds proposed to be
22 issued, shall be outstanding:
23
24

25 (i) the additional Net Revenues which would have been
26 received if any change in rates and charges adopted prior to the date of such



1 certificate and subsequent to the beginning of such 24 month period, had been in
2 force during the full 24 month period;

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

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

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

21 (d) Refunding Bonds. Notwithstanding the foregoing requirement, if Future
22 Parity Bonds are to be issued for the purpose of refunding at or prior to their
23 maturity any part or all of the then outstanding Parity Bonds and the issuance of
24 such refunding Future Parity Bonds will result in a debt service savings and does
25 not require an increase of more than \$5,000 in any fiscal or calendar year for
26 principal of and interest on such refunding Future Parity Bonds over and above the



1 amount required in such year for the principal of and interest on the bonds being
2 refunded thereby, it is not necessary to obtain a certificate of the Finance Director
3 or an Engineer or Certified Public Accountant prior to issuing such bonds.

4 (e) Junior Lien Bonds. Subject to Section 13(g) of this ordinance, nothing
5 herein contained shall prevent the City from issuing revenue bonds or other
6 obligations which are a charge upon Gross Revenues junior or inferior to the
7 payments required by this ordinance to be made out of such Revenue into the Bond
8 Fund and accounts therein to pay and secure the payment of any outstanding
9 Parity Bonds.
10

11 (f) Nothing herein contained shall prevent the City from issuing revenue
12 bonds to refund maturing Parity Bonds for the payment of which money is not
13 otherwise available.
14

15 (g) In the event that the City elects additionally to secure any issue of
16 Variable Interest Rate Bonds through the use of a letter of credit, insurance or other
17 equivalent credit enhancement, the City may contract with the entity providing such
18 letter of credit, insurance or other equivalent credit enhancement that the City's
19 reimbursement obligation, if any, to such entity ranks on a parity of lien with the
20 Parity Bonds; provided, that the payments due under such reimbursement
21 agreement are such that if such reimbursement obligation were a series of Future
22 Parity Bonds, such Future Parity Bonds could be issued in compliance with the
23 provisions of this Section 15.
24
25
26



1 Section 16. Sale of Bonds.

2 (a) Bond Sale. The Bonds shall be sold by negotiated sale to the
3 Underwriter selected by the Designated Representative pursuant to the terms of
4 this ordinance and the Bond Purchase Contract. The Designated Representative is
5 hereby authorized to select the Underwriter that submits the proposal that is in the
6 best interest of the City.
7

8 The Council has determined that it would be in the best interest of the City to
9 delegate to the Designated Representative for a limited time the authority to select
10 the Underwriter, approve the selection of Refunded Bonds (if any), and approve the
11 final interest rates, maturity dates, aggregate principal amounts, principal amounts
12 of each maturity, and redemption rights for each series of Bonds.
13

14 Subject to the terms and conditions set forth in this Section 16, the
15 Designated Representative is hereby authorized to enter into the Bond Purchase
16 Contract with the Underwriter to issue and sell the Bonds upon his or her approval
17 of the final interest rates, maturity dates, aggregate principal amounts, principal
18 maturities, and redemption rights set forth therein for each series of Bonds in
19 accordance with the authority granted by this section so long as:
20

21 (1) the aggregate principal amount of the Bonds does not exceed
22 \$55,000,000,
23

24 (2) the final maturity date for the 2016A Bonds is no later than
25 December 1, 2036,
26

 (3) the final maturity date for the 2016B Bonds is no later than
December 1, 2036;



1 (4) the Bonds are sold (in the aggregate) at a price not less than
2 97 percent and not greater than 130 percent,

3 (5) the true interest cost for the Bonds (in the aggregate) does not
4 exceed 5 percent, and

5 (6) the Bonds conform to all other terms of this ordinance.
6

7 Subject to the terms and conditions set forth in this section, the Designated
8 Representative is hereby authorized to execute one or more Bond Purchase
9 Contracts to be dated the date of sale of a series of Bonds. The signature of one
10 Designated Representative shall be sufficient to bind the City.
11

12 Following the execution of the Bond Purchase Contract, the Designated
13 Representative shall provide a report to the City Council describing the final terms
14 of the Bonds approved pursuant to the authority delegated in this section. The
15 authority granted to the Designated Representative by this Section 16 shall expire
16 120 days after the effective date of this ordinance. If a Bond Purchase Contract for
17 the Bonds has not been executed within 120 days after the effective date of this
18 ordinance, the authorization for the issuance of the Bonds shall be rescinded and
19 the Bonds shall not be issued nor their sale approved unless such Bonds shall have
20 been reauthorized by ordinance of the City Council. The ordinance reauthorizing
21 the issuance and sale of such Bonds may be in the form of a new ordinance
22 repealing this ordinance in whole or in part or may be in the form of an amendatory
23 ordinance approving a bond purchase contract or establishing terms and conditions
24 for the authority delegated under this Section 16.
25
26



1 (b) Delivery of Bonds; Documentation. Upon the passage and approval of
2 this ordinance, the proper officials of the City, including the Finance Director,
3 Treasurer, and City Manager, are authorized and directed to undertake all action
4 necessary for the prompt execution and delivery of the Bonds to the Underwriter
5 and further to execute all closing certificates and documents required to effect the
6 closing and delivery of the Bonds in accordance with the terms of this ordinance
7 and the Bond Purchase Contract.

9 Section 17. Approval of Official Statement. The Finance Director is hereby
10 authorized to approve and to deem final the preliminary Official Statement relating
11 to the Bonds for the purposes of the Rule. The Finance Director is further
12 authorized to approve for purposes of the Rule, on behalf of the City, the final
13 Official Statement relating to the issuance and sale of the Bonds and the
14 distribution of the final Official Statement pursuant thereto with such changes, if
15 any, as may be deemed by him or her to be appropriate.

17 Section 18. Defaults and Remedies. The following constitute "Events of
18 Default" under this ordinance:
19

20 (a) If default shall be made in the due and punctual payment of the principal
21 of and premium, if any, on any of the Parity Bonds when the same shall become
22 due and payable, either at maturity or by mandatory redemption;
23

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

26 (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



1 this ordinance or any covenants, conditions or agreements on the part of the City
2 contained in any other Parity Bond Ordinance and such default or defaults shall
3 have continued for a period of 90 days after the City shall have received from the
4 owners of not less than 20 percent in principal amount of the Parity Bonds
5 outstanding a written notice specifying and demanding the cure of such default.
6

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

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

15 (2) Promptly imposes rates at least as high as those recommended
16 by such Engineer.
17

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

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



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

5
6 No owner of any one or more of the Parity Bonds shall have any right to
7 institute any action, suit or proceeding at law or in equity for the enforcement of
8 same unless an Event of Default shall have happened and be continuing, and
9 unless no bondowners' trustee has been appointed. In the event no bondowners'
10 trustee has been appointed, or with the consent of the bondowners' trustee if such
11 bondowners' trustee has been appointed, a bondowner may exercise any remedy
12 given the bondowner's trustee.

13
14 Section 19. Supplemental Ordinances.

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

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

24
25 (2) To make such provisions for the purpose of curing any
26 ambiguities or of curing, correcting or supplementing any defective provision
contained in this ordinance or any ordinance authorizing future Parity Bonds in



1 regard to matters or questions arising under such ordinances as the Council may
2 deem necessary or desirable and not inconsistent with such ordinances and which
3 shall not adversely affect the interest of the owners of Parity Bonds.

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

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

13 (1) Extend the fixed maturity of any Parity Bonds, or reduce the rate
14 of interest thereon, or extend the time of payment of interest from their due date, or
15 reduce the amount of the principal thereof, or reduce any premium payable on the
16 redemption thereof, without the consent of the registered owner of each bond so
17 affected; or

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

21 It shall not be necessary for the consent of registered owners under this
22 subsection (b) to approve the particular form of any proposed supplemental
23
24
25
26



1 ordinance, but it shall be sufficient if such consent shall approve the substance
2 thereof.

3 Section 20. Bond Insurance. The Designated Representative is hereby
4 further authorized to solicit proposals from municipal bond insurance companies for
5 the issuance of a bond insurance policy. In the event that the Designated
6 Representative receives multiple proposals in response to a solicitation, the
7 Designated Representative may select the proposal having the lowest cost and
8 resulting in an overall lower interest cost with respect to the Bonds to be insured.
9 The Designated Representative may execute a commitment received from the
10 insurer selected by the Designated Representative. The Council further authorizes
11 all proper officers, agents, attorneys and employees of the City to cooperate with
12 the insurer in preparing such additional agreements, certificates, and other
13 documentation on behalf of the City as shall be necessary or advisable in providing
14 for the bond insurance policy.
15

16
17
18 Section 21. Ongoing Disclosure.

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

22 (b) Financial Statements/Operating Data. The City agrees to provide or
23 cause to be provided to the MSRB the following annual financial information and
24 operating data for the prior fiscal year (commencing in 2016 for the fiscal year
25 ended December 31, 2015):
26



1 (1) Annual financial statements, which statements may or may not be
2 audited, showing ending fund balances for the System prepared in accordance with
3 Generally Accepted Accounting Principles prescribed by the Washington State
4 Auditor pursuant to RCW 43.09.200 (or any successor statute);

5 (2) Principal amount of outstanding Parity Bonds;

6 (3) Debt service coverage for outstanding Parity Bonds;

7 (4) Total number of residential and commercial customers;

8 (5) Aggregate percent of total revenue received from the System's
9 ten largest customers;

10 (6) Tonnage and percentage for each disposal method;

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

13 (8) Gross Revenues by service.

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

16 The information and data described above shall be provided on or before the
17 last day of the ninth month after the end of the City's fiscal year. The City's current
18 fiscal year ends December 31. The City may adjust such fiscal year by providing
19 written notice of the change of fiscal year to the MSRB. In lieu of providing such
20 annual financial information and operating data, the City may cross-reference to
21 other documents available to the public on the MSRB's internet website or filed with
22 the Commission.



1 If not provided as part of the annual financial information discussed above,
2 the City shall provide the City's audited annual financial statement prepared in
3 accordance with Generally Accepted Accounting Principles prescribed by the
4 Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute)
5 when and if available to the MSRB.
6

7 (c) Listed Events. The City agrees to provide or cause to be provided to the
8 MSRB, in a timely manner not in excess of 10 business days after the occurrence
9 of the event, notice of the occurrence of any of the following events with respect to
10 the Bonds:
11

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



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

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

5 (d) Format for Filings with the MSRB. All notices, financial information and
6 operating data required by this undertaking to be provided to the MSRB must be in
7 an electronic format as prescribed by the MSRB. All documents provided to the
8 MSRB pursuant to this undertaking must be accompanied by identifying information
9 as prescribed by the MSRB.
10

11 (e) Notification Upon Failure to Provide Financial Data. The City agrees to
12 provide or cause to be provided, in a timely manner, to the MSRB notice of its
13 failure to provide the annual financial information described in subsection (b) above
14 on or prior to the date set forth in subsection (b) above.
15

16 (f) Termination/Modification. The City's obligations to provide annual
17 financial information and notices of certain listed events shall terminate upon the
18 legal defeasance, prior redemption or payment in full of all of the Bonds. Any
19 provision of this section shall be null and void if the City (i) obtains an opinion of
20 Bond Counsel to the effect that the portion of the Rule that requires that provision is
21 invalid, has been repealed retroactively or otherwise does not apply to the Bonds
22 and (ii) notifies the MSRB of such opinion and the cancellation of this section.
23
24

25 The City may amend this section with an opinion of Bond Counsel in
26 accordance with the Rule. In the event of any amendment of this section, the City
shall describe such amendment in the next annual report, and shall include a



1 narrative explanation of the reason for the amendment and its impact on the type
2 (or in the case of a change of accounting principles, on the presentation) of financial
3 information or operating data being presented by the City. In addition, if the
4 amendment relates to the accounting principles to be followed in preparing financial
5 statements, (A) notice of such change shall be given in the same manner as for a
6 listed event under subsection (c), and (B) the annual report for the year in which the
7 change is made shall present a comparison (in narrative form and also, if feasible,
8 in quantitative form) between the financial statements as prepared on the basis of
9 the new accounting principles and those prepared on the basis of the former
10 accounting principles.
11
12

13 (g) Bond Owner's Remedies Under this Section. The right of any
14 bondowner or beneficial owner of Bonds to enforce the provisions of this section
15 shall be limited to a right to obtain specific enforcement of the City's obligations
16 under this section, and any failure by the City to comply with the provisions of this
17 undertaking shall not be an Event of Default with respect to the Bonds.
18

19 Section 22. Lost or Destroyed Bonds. In case any Bonds shall be lost,
20 stolen or destroyed, the Bond Registrar may authenticate and deliver a new
21 Bond(s) of like series, amount, date, tenor, and effect to the owner thereof upon the
22 owner paying the expenses and charges of the City in connection therewith and
23 upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that
24 such Bond(s) were actually lost, stolen or destroyed and of ownership thereof, and
25 upon furnishing the City with indemnity satisfactory to both.
26



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

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

12 Passed: _____

14
15 _____
Mayor

16 Attest:

17
18 _____
City Clerk

19 Approved as to form and legality:

20 Pacifica Law Group LLP
21 Bond Counsel to the City of Tacoma

22
23 By _____



EXHIBIT "A"

UNITED STATES OF AMERICA

No. _____ \$ _____

STATE OF WASHINGTON
CITY OF TACOMA
SOLID WASTE REVENUE REFUNDING BOND, 2016[A/B]

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 _____, 2016, 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 April 26, 2016 (the "Bond Ordinance") to provide the funds necessary to defease and refund certain outstanding solid waste revenue bonds of the City and to pay costs of issuance of the bonds. Capitalized terms used in this bond and not otherwise defined shall have the meanings given them in the Bond Ordinance. Simultaneously with the issuance of this bond, the City is also issuing its Solid Waste Revenue Refunding Bonds, 2016[A/B] pursuant to the Bond Ordinance to provide the funds necessary to defease and/or refund certain outstanding solid waste revenue bonds of the City and to pay costs of issuance for such bonds.

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



1 The bonds of this issue are payable solely from the special fund of the City
2 known as the "Solid Waste Bond Fund" (the "Bond Fund"). The City has irrevocably
3 obligated and bound itself to pay into the Bond Fund out of Gross Revenues or from
4 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.

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

8 To the extent more particularly provided by the Bond Ordinance, the
9 amounts so pledged to be paid from the Solid Waste Operating Fund out of Gross
10 Revenues into the Bond Fund shall be a lien and charge thereon equal in rank to
11 the lien and charge upon such Revenue of the amounts required to pay and secure
12 the payment of the Outstanding Parity Bonds and any revenue bonds hereafter
13 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.

14 The bonds of this issue are not "private activity bonds" as such term is
15 defined in the Internal Revenue Code of 1986, as amended (the "Code"). The City
16 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.

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

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

24 This bond shall not be valid or become obligatory for any purpose or be
25 entitled to any security or benefit under the Bond Ordinance until the Certificate of
26 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 _____, 2016.

8 [SEAL]

9 CITY OF TACOMA, WASHINGTON

10 By /s/ manual or facsimile
11 Mayor

12 ATTEST:

13 /s/ manual or facsimile

14 City Clerk

15 The Bond Registrar's Certificate of Authentication on the Bonds shall be in
16 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 Refunding Bonds, 2016[A/B] of the City of
20 Tacoma, Washington, dated _____, 2016.

21 WASHINGTON STATE FISCAL AGENT, as Bond
22 Registrar

23 By _____
24
25
26



EXHIBIT "B"

FORM OF NOTICE OF SEPARATE RESERVE FUND*

CITY OF TACOMA, WASHINGTON
SOLID WASTE REVENUE REFUNDING BONDS, 2016A
(date of issuance _____, 2016)
SOLID WASTE REVENUE REFUNDING BONDS, 2016B
(date of issuance _____, 2016)

CUSIP No.: _____

NOTICE IS HEREBY GIVEN that the City of Tacoma, Washington (the "City"), pursuant to Section 10(b) of Ordinance No. ____ adopted by the City Council on April 26, 2016 (the "Bond Ordinance"), has established a separate reserve fund ("Reserve Fund") and a new reserve fund requirement (the "Reserve Fund Requirement") for the above-referenced bonds (the "Bonds"). As of _____, 20__, the Bonds shall no longer be considered "Covered Bonds" as defined in the Bond Ordinance, and principal of and interest on the Bonds shall be secured by the separate Reserve Fund.

The Reserve Fund Requirement for the Bonds as of _____, 20__ shall be _____.

[details of separate Reserve Fund to be added, if needed]

This notice is being given to provide interested parties information regarding the source of security and payment for the Bonds. No further notice or updates will be provided unless the City determines to revise the Reserve Fund Requirement at a later date.

Dated: _____, 20__.

Finance Director, City of Tacoma

Treasurer, City of Tacoma

Environmental Services Director, City of Tacoma

* The City shall provide notice of any such separate Reserve Fund and corresponding Reserve Fund Requirement for the Bonds in the same manner as a listed event notice that would be required upon the occurrence of a material "release, substitution, or sale of property securing repayment of the Bonds" in accordance with Section 21(c) of the Bond Ordinance.



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 26th day of April, 2016, and duly recorded in my
8 office.
9

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

19 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
20 official seal of the City as of this 26th day of April, 2016.
21
22

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