The Tacoma City Council, at its regular City Council meeting of February 22, 2022, adopted the following resolutions and/or ordinances. The summary of the contents of said resolutions and/or ordinances are shown below. To view the full text of the document, click on the bookmark at the left of the page.

**Resolution No. 40918**
A resolution appointing individuals to the Landmarks Preservation Commission.
[Doris Sorum, City Clerk; Bill Fosbre, City Attorney]

**Ordinance No. 28804**
An ordinance providing for the issuance and sale of one or more series of Sewer Revenue Bonds, in the aggregate principal amount not to exceed $105,000,000, to finance and/or reimburse the City for costs associated with the construction, improvement, and equipping of the City’s municipal sewer system, and to pay costs of issuing the bonds; providing the form and terms of the bonds; and delegating the authority to approve the method sale and the final terms of the bonds.
[Andy Cherullo, Director, Finance]

**Ordinance No. 28805**
An ordinance providing for the issuance and sale of one or more series of Solid Waste Revenue Bonds, in the aggregate principal amount not to exceed $16,000,000, to finance and/or reimburse the City for costs associated with the construction, improvement, and equipping of the City’s municipal solid waste system, and to pay costs of issuing the bonds; providing the form and terms of the bonds; and delegating the authority to approve the method sale and the final terms of the bonds.
[Andy Cherullo, Director, Finance]
RESOLUTION NO. 40918

BY REQUEST OF DEPUTY MAYOR USHKA, AND COUNCIL MEMBERS HINES AND WALKER

A RESOLUTION relating to committees, boards, and commissions; appointing individuals to the Landmarks Preservation Commission.

WHEREAS vacancies exist on the Landmarks Preservation Commission, and

WHEREAS, at its meeting of February 10, 2021, the Infrastructure, Planning, and Sustainability Committee ("Committee") conducted interviews and recommended Jennifer Sullivan to a short list for appointment to the next available position; a vacancy has occurred, and therefore Jennifer Sullivan is being recommended to said commission, and

WHEREAS, at its meeting of February 9, 2022, the Committee conducted interviews and recommended George Zeno for appointment to said commission, and

WHEREAS, pursuant to City Charter Section 2.4, the persons named on Exhibit "A" have been nominated to serve on the Landmarks Preservation Commission; Now, Therefore,
BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That those nominees to the Landmarks Preservation Commission, listed on Exhibit “A,” are hereby confirmed and appointed as members of such commission for such terms as are set forth on the attached Exhibit “A.”

Adopted __________________________

______________________________
Mayor

Attest:

______________________________
City Clerk

Approved as to form:

______________________________
City Attorney
EXHIBIT “A”

LANDMARKS PRESERVATION COMMISSION

Appointing Jennifer Sullivan to the “At-Large No. 2” position to fill an unexpired term to expire December 31, 2024.

Appointing George Zeno to the “At-Large No. 3” position to fill an unexpired term to expire December 31, 2024.
AN ORDINANCE of the City of Tacoma, Washington, providing for the issuance and sale of one or more series of sewer revenue bonds of the City in the aggregate principal amount of not to exceed $105,000,000 to finance and/or reimburse the City for costs associated with the construction, improvement and equipping of the City’s municipal sewer system and to pay costs of issuing the bonds; providing the form and terms of the bonds; and delegating the authority to approve the method sale and the final terms of the bonds.

WHEREAS the City of Tacoma, Washington (the “City”), now owns, operates, and maintains a municipal sewer system, comprising Wastewater Management and Stormwater Management (the “System”), and

WHEREAS the City has issued and has outstanding certain sewer revenue bonds and obligations of the System (as further described herein, the “Outstanding Parity Bonds”), and

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

WHEREAS the City Council (the “Council”) desires to determine that it is in the public interest to issue one or more series of sewer revenue bonds in the aggregate principal amount of not to exceed $105,000,000 (the “Bonds”) to finance and/or reimburse the City for costs associated with the construction, improvement and equipping of the System and to pay costs of issuing the Bonds, and
WHEREAS the Council wishes to delegate authority to the City Finance Director, Treasurer, and Assistant Finance Director/Controller, or their designees (each, a “Designated Representative”) for a limited time, to approve the method of sale and the interest rates, maturity dates, redemption terms, principal maturities and other terms for each series of Bonds within the parameters set by this ordinance, and

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

Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. Definitions and Interpretation of Terms.

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

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

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

“Adjusted Annual Debt Service” means Annual Debt Service minus (a) an amount equal to ULID Assessments due in that year and not delinquent and (b) any Capitalized Interest to be paid with respect to Parity Bonds.

“Adjusted Net Revenues” has the meaning set forth in Section 17 of this ordinance.

“Annual Debt Service” means the amount required to be paid in a calendar year for (a) interest due in such calendar year on all Parity Bonds, (b) principal of all Serial Bonds due in such calendar year, and (c) any Sinking Fund Requirement for such calendar year.

In the case of Variable Interest Rate Bonds, for the purpose of calculating Annual Debt Service, the interest rate thereon shall be equal to the higher of (i) the average of the SIFMA Municipal Swap Index over the 60-month period immediately preceding the date of computation, or (ii) the average of the SIFMA Municipal Swap Index over the 12-month period immediately preceding the date of computation, in each case as determined within ten days prior to the date of computation; provided,
that if on such date of calculation the interest rate on any Variable Interest Rate
Bonds shall then be fixed for a specified period, including pursuant to a Payment
Agreement, the interest rate used for such specified period shall be such fixed
interest rate.

For purposes of computing Annual Debt Service on any Parity Bonds which
constitute Balloon Indebtedness, it shall be assumed that the principal of such
Balloon Indebtedness, together with interest thereon at the rate applicable to such
Balloon Indebtedness, shall be amortized in equal annual installments over a term
equal to the lesser of (a) 25 years or (b) the remaining term to final maturity of the
Balloon Indebtedness beginning with the first Fiscal Year following the date of
calculation.

For purposes of satisfying the coverage test pursuant to Section 15 or the
requirements for the issuance of Future Parity Bonds pursuant to Section 17,
Annual Debt Service for any Fiscal Year or calendar year shall exclude any Debt
Service Offsets received or expected to be received in such Fiscal Year or calendar
year.

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

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

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

“Bond Obligation” means, as of any given date of calculation, the sum of (a) the aggregate principal amount of all outstanding Current Interest Bonds and (b) the aggregate Accreted Value of all outstanding Capital Appreciation Bonds calculated as of the date of calculation if that date is a Payment Date or as of the next preceding Payment Date if the date of calculation is not a Payment Date.

“Bond Purchase Contract” means one or more contracts, if any, for the purchase of any Bonds of a series sold by negotiated sale to the initial purchaser, executed pursuant to Section 19.

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

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

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

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

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

“Capitalized Interest” means proceeds (not including accrued interest) of
Parity Bonds used to pay interest on such Parity Bonds.

“Certificate of Award” means one or more certificates, if any, for the
purchase of any Bonds of a series sold by competitive sale awarding such Bonds to
the bidder as set forth in Section 19 of this ordinance.

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

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

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

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

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

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Tax-Exempt Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Tax-Exempt Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Commission” means the Securities and Exchange Commission.

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

“Costs of Maintenance and Operation” means all necessary operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs, insurance premiums and administrative expenses and reasonable pro rata charges for services provided to the System by City departments, but excludes (a) payments for debt service or into debt service reserve accounts or funds, (b) costs of capital additions to or replacements of the System, (c) money necessary to pay extraordinary legal claims and judgments against the System or amortized payments to the City’s self-insurance fund with respect to extraordinary claims and judgments, (d) depreciation, (e) City taxes (or payments to the City in
(f) any Rebate Amount.

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

“Covered Bonds” mean:

(a) the 2015 Bonds, and

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

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

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

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

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

“Engineer” means an independent licensed professional engineer (or firm of licensed professional engineers) selected by the City and experienced and skilled in the design, construction, and operation of sewer systems of comparable size and character to the System.
“Fair Market Value” means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm’s length transaction, except for specified investments as described in Treasury Regulation §1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

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

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

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

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

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

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

“Gross Revenues” mean (a) all revenues received for the use of the System, (b) revenues received from the sale of by-products from a treatment facility of the System or from any other source for rental, use or services rendered by the System, (c) ULID Assessments, (d) the proceeds received by the City from the sale or other disposition of any of the properties of the System, (e) investment income earned on money held in any fund or account of the City in connection with the ownership and operation of the System, including any bond redemption funds, and (f) federal or state reimbursement of operating expenses to the extent that such expenses are included as Costs of Maintenance and Operation, but excluding (i) insurance proceeds, (ii) investment income irrevocably pledged to the payment of any specific sewer revenue bonds of the City refunded or defeased pursuant to a plan of refunding heretofore or hereafter adopted by the City, (iii) investment income earned on money in any rebate fund, and (iv) grants, gifts or donations.

Amounts withdrawn from the Rate Stabilization Fund and deposited into the Sewer Utility Fund shall increase Gross Revenues for the period in which they are withdrawn, and amounts deposited in the Rate Stabilization Fund shall reduce Gross Revenues for the period during which they are deposited.
“Interest Account” means the Interest Account in the Bond Fund created by Ordinance No. 25562.

“Letter of Representations” means the Blanket Issuer Letter of Representations from the City to DTC.

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

“Maximum Annual Adjusted Debt Service” means Maximum Annual Debt Service minus the amount of ULID Assessments due in that year and not delinquent.

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

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

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

“MSRB” means the Municipal Securities Rulemaking Board or any successor to its functions.
“Net Revenues” mean, for any period, the excess of Gross Revenues over Costs of Maintenance and Operation for such period, excluding from the computation of Gross Revenues (a) ULID Assessments, (b) any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of properties, rights or facilities of the System, or (c) gains or losses resulting from the early extinguishment of debt.

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

“Outstanding Parity Bonds” mean, as of the date of this ordinance, the 2015 Bonds, the 2016A Bonds, the 2018 Bonds, and the 2020 Bond.

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

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

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

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

“Principal Account” means the Principal Account of the Bond Fund created by Ordinance No. 25562.

“Project” has the meaning set forth in Section 3 of this ordinance.
“Project Fund” means the account created pursuant to Section 8 of this ordinance.

“Qualified Insurance” means any non-cancellable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or companies, as of the time of issuance of such policy or surety bond, are rated in one of the two highest rating categories by Moody’s, S&P or Fitch, or any other rating agency then maintaining a rating on the Bonds.

“Qualified Letter of Credit” means any irrevocable letter of credit issued by a financial institution for the account of the City on behalf of the owners of one or more series of Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit is rated in one of the two highest rating categories by Moody’s, S&P or Fitch, or any other rating agency then maintaining a rating on the Bonds.

“Rate Stabilization Fund” means the fund of that name in the Sewer Utility Fund.

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

“Record Date” means the close of business for the Bond Registrar that is 15 days preceding any interest and/or principal payment or redemption date.
“Registered Owner” means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

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

“Reserve Fund Requirement” is the dollar amount to be calculated with respect to all Covered Bonds and separately with respect to other Parity Bonds.

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

(b) With respect to other series of Parity Bonds, the Reserve Fund Requirement shall be equal to the amount, if any, specified in the Parity Bond Ordinance authorizing the issuance of such Parity Bonds or in a certificate or other document referenced in such Parity Bond Ordinance; provided, however, such Reserve Fund Requirement shall not exceed the Maximum Reserve Requirement for such series of Parity Bonds.
“Rule” means the Commission’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

“Sale Document” means the Bond Purchase Contract or Certificate of Award, as applicable, executed by a Designated Representative in connection with the sale of a series of Bonds pursuant to Section 19 of this ordinance.

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

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

“Sewer Utility Fund” means the fund of the City of that name created by Section 13 of Ordinance No. 13989, as amended by Ordinance No. 14015, and reenacted by Section 38 of Ordinance No. 21632.

“Sinking Fund Requirement” means, for any Fiscal Year, the principal amount of Term Bonds required to be purchased, redeemed or paid in such year as established by the ordinance or resolution of the City authorizing the issuance of such Term Bonds.

“State” means the state of Washington.

“System” means the “Tacoma Municipal Sewer System,” comprising Wastewater Management and Stormwater Management, as the same is defined in Section 1 of Ordinance No. 13989, as amended by Ordinance No. 14015, and reenacted in and referred to as the “Municipal Sewer System” in Section 1 of Ordinance No. 21632, as amended by Ordinance No. 21681 and as supplemented by Ordinance No. 21638, by adding thereto the system of storm and stormwater drainage of the City, as the same has heretofore been added to, improved and
extended and as the same will be added to, improved and extended for as long as any of the Parity Bonds are outstanding. Such additions, improvements and extensions shall include the water system of the City should the municipal sewer system ever be combined with such water system.

“Term Bond Retirement Account” means the Term Bond Retirement Account of the Bond Fund created by Ordinance No. 25562.

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

“Taxable Bonds” means any Bonds determined to be issued on a taxable basis pursuant to Section 19.

“Tax-Exempt Bonds” mean any Bonds determined to be issued on a tax-exempt basis under the Code pursuant to Section 19.

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

“2015 Bonds” mean the outstanding City of Tacoma, Washington, Sewer Revenue and Refunding Bonds, 2015 issued pursuant to Ordinance No. 28278.

“2016A Bonds” mean the outstanding City of Tacoma, Washington, Sewer Revenue Refunding Bonds, 2016A, issued pursuant to Ordinance No. 28355.

“2018 Bonds” mean the outstanding City of Tacoma, Washington, Sewer Revenue Bonds, Series 2018 issued pursuant to Ordinance No. 28534.

“2020 Bond” means the City of Tacoma, Washington, Sewer Revenue Bond, Series 2020 (Central Treatment Plant Electrical Distribution System Replacement Project (WIFIA –N19117WA), issued pursuant to Ordinance No. 28960.
“ULID Assessments” mean all assessments (including any interest and penalties) levied in a utility local improvement district for the acquisition or construction of improvements to and extensions of the System if those assessments are pledged to be paid into the Bond Fund. In the case of ULID Assessments payable in installments, ULID Assessments shall be allocated to the years in which they would be received if the unpaid principal balance of each assessment roll were paid over the remaining number of installments with interest thereon at the rate and in the manner provided in the ordinance confirming the assessment roll.

“Underwriter” means any underwriter or group of underwriters, in the case of a negotiated sale, or initial purchaser, in the case of a competitive sale, for a series of Bonds selected pursuant to Section 19.

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

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

Section 2. Findings; Compliance with Parity Conditions.

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

On or prior to the Closing of the Bonds, the City shall satisfy, or cause to be satisfied, the conditions relating to the execution and delivery of Future Parity Bonds (as described in the Outstanding Parity Bond Ordinances), as set forth in the Outstanding Parity Bond Ordinances for the then-outstanding Outstanding Parity Bonds. Upon the satisfaction of such conditions, the Bonds authorized herein shall constitute “Parity Bonds” under (and as defined in) the Outstanding Parity Bond Ordinances and shall have a lien and charge on Net Revenues and ULID Assessments equal in rank with the lien and charge upon the Net Revenues and ULID Assessments to pay and secure the payment of the then-outstanding Outstanding Parity Bonds.

Section 3. Authorization and Description of Bonds.

The City is hereby authorized to issue and sell one or more series of Bonds in the aggregate principal amount of not to exceed $105,000,000 to finance and/or
reimburse the City for costs of capital improvements to the System and to pay costs of issuance of the Bonds. The City specifies, adopts and orders the following capital improvements to the System (together, the “Project”): pipe replacements, main extensions, and holding facility improvements for the stormwater utility; trunk replacements, bio-tower replacements, digester rehabilitation, and sediment tank upgrades at wastewater facilities; and/or other capital upgrades, repairs, replacements, and improvements to the System as identified in the Capital Improvement Plan, as it may be amended from time to time. The specifications for the Project, and the components thereof, as well as the timing, order and manner of completing all or which portions thereof, shall be as determined by the City.

The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, demolition, administrative expenses and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of such Project. Such Project shall be complete with all necessary equipment, extensions and appurtenances.

The estimated cost of carrying out the Project, including the costs of issuance and sale of the Bonds, is expected to be at least $105,000,000, which cost shall be paid from the proceeds of the Bonds and from other money available to the City for such purpose.

The Bonds of each series shall be designated as the “City of Tacoma, Washington, Sewer Revenue Bonds, 2022” with such series or other designation as set forth in applicable Sale Document and approved by a Designated
Representative. The Bonds of each series shall be dated as of their date of initial
delivery, shall be fully registered as to both principal and interest, shall be in the
denomination of $5,000 each or any integral multiple thereof within a maturity, shall
be numbered separately in the manner and with any additional designation as the
Bond Registrar deems necessary for purposes of identification and control, and
shall bear interest payable on the dates set forth in the applicable Sale Document.

The Bonds shall bear interest at the rates set forth in the applicable Sale Document;
and shall mature on the dates and in the principal amounts set forth in the
applicable Sale Document and as approved by a Designated Representative
pursuant to Section 19.

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

Section 4. Registration, Exchange and Payments.

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

The Bond Registrar may be removed at any time at the option of the Finance
Director upon prior notice to the Bond Registrar and a successor Bond Registrar
appointed by the Finance Director. No resignation or removal of the Bond
Registrar shall be effective until a successor shall have been appointed and until
the successor Bond Registrar shall have accepted the duties of the Bond Registrar
hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate
and deliver Bonds transferred or exchanged in accordance with the provisions of
such Bonds and this ordinance and to carry out all of the Bond Registrar’s powers
and duties under this ordinance. The Bond Registrar shall be responsible for its
representations contained in the Certificate of Authentication of the Bonds.

(b) Registered Ownership. The City and the Bond Registrar, each in its
discretion, may deem and treat the Registered Owner of each Bond as the absolute
owner thereof for all purposes (except as provided in the Continuing Disclosure
Certificate), and neither the City nor the Bond Registrar shall be affected by any
notice to the contrary. Payment of any such Bond shall be made only as described
in subsection (g) below, but such Bond may be transferred as herein provided. All
such payments made as described in subsection (g) below shall be valid and shall
satisfy and discharge the liability of the City upon such Bond to the extent of the
amount or amounts so paid.

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

(d) Use of Depository.

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

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

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

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

(e) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner’s duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same series, date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond between the Record Date and the next principal payment or redemption date.

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

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

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

Section 5. Redemption Prior to Maturity and Purchase of Bonds.
(a) Mandatory Redemption of Term Bonds and Optional Redemption, if any. The Bonds of each series shall be subject to mandatory redemption to the extent, if any, set forth in the applicable Sale Document approved by a Designated Representative pursuant to Section 19. The Bonds of each series shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the applicable Sale Document approved by a Designated Representative pursuant to Section 19.

(b) Purchase of Bonds. The City hereby reserves the right at any time and at any price to purchase any of the Bonds from amounts in the Sewer Utility Fund available for such purchase.

(c) Selection of Bonds for Redemption. For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held by a depository, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of $5,000. In the case of a Bond of a denomination greater than $5,000, the City and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of $5,000 as is obtained by dividing the actual principal
amount of Bonds by $5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized. Notwithstanding the foregoing, any Taxable Bonds shall be selected on a pro rata pass through distribution of principal basis.

(d) Notice of Redemption.

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

All official notices of redemption shall be dated and shall state:
(A) the redemption date,

(B) the redemption price,

(C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

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

(E) any conditions to redemption, and

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

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

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

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other
descriptive information needed to identify accurately the Bonds being redeemed.

Each further notice of redemption may be sent at least 20 days before the
redemption date to each party entitled to receive notice pursuant to the Continuing
Disclosure Certificate with such additional information as the City shall deem
appropriate, but such mailings shall not be a condition precedent to the redemption
of such Bonds.

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

Section 6. Form of Bonds and Certificate of Authentication.

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

Section 7. Execution of Bonds.

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

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

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

Section 8. Application of Bond Proceeds.

A portion of the proceeds of the Bonds, net of any underwriter’s discount and fees and any amount to be used to satisfy the Reserve Fund Requirement for the Bonds, if any, shall be deposited into a fund or account created by the Finance Director (the “Project Fund”), and subaccounts therein as necessary, in the amounts specified in the closing memorandum prepared in connection with the issuance of the Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs of the Project and to pay costs of issuance of the Bonds.

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

Section 9. Sewer Utility Fund.

A special fund of the City has been created and designated the “Sewer Utility
Fund”. The City covenants and agrees that so long as any of the Parity Bonds are
outstanding, it will pay or cause to be paid into the Sewer Utility Fund all Gross
Revenues exclusive of ULID Assessments and earnings on money and investments
in any construction fund, the Rate Stabilization Fund, the Bond Fund and any
rebate fund, which earnings may be retained in such funds or accounts or
transferred to other funds or accounts as permitted or required by this ordinance.

The amounts on deposit in the Sewer Utility Fund shall be used only for the
following purposes and in the following order of priority:

(a) To pay or provide for Costs of Maintenance and Operation.

(b) To make all payments required to be made into the Interest Account in
the Bond Fund or to make any Payment under Payment Agreements that meet the
requirements to be on a parity of lien with the Parity Bonds in accordance with
Section 16.

(c) To make all payments required to be made into the Principal Account in
the Bond Fund and to make all payments into the Term Bond Retirement Account
in the Bond Fund.
(d) To make all payments pursuant to a reimbursement agreement ranking on a parity of lien with the Parity Bonds and entered into in connection with a Qualified Letter of Credit, Qualified Insurance, or other equivalent credit facility with respect to the Reserve Fund, and into any other reserve fund created in the future for the payment of debt service on Parity Bonds; and to make all payments pursuant to a reimbursement agreement ranking on a parity of lien with the Parity Bonds and entered into in connection with a letter of credit, insurance or other equivalent credit enhancement with respect to Variable Interest Rate Bonds; provided, that if there is not sufficient money to make all payments under reimbursement agreements the payments will be made on a pro rata basis.

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

(f) To make all payments required to be made into any special fund or account created to pay or secure the payment of obligations issued having a lien upon amounts in the Sewer Utility Fund junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds.

(g) To pay any taxes (or payments in lieu of taxes) upon the System payable to the City.

(h) To make payments into the Rate Stabilization Fund for the purposes set forth in Section 11 or for any lawful purpose of the City related to the System.
Section 10. Bond Fund.

(a) A special fund of the City designated the “City of Tacoma Sewer Revenue Bond Fund” (the “Bond Fund”) has previously been created by the City. The Bond Fund shall be used solely for the purposes of paying the principal of, premium, if any, and interest on Parity Bonds and retiring Parity Bonds prior to maturity in the manner provided herein or in any Parity Bond Ordinance.

The Bond Fund contains four funds and accounts: the Interest Account, the Principal Account, the Term Bond Retirement 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 the payment of principal, premium, if any, and interest on any series of Parity Bonds. The City hereby obligates and binds itself irrevocably to set aside and to pay into the Bond Fund all ULID Assessments and out of the Sewer Utility Fund certain fixed amounts sufficient (together with other available funds on hand and paid into the Bond Fund) to pay the principal of, premium, if any, and interest on the Bonds and all other Parity Bonds outstanding pursuant to this ordinance and all other Parity Bond Ordinances when due, either at maturity or in accordance with the terms of any Sinking Fund Requirement schedule established for the retirement of Term Bonds. The fixed amounts to be paid into the Bond Fund, to the extent that such payments are not made from ULID Assessments, bond proceeds or from other legally available money, shall be made out of the Sewer Utility Fund in the following order of priority: first, into the Interest Account; second, into the Principal Account and Term Bond
Retirement Account; and third, into the Reserve Fund. The City may create subaccounts within such funds and accounts for the purpose of paying the Bonds.

(1) Interest Account. In the case of all Parity Bonds, no later than the day prior to the date on which an installment of interest is due on any Parity Bonds, the City shall transfer from the Sewer Utility Fund to the Interest Account in the Bond Fund an amount (together with other money as is on hand and available in such Account) equal to the installment of interest then due on all outstanding Parity Bonds.

(2) Principal Account and Term Bond Retirement Account. No later than the day prior to the date upon which an installment of principal on Parity Bonds that are Serial Bonds is due, the City shall transfer from the Sewer Utility Fund to the Principal Account in the Bond Fund an amount (together with such other money as is on hand and available in such Account) equal to the installment of principal then due on all outstanding Parity Bonds that are Serial Bonds.

No later than the day prior to each Sinking Fund Requirement date, the City will transfer from the Sewer Utility Fund to the Term Bond Retirement Account an amount (together with such other money as is available and on hand in such account) equal to the Sinking Fund Requirement for such date.

The City will apply all the money paid into the Term Bond Retirement Account to the redemption or purchase of Term Bonds on the next ensuing Sinking Fund Requirement due date (or may so apply such money prior to the Sinking Fund Requirement due date). In addition to redeeming Term Bonds, the City may apply the money paid into the Term Bond Retirement Account to retire Term Bonds by
purchasing such Term Bonds at a purchase price (including any brokerage charge) that is not in excess of the principal amount thereof, in which event the principal of such Term Bonds so purchased will be credited against the ensuing Sinking Fund Requirement. If, as of any January 1, the principal amount of Term Bonds retired by purchase or redemption exceeds the cumulative amount required to be redeemed by Sinking Fund Requirement on or before such January 1, then the excess may be credited against Sinking Fund Requirements in the manner determined by the City at the time of the purchase or redemption. Any such purchase of Term Bonds by the City may be made with or without tenders of such Term Bonds in such manner as the City will deem, in its discretion, to be in its best interest.

(3) Reserve Fund.

(A) A Reserve Fund has been created in the Bond Fund for the purpose of securing the payment of the principal of and interest on the Covered Bonds. The City may create separate reserve funds and establish separate Reserve Fund Requirements, which may be zero to secure the payment of the principal of and interest on other Parity Bonds. Any such Reserve Fund Requirement and related provisions shall be as set forth in the Parity Bond Ordinance relating to such Covered Bonds. The Bond shall not be issued as a Covered Bond. The Reserve Fund Requirement for the Bond is zero.

The City may, at any time, substitute Qualified Insurance or a Qualified Letter of Credit for the money and investments in the Reserve Fund or may substitute money and investments for Qualified Insurance or a Qualified Letter of
Credit in accordance with this subsection. The face amount of such Qualified Insurance or Qualified Letter of Credit shall be at least equal to the amount of the money or investments for which the Qualified Insurance or Qualified Letter of Credit is substituted.

(B) Valuation of the amount in the Reserve Fund and all subaccounts therein shall be made by the City on each December 31 and may be made on any other date. Such valuation shall be at the market value of the obligations in such fund and such subaccounts (including accrued interest); provided, that investments which mature within one year shall be valued at their maturity value.

(C) In the event of the issuance of any Future Parity Bonds that are Covered Bonds, the Parity Bond Ordinance authorizing the issuance of such Future Parity Bonds shall provide for approximately equal monthly payments into the Reserve Fund from the money in the Sewer Utility Fund, in such amounts and at such times so that by no later than five years from the date of issuance of such Future Parity Bonds or by the final maturity established for such series of Future Parity Bonds, whichever occurs first, there will be credited to the Reserve Fund an amount equal to the Reserve Fund Requirement. Notwithstanding the foregoing provisions of this subparagraph (C), the proceedings authorizing the issuance of Future Parity Bonds that are Covered Bonds, to the extent permitted under the Code, may provide for payments into the Reserve Fund from the proceeds of such Future Parity Bonds or from any other money lawfully available therefor, or may provide for the City to obtain Qualified Insurance or a Qualified
Letter of Credit for amounts required by subparagraph (E) of this section or parallel provisions in other Parity Bond Ordinances to be paid out of the Reserve Fund. The face amount of any such Qualified Insurance or Qualified Letter of Credit may be credited against the amounts required to be maintained in the Reserve Fund by this section or parallel provisions in other Parity Bond Ordinances to the extent that such payments and credits to be made are insured by an insurance company or guaranteed by a letter of credit from a financial institution.

On receipt of a notice of cancellation of any Qualified Letter of Credit or Qualified Insurance or upon notice that the entity providing the Qualified Letter of Credit or Qualified Insurance no longer meets the requirements specified herein, the City shall substitute a Qualified Letter of Credit or Qualified Insurance in the amount required to make up the deficiency created in the Reserve Fund or in the alternative shall create a special account in the Sewer Utility Fund and deposit therein, on or before the 25th day of each of the 36 succeeding calendar months (commencing with the 25th day of the calendar month next following the date of the notice) one thirty-sixth of the amount sufficient, together with other money and investments on deposit in the Reserve Fund, to equal the Reserve Fund Requirement in effect as of the date the cancellation or disqualification of the entity becomes effective. Those amounts shall be deposited in the special account from money in the Sewer Utility Fund after making provision for payment of Costs of Maintenance and Operation and for required payments into the Bond Fund. Amounts on deposit in that special account shall not be available to pay debt service on Covered Bonds or for any other purpose of the City, and shall be
transferred to the Reserve Fund on the effective date of any cancellation of a Qualified Letter of Credit or Qualified Insurance to make up all or part of the deficiency caused thereby. Amounts in that special account or in the Reserve Fund may be transferred to the Sewer Utility Fund and used for any purpose if and when a qualifying Qualified Letter of Credit or Qualified Insurance is obtained.

(D) If at any time the money and value of Permitted Investments in the Reserve Fund shall exceed the amount of money and value of Permitted Investments then required to be maintained therein, such excess may be transferred to the Sewer Utility Fund.

(E) In the event that there shall be a deficiency in the Interest Account, Principal Account or Term Bond Retirement Account in the Bond Fund with respect to Covered Bonds, the City shall promptly make up such deficiency from the Reserve Fund by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Reserve Fund, if necessary, in such amounts as will provide cash in the Reserve Fund sufficient to make up any such deficiency, and if a deficiency still exists immediately prior to a Payment Date and after the withdrawal of cash, the City shall then draw from any Qualified Letter of Credit, Qualified Insurance, or other equivalent credit facility in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such circumstances as the agreement for such Qualified Letter of Credit or Qualified Insurance shall provide. The City covenants and agrees that any deficiency created in the Reserve Fund by reason of any withdrawal therefrom for payment into the Interest Account, Principal Account or Term Bond Retirement Account shall
be made up from money in the Sewer Utility Fund first available after providing for the required payments into such Interest, Principal and Term Bond Retirement Accounts and after providing for payments under a reimbursement agreement entered into by the City under Section 18; provided, any such deficiency shall be made up within 12 months of such deficiency.

(F) When a series of Covered Bonds is refunded in whole or in part, money may be withdrawn from the Reserve Fund to pay or provide for the payment of refunded Covered Bonds; provided that immediately after such withdrawal there shall remain in or be credited to the Reserve Fund money and Permitted Investments in an amount equal to the Reserve Fund Requirement or so much thereof as is then required to be maintained.

(b) In making the payments and credits to the Principal Account, Interest Account, Term Bond Retirement Account and Reserve Fund required by this Section 10 and parallel provisions in other Parity Bond Ordinances, to the extent that such payments are made from bond proceeds, from money in any Capitalized Interest account, or from other money that may legally be available, such payments are not required to be made from the Sewer Utility Fund.

(c) Money in the Bond Fund shall be transmitted to the Bond Registrar in amounts sufficient to meet the maturing installments of principal of, premium, if any, and interest on all Parity Bonds when due. All money remaining in the Bond Fund after provision for the payment in full of the principal of, premium, if any, and interest on all Parity Bonds shall be returned to the Sewer Utility Fund.
Subject to the foregoing sentence, the Bond Fund shall be drawn upon solely
for the purpose of paying the principal of, premium, if any, and interest on Parity
Bonds. Money set aside from time to time with the Bond Registrar for such
payment shall be held in trust for the owners of Parity Bonds in respect of which the
same shall have been so set aside. Until so set aside, and except as otherwise
provided herein, all money in the Bond Fund shall be held in trust for the benefit of
the owners of all Parity Bonds at the time outstanding equally and ratably.

(d) Money in the Bond Fund may, at the option of the City, be invested and
reinvested as permitted by law in Permitted Investments maturing, or which are
redeemable at the option of the owner, prior to the date needed or prior to the
maturity date of the final installment of principal of the Parity Bonds payable out of
the Bond Fund, but only to the extent that the same are acquired, valued and
disposed of at Fair Market Value. At the City’s option, earnings on investments in
the Bond Fund may be retained in the Bond Fund or transferred to the Sewer Utility
Fund, except that earnings on investments in the Reserve Fund shall first be
applied to remedy any deficiency in such fund.

(e) Money in each of the subaccounts and funds established in this
Section 10 may be used, if necessary, to pay Rebate Amounts to the extent that
such Rebate Amounts are directly attributable to earnings on such subaccount.

Section 11. Rate Stabilization Fund.

A special fund of the City designated the “Rate Stabilization Fund” has been
established by the City in the Sewer Utility Fund. In accordance with the priorities
set forth in this ordinance, the City may from time to time deposit Net Revenues into
the Rate Stabilization Fund and may from time to time withdraw amounts therefrom
to enhance rate stability or for other lawful purposes of the City related to the
System.

Section 12. Security for Parity Bonds.

All Parity Bonds are special limited obligations of the City payable from and
secured solely by a charge and lien as set forth in this paragraph. There are
hereby pledged as security for the payment of the principal of, premium, if any, and
interest on all Parity Bonds in accordance with the provisions of this ordinance,
subject to the provisions of this ordinance restricting or permitting the application
thereof, (a) the proceeds of the sale of Parity Bonds to the extent held in funds
established or continued by this ordinance, (b) Net Revenues and ULID
Assessments and (c) the money and assets credited to the Sewer Utility Fund and
the Bond Fund and the income therefrom. The pledge of Net Revenues, money
and assets credited to the Sewer Utility Fund and Bond Fund and
ULID Assessments constitutes a lien and charge on the Net Revenues, the funds
and ULID Assessments superior to all other charges of any kind or nature.

All Parity Bonds hereafter outstanding shall be equally and ratably payable
and secured hereunder without priority by reason of date of adoption of the
ordinance providing for their issuance or by reason of their number or date of sale,
issuance, execution or delivery, or by the liens, pledges, charges, trusts,
assignments and covenants made herein, except as otherwise expressly provided
or permitted in this ordinance and except as to insurance which may be obtained by
the City to insure the repayment of one or more series or maturities within a series.
Parity Bonds shall not in any manner or to any extent constitute general obligations of the City or of the State, or any political subdivision of the State, or a charge upon any general fund or upon any money or other property of the City or of the State, or of any political subdivision of the State, not specifically pledged thereto by this ordinance.

Section 13. Adequacy of Revenue of System to Make Required Payments.

The Council declares, in fixing the amounts to be paid into the Bond Fund as provided herein, that it has exercised due regard for Costs of Maintenance and Operation and has not obligated the City to set aside and pay into the Bond Fund a greater amount of the Gross Revenues than in its judgment will be available over and above such Costs of Maintenance and Operation and the amount of Gross Revenues previously pledged.

Section 14. Defeasance.

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

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

Section 15. Covenants.

The City covenants and agrees with the owners of the Bonds, from time to
time for as long as any such Bonds are outstanding, as follows:

(a) Rate Covenant – General. The City shall establish, maintain and collect
rates or charges in connection with the ownership and operation of the System that
shall be fair and nondiscriminatory and adequate to provide Gross Revenues
sufficient for the payment of the principal of and interest on all Parity Bonds for
which payment has not otherwise been provided and all amounts that the City is
obligated to set aside in the Bond Fund, for the proper operation and maintenance
of the System, and for the payment of all amounts that the City may now or
hereafter become obligated to pay from Gross Revenues.

(b) Rate Covenant – Coverage. The City shall establish, maintain and
collect rates or charges in connection with the ownership and operation of the
System sufficient to provide Net Revenues in any calendar year hereafter in an
amount equal to at least 1.25 times the Adjusted Annual Debt Service.

Solely for purposes of calculating the coverage requirement set forth above,
there shall be added to Gross Revenues in any Fiscal Year any amount withdrawn
from the Rate Stabilization Fund in such Fiscal Year and deposited in the Sewer Utility Fund, and there shall be subtracted from Gross Revenues in any Fiscal Year any amount withdrawn from the Sewer Utility Fund in such Fiscal Year and deposited in the Rate Stabilization Fund. Credits to or from the Rate Stabilization Fund that occur within 90 days after the end of a Fiscal Year may be treated as occurring within such Fiscal Year.

The calculation of the coverage requirement set forth above, and in Section 17, and the City’s compliance therewith, may be made solely with reference to this ordinance without regard to future changes in generally accepted accounting principles. If the City has changed one or more of the accounting principles used in the preparation of its financial statements, because of a change in generally accepted accounting principles or otherwise, then an event of default relating to this coverage requirement shall not be considered an event of default if the coverage requirement ratio would have been complied with had the City continued to use those accounting principles employed at the date of the most recent audited financial statements prior to the date of this ordinance.

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

(d) Disposal of Properties. The City shall not sell, mortgage, lease or otherwise dispose of the properties constituting the System except as provided by law and subject to such additional restrictions as are provided in this section and as
may be provided in a reimbursement agreement with respect to Qualified Insurance 
or a Qualified Letter of Credit, as follows:

(1) The City will not sell, mortgage, lease or otherwise dispose of the 
System in its entirety unless simultaneously with such sale or other disposition, 
provision is made for the payment, redemption or other retirement of all Parity 
Bonds then outstanding.

(2) Except as provided in paragraph (3) below, the City will not sell, 
mortgage, lease or otherwise dispose of any part of the System in excess of 
five percent of the book value of the net utility plant of the System unless provision 
is made for the payment, redemption or other retirement of a principal amount of 
Parity Bonds equal to the greater of the following amounts:

   (A) An amount that will be in the same proportion to the net 
Bond Obligation of Parity Bonds then outstanding (defined as the total Bond 
Obligation of such Parity Bonds outstanding less the amount of cash and 
investments in the Principal Account and Term Bond Retirement Account in the 
Bond Fund) that the revenues attributable to the part of the System sold or 
disposed of for the 12 preceding months bears to the total revenues for such 
period; or

   (B) An amount that will be in the same proportion to the net 
Bond Obligation of Parity Bonds then outstanding that the book value of the part of 
the System sold or disposed of bears to the book value of the entire System 
immediately prior to such sale or disposition.
(3) The City may sell, lease, mortgage or otherwise dispose of any part of the System which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or no longer necessary, material to or useful in such operation.

(4) The proceeds of the sale, lease or disposal of any part of the System shall be deposited in the Sewer Utility Fund.

(5) If the sale, lease, mortgage or other disposal of any part of the System is valued in excess of 10 percent of the book value of the physical assets of the System, an opinion of an Engineer, based on financial statements of the System for the most recent Fiscal Year available, shall be delivered in connection with such disposition demonstrating that such sale, mortgage, lease or other disposal would not prevent the City from meeting the requirements of Section 15(b).

(e) No Free Service. Except as permitted by law for the support of the poor and infirm and otherwise permitted by law in an amount per year not exceeding 1/10 of 1 percent of annual Costs of Maintenance and Operation, the City will not furnish sanitary and storm sewage collection and disposal service to any customer whatsoever free of charge.

(f) Books and Accounts – Operating Statement. The City shall keep and maintain proper books and accounts with respect to the operations, income and expenditures of the System that are in accordance with proper and legal accounting procedures. On or before 120 days after each Fiscal Year of the City’s operation of the System, it will prepare or cause to be prepared an operating statement of the System for such preceding Fiscal Year. Each such statement
shall contain a statement in detail of the Gross Revenues, Costs of Maintenance
and Operation, and expenses for capital purposes of the System for such Fiscal
Year, shall contain a statement as of the end of such year showing the status of all
the funds and accounts created by the various ordinances pertaining to the
operation of the System and authorizing the issuance of outstanding bonds
payable from the revenue of the System, and shall contain a statement of the
number of sanitary and storm sewage collection and disposal customers per class
of customer at the end of such year. Copies of such statement shall be placed on
file in the office of the Department of Finance and shall be open to inspection at
any reasonable time by any owner of the Bonds or of any other outstanding bonds
of the City payable out of the Gross Revenues. Upon the request of any owner of
Parity Bonds, the City shall provide a copy of such statement to such owner. All
expenses incurred in the maintenance of such books and accounts and the
preparation of such statement may be regarded and paid as an expense of
operation of the System.

(g) Insurance. The City will keep the System insured, and will carry such
other insurance, with responsible insurers, with policies payable to the City, against
risks, accidents or casualties, at least to the extent that insurance is usually carried
by municipal corporations operating like properties; provided, however, that the City
may, if deemed necessary and advisable by the Council, institute or continue a
self-insurance program with respect to any or all of the aforementioned risks. In the
event of any loss or damage, the City will promptly deposit the insurance proceeds
into any construction fund hereafter created for the System, and use such funds to
repair or replace the damaged portion of the insured property and apply the
proceeds of any insurance policy or self-insurance funding for that purpose; or in
the event the City should determine not to repair or reconstruct such damaged
portion of the properties of the City, the proceeds of such insurance or self-
insurance funding shall be transferred to the Reserve Fund to the extent that such
transfer shall be necessary to make up any deficiency in the Reserve Fund and the
balance, if any, shall, at the option of the City, be used for repairs, renewals,
replacements, or additions to or extension of the System or be used in the
retirement of Parity Bonds prior to maturity, either by purchase at prices not to
exceed the next applicable redemption price or by call for redemption.

(h) Junior Lien Bonds. In the event the City issues revenue bonds or other
revenue obligations having a lien upon the Gross Revenues junior and inferior to
the lien on the Parity Bonds, the City covenants that a default on such junior lien
bonds will not constitute a default on the Parity Bonds and that the City will not
permit an acceleration of such junior lien bonds in the event of a default on such
bonds.

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

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

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

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

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

(5) No Arbitrage. The City will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Tax-Exempt Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.
(6) Registration Covenant. The City will maintain a system for recording the ownership of each Tax-Exempt Bond that complies with the provisions of Section 149 of the Code until all Tax-Exempt Bonds have been surrendered and canceled.

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

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

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

Section 16. ParityDerivative Products.

For purposes of this Section 16, the following words shall have the following definitions:

(a) “Payment” means any payment (designated as such by an ordinance or resolution) required to be made by or on behalf of the City under a Payment Agreement and which is determined according to a formula set forth in the Payment Agreement.
(b) “Parity Payment Agreement” means a Payment Agreement under which the City’s payment obligations are expressly stated to be secured by a pledge of and lien on Net Revenues on an equal and ratable basis with the Net Revenues required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on Parity Bonds.

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

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

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

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

(g) “Qualified Counterparty” means a party (other than the City or a party 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
investment grade rating from a rating agency (who, if the City’s Parity Bonds are rated by Moody’s, must have a rating of at least “A”) and who is otherwise qualified to act as the other party to a Payment Agreement under any applicable laws of the State.

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

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

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

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

(B) establish general provisions for the rights of parties to Payment Agreements; and
(C) set forth such other matters as the City deems necessary or desirable in connection with the management of Payment Agreements as are not clearly inconsistent with the provisions of this ordinance.

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

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

Nothing in this section shall preclude the City from entering into Payment Agreements with a claim on Net Revenues junior to that of the Bonds. Furthermore, nothing in this section shall preclude the City from entering into obligations on a parity with the Bonds in connection with the use of Payment Agreements or similar instruments if the City obtains an opinion of Bond Counsel that the obligations of the City thereunder are consistent with this ordinance.

Section 17. Future Parity Bonds.

(a) The City reserves the right to issue Future Parity Bonds from time to time as may be required for any lawful purpose of the City relating to the System,
including but not limited to, acquiring, constructing and installing additions and improvements to and extensions of, acquiring necessary equipment for, or making necessary renewals, replacements or repairs and capital improvements to the System and refunding any outstanding indebtedness.

(b) The City covenants that Future Parity Bonds shall be issued only upon compliance with the following conditions:

(1) At the times of the issuance of such Future Parity Bonds there is no deficiency in the Bond Fund or in any of the funds and accounts therein.

(2) With respect to Covered Bonds, the ordinances authorizing the issuance of the Future Parity Bonds shall require that there shall be paid into the Reserve Fund in the Bond Fund (A) from the proceeds of such Future Parity Bonds an amount such that the amount on deposit in the Reserve Fund, allowing for any amount covenanted in an ordinance authorizing the issuance of outstanding Parity Bonds to be paid into such Fund over five years, is equal to the Reserve Fund Requirement, or (B) from the Sewer Utility Fund in approximately equal monthly payments, such amounts and at such times so that by no later than five years from the date of issuance of such Future Parity Bonds or by the final maturity established for such series of Future Parity Bonds, whichever occurs first, there will be credited to the Reserve Fund an amount equal to the Reserve Fund Requirement. Upon the issuance of any series of Future Parity Bonds, the City shall recalculate the Reserve Fund Requirement, which recalculated Reserve Fund Requirement shall become effective as of such date of recalculation.
(3) If such Future Parity Bonds are being issued to pay costs incurred or to be incurred for purposes other than refunding purposes as described in subsection 17(c), there shall be on file with the City Clerk either:

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

(B) A certificate of an Engineer or a Certified Public Accountant showing that the “Adjusted Net Revenues” (as determined herein) for each calendar year during the life of the bonds proposed to be issued will equal not less than 1.25 times Maximum Adjusted Annual Debt Service on all outstanding Parity Bonds and the bonds then proposed to be issued.

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

(1) the additional Net Revenues that would have been received if any change in rates and charges adopted prior to the date of such certificate and subsequent to the beginning of the Base Period and effective within 12 months had been in force during the full Base Period;

(2) the additional Net Revenues that would have been received if any facility of the System that became fully operational after the beginning of the Base Period had been so operating for the entire Base Period;

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

(4) the additional Net Revenues that would have been received if any customers added to the System during the Base Period or subsequent thereto were customers for the entire Base Period, and

(5) ninety percent of the additional Net Revenues estimated by such Engineer or Certified Public Accountant to be derived from the new customers that will be added to the System in the first 12 months after the completion of the construction of the improvements to be made thereto or from acquisitions out of the proceeds of the sale of such Future Parity Bonds.
Such Certified Public Accountant or Engineer may rely upon, and the
Certified Public Accountant or Engineer's certificate shall have attached thereto,
financial statements of the System, certified by the Finance Director, showing
income and expenses for the period upon which the same is based.

(c) Refunding Bonds. In the event that any Future Parity Bonds provided
for in this section are issued for refunding purposes and the issuance of such
refunding Future Parity Bonds results in a present value monetary saving to the
City and such refunding Future Parity Bonds will not require an increase of greater
than $5,000 in debt service payments to be paid in any fiscal or calendar year
thereafter than would have been required to be paid in the same fiscal or calendar
year for Annual Debt Service on the Parity Bonds being refunded, then paragraph
(3) of subsection 17(b) need not be complied with to permit such refunding Future
Parity Bonds to be issued, although the provisions of paragraphs (1) and (2) of
subsection 17(b) must still be complied with.

(d) Junior Lien Bonds. Nothing herein shall prevent the City from issuing
bonds, notes, warrants or other obligations payable from and secured by a lien and
charge junior to the lien and charge securing the payment of Parity Bonds.

(e) Future Parity Bonds shall not be subject to acceleration under any
circumstances, including, without limitation, upon the occurrence and continuance
of an event of default. This prohibition against acceleration shall not be deemed to
prohibit mandatory tender or other tender provisions with respect to variable rate
obligations.
Section 18. Reimbursement Obligations.

In the event that the City elects to meet the requirements with respect to the Reserve Fund as to any issue of Parity Bonds through the use of a Qualified Letter of Credit, Qualified Insurance or other equivalent credit enhancement, the City may contract with the entity providing such Qualified Letter of Credit, Qualified Insurance or other equivalent credit enhancement that the City’s reimbursement obligation, if any, to such entity ranks on a parity of lien with the Parity Bonds.

In the event that the City elects additionally to secure any issue of Variable Interest Rate Bonds through the use of a letter of credit, insurance or other equivalent credit enhancement, the City may contract with the entity providing such letter of credit, insurance or other equivalent credit enhancement that the City’s reimbursement obligation, if any, to such entity ranks on a parity of lien with the Parity Bonds; provided, that the payments due under such reimbursement agreement are such that if such reimbursement obligation were a series of Future Parity Bonds, such Future Parity Bonds could be issued in compliance with the provisions of Section 17.

Section 19. Sale of Bonds.

(a) Bond Sale. The Council has determined that it would be in the best interest of the City to delegate to each Designated Representative for a limited time the authority to determine whether the Bonds shall be issued in one or more series, the method of sale of each series, whether a series shall be designated as Taxable Bonds or Tax-Exempt Bonds, and to approve the final interest rates, maturity dates, redemption terms, principal maturities and other terms for each
series of Bonds. Bonds may be issued pursuant to this ordinance at one time or
from time to time as provided herein. Each Designated Representative is hereby
authorized to approve the issuance, from time to time, of one or more series of
Bonds and to determine whether the Bonds of such series shall be sold through a
competitive public sale or a negotiated sale, designated as Taxable Bonds or Tax-
Exempt Bonds, and to approve the final terms of the Bonds, as set forth below.

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

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

(1) the aggregate principal amount (face amount) of all Bonds issued pursuant to this ordinance does not exceed $105,000,000,

(2) the final maturity date for each series of Bonds is no later than December 1, 2052,

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

(4) the true interest cost for each series of Bonds (in the aggregate) does not exceed 5.00 percent, and

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

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

Following the execution of a Sale Document, a Designated Representative shall provide a report to the City Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 19 shall expire 180 days after the effective date of this ordinance. If a Sale Document for the Bonds has not been executed within 180 days after the effective date of this ordinance, the
authorization for the issuance of the Bonds shall be rescinded and the Bonds shall
not be issued nor their sale approved unless such Bonds shall have been
reauthorized by ordinance of the City Council. The ordinance reauthorizing the
issuance and sale of such Bonds may be in the form of a new ordinance repealing
this ordinance in whole or in part or may be in the form of an amendatory
ordinance approving a sale document or establishing terms and conditions for the
authority delegated under this Section 19.

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

Section 20. Approval of Official Statement.

The Finance Director is hereby authorized to approve and to deem final the
preliminary Official Statement relating to the Bonds for the purposes of the Rule.
The Finance Director is further authorized to approve for purposes of the Rule, on
behalf of the City, the final Official Statement relating to the issuance and sale of
the Bonds and the distribution of the final Official Statement pursuant thereto with
such changes, if any, as may be deemed by such officer to be appropriate.
Section 21. Supplemental Ordinances.

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

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

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

Any such supplemental ordinance of the City may be passed without the consent of the owners of any Parity Bonds at any time outstanding, notwithstanding any of the provisions of subsection (b) of this section, if the City obtains an opinion of Bond Counsel to the effect that such supplemental ordinance is solely for one or more of the purposes stated above and will not adversely affect the interests of the owners of Parity Bonds.

(b) With the consent of the owners of not less than 51 percent in aggregate Bond Obligations of the Parity Bonds at the time outstanding, the City may pass an
ordinance or ordinances supplemental hereto for the purpose of adding any
provisions to or changing in any manner or eliminating any of the provisions of this
ordinance or of any supplemental ordinance; provided, however, that no such
supplemental ordinance shall:

(1) Extend the fixed maturity of any Parity Bonds, or reduce the rate
of interest thereon, or extend the times of payment of interest thereon from their
due dates, or reduce the amount of the principal thereof, or reduce any premium
payable on the redemption thereof, without the consent of the owner of each bond
so affected; or

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

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

(c) Upon the passage of any supplemental ordinance pursuant to the
provisions of this section, this ordinance shall be deemed to be modified and
amended in accordance therewith, and the respective rights, duties and obligations
of the City under this ordinance and of all owners of Bonds outstanding hereunder
shall thereafter be determined, exercised and enforced thereunder, subject in all
respects to such modification and amendments, and all the terms and conditions of
any such supplemental ordinance shall be deemed to be part of the terms and
conditions of this ordinance for any and all purposes.

Section 22. Bond Insurance.

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

In the event that all or a portion of the Bonds are to be insured, a Designated
Representative may execute a commitment received from the insurer. The Council
further authorizes all proper officers, agents, attorneys and employees of the City to
cooperate with the insurer in preparing such additional agreements, certificates,
and other documentation on behalf of the City as shall be necessary or advisable in
providing for the bond insurance policy.

Section 23. Ongoing Disclosure.

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

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

Section 25. Severability.

If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.
Section 26. Effective Date.

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

Passed ________________

______________________
Mayor

Attest:

______________________
City Clerk

Approved as to form and legality:

Pacifica Law Group LLP
Bond Counsel to the City of Tacoma

By ________________
EXHIBIT A
Form of Bond

[DTC Language]

UNITED STATES OF AMERICA

No. _____        $___________

STATE OF WASHINGTON
CITY OF TACOMA, WASHINGTON
SEWER REVENUE BOND, 2022 [_________]

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

The City of Tacoma, Washington, a municipal corporation of the State of Washington (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest from ________________, 20___, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on ______ 1, 20__, and semiannually thereafter on the first days of ______ and ______. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company (“DTC”) referred to in the Blanket Issuer Letter of Representations (the “Letter of Representations”) from the City to DTC.

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest, date of maturity and rights of redemption, in the aggregate principal amount of $________, and is issued pursuant to Ordinance No. _______ passed by the Council on February 22, 2022 (the “Bond Ordinance”) to provide the funds necessary to finance and/or reimburse the City for costs of capital improvements to the System and to pay costs of issuance. Capitalized terms used in this bond and not otherwise defined shall have the meanings given them in the Bond Ordinance.

The bonds of this issue are subject to redemption at the option of the City as provided in the Bond Ordinance.
As security for the payment of the principal of, premium, if any, and interest on all Parity Bonds the City has pledged in accordance with the provisions of the Bond Ordinance, subject to the provisions of the Bond Ordinance restricting or permitting the application thereof, (a) the proceeds of the sale of Parity Bonds to the extent held in funds established or continued by the Bond Ordinance, (b) Net Revenues and ULID Assessments and (c) the money and assets credited to the Sewer Utility Fund and the Bond Fund and the income therefrom. The pledge of Net Revenues, money and assets credited to the Sewer Utility Fund and the Bond Fund and ULID Assessments constitutes a lien and charge on Net Revenues, said Funds and ULID Assessments superior to all other charges of any kind or nature.

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

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

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

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

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington and the charter and ordinances of the City to exist and to have happened, been done and performed precedent to and in the issuance of this bond do exist and have happened, been done and performed and that the issuance of this bond and the bonds of this series does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.
IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this bond to be signed with the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and the seal of the City to be impressed or a facsimile thereof to be imprinted hereon, as of this ___ day of ____________, 2022.

[SEAL]

CITY OF TACOMA, WASHINGTON

By /s/ manual or facsimile ______
Mayor

ATTEST:

/s/ manual or facsimile ______
City Clerk

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

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Sewer Revenue Bonds, 2022 of the City of Tacoma, Washington, dated ____________, 2022.

WASHINGTON STATE FISCAL AGENT, as Bond Registrar

By ____________________________
I, the undersigned, the duly chosen, qualified City Clerk of the City of Tacoma, Washington, and keeper of the records of the Council (herein called the “Council”), DO HEREBY CERTIFY:

1. That the attached Ordinance No. ____ (herein called the “Ordinance”) is a true and correct copy of an Ordinance of the Council, as finally passed at a regular meeting of the Council held on the 22nd day of February, 2022, and duly recorded in my office.

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

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

City Clerk
City of Tacoma, Washington
ORDINANCE NO. 28805

AN ORDINANCE of the City of Tacoma, Washington, providing for the issuance and sale of one or more series of solid waste revenue bonds of the City in the aggregate principal amount of not to exceed $16,000,000 to finance and/or reimburse the City for costs associated with the construction, improvement and equipping of the City’s municipal solid waste system and to pay costs of issuing the bonds; providing the form and terms of the bonds; and delegating the authority to approve the method sale and 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 certain solid waste revenue bonds and obligations of the System (as further described herein, the “Outstanding Parity Bonds”), and

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

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

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

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

Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. Definitions and Interpretation of Terms.

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

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

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

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

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

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

For purposes of computing Annual Debt Service on any Parity Bonds which
constitute Balloon Indebtedness, it shall be assumed that the principal of such
Balloon Indebtedness, together with interest thereon at the rate applicable to such
Balloon Indebtedness, shall be amortized in equal annual installments over a term
equal to the lesser of (a) 25 years or (b) the remaining term to final maturity of the
Balloon Indebtedness beginning with the first Fiscal Year following the date of
calculation.

Annual Debt Service for any Fiscal Year or calendar year shall exclude any
Debt Service Offsets received or expected to be received in such Fiscal Year or
calendar year.

“Balloon Indebtedness” means any series of Parity Bonds more than
25 percent of the principal of which, in accordance with the terms of such Parity
Bonds, is due and payable in any one Fiscal Year either by reason of the stated
maturity date of such Parity Bonds or pursuant to a Sinking Fund Requirement;
provided that with respect to any Parity Bonds issued as Term Bonds, such Bonds
shall only be treated as Balloon Indebtedness if more than 25 percent of the
principal thereof is due in any one Fiscal Year pursuant to the applicable Sinking
Fund Requirement or upon the stated maturity date thereof (assuming that the only
principal due on the stated maturity date thereof will be the principal remaining
outstanding after all redemptions have been made pursuant to the applicable
Sinking Fund Requirement).
“Bond Counsel” means an attorney at law or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

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

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

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

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

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

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

“Capital Improvement Plan” means the Capital Improvement Plan of the City relating to the System, as it may be amended from time to time.
“Certificate of Award” means one or more certificates, if any, for the purchase of any Bonds of a series sold by competitive sale awarding such Bonds to the bidder as set forth in Section 17 of this ordinance.

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

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

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

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

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

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

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

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Tax-Exempt Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Tax-
Exempt Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code. “Commission” means the Securities and Exchange Commission.

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

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

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

“Covered Bonds” mean:

(a) the 2015 Bonds,

(b) the Bonds, if the Bonds are designated as “Covered Bonds” by a Designated Representative at the time of sale; and
(c) those Future Parity Bonds designated in the Parity Bond Ordinance authorizing their issuance as Covered Bonds secured by the Reserve Fund.

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

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

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

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

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

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

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

“Fair Market Value” means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm’s length transaction, except for specified investments as described in Treasury Regulation §1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed
investment contracts, and investments for yield restricted defeasance escrows. Fair
Market Value is generally determined on the date on which a contract to purchase
or sell an investment becomes binding, and, to the extent required by the applicable
regulations under the Code, the term “investment” will include a hedge.

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

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

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

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

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

“Government Obligations” mean those obligations now or hereafter defined
as such in chapter 39.53 RCW constituting direct obligations of, or obligations the
principal of and interest on which are unconditionally guaranteed by the United
States of America, as such chapter may be hereafter amended or restated.
“Gross Revenues” mean (a) revenues received for the use of the System or from services rendered by the System, (b) the proceeds received by the City from the sale or other disposition of any of the properties of the System, (c) investment income earned on money held in any fund or account of the City in connection with the ownership and operation of the System, including any bond redemption funds, and (d) federal or state reimbursement of operating expenses to the extent that such expenses are included as Costs of Maintenance and Operation, but excluding (i) insurance proceeds, (ii) investment income irrevocably pledged to the payment of any solid waste revenue bonds of the City refunded or defeased pursuant to a plan of refunding heretofore or hereafter adopted by the City, (iii) investment income earned on money in any rebate fund, and (iv) grants, gifts or donations. “Letter of Representations” means the Blanket Issuer Letter of Representations from the City to DTC.

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

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

“Maximum Reserve Requirement” means the maximum dollar amount permitted by the Code to be allocated to a reserve fund from tax-exempt bond proceeds without requiring a balance to be invested at a restricted yield.
“Moody's” means Moody's Investors Service, Inc. or its comparable recognized business successor.

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

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

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

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

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

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

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

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

“Project” has the meaning set forth in Section 3 of this ordinance.
“Project Fund” means the account created pursuant to this ordinance.

“Qualified Insurance” means any non-cancellable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or companies, as of the time of issuance of such policy or surety bond, are then rated in one of the two highest rating categories by Moody’s, S&P or Fitch, or any other rating agency then maintaining a rating on the Bonds.

“Qualified Letter of Credit” means any irrevocable letter of credit issued by a financial institution for the account of the City on behalf of the owners of one or more series of Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit is then rated in one of the two highest rating categories by Moody’s, S&P or Fitch, or any other rating agency then maintaining a rating on the Bonds.

“Rate Stabilization Fund” means the fund of that name in the Solid Waste Operating Fund.

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

“Record Date” means the close of business for the Bond Registrar that is 15 days preceding any interest and/or principal payment or redemption date.
“Registered Owner” means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

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

“Reserve Fund Requirement” is the dollar amount to be calculated with respect to all Covered Bonds and separately with respect to other Parity Bonds.

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

(b) With respect to other series of Parity Bonds, the Reserve Fund Requirement shall be equal to the amount, if any, specified in the Parity Bond Ordinance authorizing the issuance of such Parity Bonds or in a certificate or other document referenced in such Parity Bond Ordinance; provided, however, such Reserve Fund Requirement shall not exceed the Maximum Reserve Requirement for such series of Parity Bonds.
“Rule” means the Commission’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

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

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

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

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

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

“State” means the state of Washington.

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

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

“Term Bonds” mean Parity Bonds designated by the City as term bonds.
“Taxable Bonds” mean any Bonds determined to be issued on a taxable basis pursuant to Section 17.

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

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

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

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

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

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

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

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

Section 2. Findings; Compliance with Parity Conditions.

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

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

The City specifies, adopts and orders the following capital improvements to the System (together, the “Project”): the acquisition of compressed natural gas collection-vehicles; the acquisition of other vehicles, containers and compactors; fleet and fueling station repairs and replacements; and/or other capital upgrades, repairs, replacements, and improvements to the System as identified in the Capital Improvement Plan, as it may be amended from time to time. The specifications for the Project, and the components thereof, as well as the timing, order and manner of completing all or which portions thereof, shall be as determined by the City.

The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, demolition, administrative expenses and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of such Project. Such Project shall be complete with all necessary equipment, extensions and appurtenances.

The estimated cost of carrying out the Project, including the costs of issuance and sale of the Bonds, is expected to be at least $16,000,000, which cost shall be paid from the proceeds of the Bonds and from other money available to the City for such purpose.

Section 4. Authorization and Description of Bonds.

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

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

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

Section 5. Registration, Exchange and Payments.

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

(b) Registered Ownership. The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in the Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 6(g), but such Bond may be transferred as herein provided. All such payments made as described in Section 6(g) shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

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

(d) Use of Depository.

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

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

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

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

(e) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner’s duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same series, date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register
the transfer or to exchange any Bond between the Record Date and the next
principal payment or redemption date.

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

(g) Place and Medium of Payment.

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

Principal of the Bonds shall be payable upon presentation and surrender of such
Bonds by the Registered Owners at the designated office of the Bond Registrar.
If any Bond shall be duly presented for payment and funds have not been duly provided by the City on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

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

(a) Mandatory Redemption of Term Bonds and Optional Redemption, if any. The Bonds of each series shall be subject to mandatory redemption to the extent, if any, set forth in the applicable Sale Document approved by a Designated Representative pursuant to Section 17. The Bonds of each series shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the applicable Sale Document approved by a Designated Representative pursuant to Section 17.

(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.

(c) Selection of Bonds for Redemption. For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held by a depository, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such manner
determined by the Bond Registrar) in increments of $5,000. In the case of a Bond of a denomination greater than $5,000, the City and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of $5,000 as is obtained by dividing the actual principal amount of Bonds by $5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized. Notwithstanding the foregoing, any Taxable Bonds shall be selected on a pro rata pass through distribution of principal basis.

(d) Notice of Redemption.

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

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

(A) the redemption date,

(B) the redemption price,

(C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

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

(E) any conditions to redemption, and

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

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

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

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

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

Section 7. Form of Bonds and Certificate of Authentication.

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

Section 8. Execution of Bonds.

The Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon.
Only such Bonds as shall bear thereon a Certificate of Authentication in the form provided herein, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

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

Section 9. Application of Bond Proceeds.

A portion of the proceeds of the Bonds, net of any underwriter’s discount and fees and any amount to be used to satisfy the Reserve Fund Requirement for the Bonds, if any, shall be deposited into a fund or account created by the Finance Director (the “Project Fund”), and subaccounts therein as necessary, in the amounts specified in the closing memorandum prepared in connection with the
issuance of the Bonds. Such proceeds shall be used to pay and/or reimburse the
City for the costs of the Project and to pay costs of issuance of the Bonds.

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

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

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

First, to pay the Costs of Maintenance and Operation;

Second, to make all payments required to be made for the Parity Bonds in
the following order:
(a) into the Debt Service Account to pay the interest due on any Parity Bonds for which money shall not have been provided by income from the investment of money in the Bond Fund;

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

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

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

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

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

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

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

Section 11. Bond Fund.

There has been created the “Tacoma Solid Waste Revenue Bond Fund” (the “Bond Fund”) for the sole purpose of paying and securing the payment of Parity Bonds. The Bond Fund contains the Debt Service 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 the payment of principal, premium, if any, and interest on any series of Parity Bonds.

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

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

If designated as Covered Bonds in the applicable Sale Documents, the Bonds of each series may initially be issued as Covered Bonds and the payment of the principal of and interest on the Bonds would then initially be secured by the Reserve Fund. The City, in its sole discretion, may create a separate reserve fund and establish a separate Reserve Fund Requirement, if any, to secure the payment of the principal of and interest on the Bonds. If the City determines to create a separate reserve fund and establish a Reserve Fund Requirement for the Bonds, from such date the Bonds will no longer be Covered Bonds and the payment of the principal of and interest on the Bonds will no longer be secured by the Reserve Fund. The new Reserve Fund Requirement for the Bonds shall be equal to the
amount, if any, specified in a certificate of the Finance Director, Treasurer and Environmental Services Director. 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 this ordinance.

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

The City further covenants that in the event it issues any Future Parity Bonds 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 or approximately equal monthly payments will be made into the Reserve Fund out of the Solid Waste Operating Fund so that within five years or less from the date of the issuance of such Future Parity Bonds the total amount of such payments, with the amount already in the Reserve Fund, will be at least equal to the Reserve Fund Requirement.

The City may elect to fund part or all the Reserve Fund with respect to the Bonds and any Future Parity Bonds that are Covered Bonds through the use of a Qualified Letter of Credit or Qualified Insurance. In making the payments and
credits to the Reserve Fund required by this Section 11(b), to the extent that the City has obtained Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to this section, such amounts so covered by Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Reserve Fund by this Section 11(b) to the extent that such payments and credits to be made are insured by an insurance company or guaranteed by a letter of credit from a financial institution. In the event of any cancellation, the Reserve Fund shall be funded in accordance with the first three paragraphs of this Section 11(b), as if the Covered Bonds that remain outstanding had been issued on the date of such notice of cancellation.

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

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

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

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

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

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

Section 12. Rate Stabilization Fund.

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

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

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

Section 14. Covenants.

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

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

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

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

Solely for purposes of calculating the coverage requirement set forth above,
there shall be added to Gross Revenues in any calendar year any amount
withdrawn from the Rate Stabilization Fund in such calendar year and deposited in
the Solid Waste Operating Fund, and there shall be subtracted from Gross
Revenues in any calendar year any amount withdrawn from the Solid Waste
Operating Fund and deposited in the Rate Stabilization Fund. Credits to or from the
Rate Stabilization Fund that occur within 90 days after the end of a Fiscal Year may
be treated as occurring within such Fiscal Year.
The calculation of the coverage requirement set forth above, and in Section 16, and the City's compliance therewith, may be made solely with reference to this ordinance without regard to future changes in generally accepted accounting principles. If the City has changed one or more of the accounting principles used in the preparation of its financial statements, because of a change in generally accepted accounting principles or otherwise, then an event of default relating to this coverage requirement shall not be considered an event of default if the coverage requirement ratio would have been complied with had the City continued to use those accounting principles employed at the date of the most recent audited financial statements prior to the date of this ordinance.

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

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

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

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

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

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

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

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

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

(5) No Arbitrage. The City will not take, or permit or suffer to be
taken, any action with respect to the proceeds of the Tax-Exempt Bonds which, if
such action had been reasonably expected to have been taken, or had been
deliberately and intentionally taken, on the date of issuance of the Tax-Exempt
Bonds would have caused the Tax-Exempt Bonds to be “arbitrage bonds” within the
meaning of Section 148 of the Code.

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

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

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

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

(g) Junior Lien Bonds. In the event the City issues revenue bonds or other
revenue obligations having a lien upon the Gross Revenues junior and inferior to
the lien on the Parity Bonds (“Junior Lien Bonds”), the City covenants that a default
on such Junior Lien Bonds will not constitute a default on the Parity Bonds and that
the City will not permit an acceleration of such Junior Lien Bonds in the event of a
default on such bonds.

Section 15. Parity Derivative Products.

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

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

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

(c) “Payment Agreement” means a written agreement for the purpose of
managing or reducing the City’s exposure to fluctuations or levels of interest rates,
currencies or commodities or for other interest rate, investment, asset or liability
management purposes, entered into on either a current or forward basis by the City
and a Qualified Counterparty, all as authorized by any applicable laws of the State.
Such agreement may or may not be characterized by a structure of reciprocity of
payment.
(d) “Payment Date” means any date specified in the Payment Agreement on which a City Payment or Receipt is due and payable under the Payment Agreement.

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

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

(g) “Qualified Counterparty” means a party (other than the City or a party 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 investment grade rating from a rating agency (who, if the City’s Parity Bonds are rated by Moody’s, must have a rating of at least “A”) and who is otherwise qualified to act as the other party to a Payment Agreement under any applicable laws of the State.

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

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

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

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

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

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

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

If the City enters into a Parity Payment Agreement, Payments shall be made
from the Debt Service Account in the Bond Fund and Annual Debt Service shall
include any regularly scheduled City Payments adjusted by any regularly scheduled
Receipts during a Fiscal Year. Receipts shall be paid directly into the Bond Fund.
Obligations to make unscheduled payments, such as termination payments, may not be entered into on a parity with the Parity Bonds. Nothing in this section shall preclude the City from entering into Payment Agreements with a claim on Net Revenues junior to that of the Bonds. Furthermore, nothing in this section shall preclude the City from entering into obligations on a parity with the Bonds in connection with the use of Payment Agreements or similar instruments if the City obtains an opinion of Bond Counsel that the obligations of the City thereunder are consistent with this ordinance.

Section 16. Future Parity Bonds.

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

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

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

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

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

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

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

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

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

(iii) the additional Net Revenues estimated by such Engineer or Certified Public Accountant to be received as a result of any additions and improvements to and extensions of any facilities of the System which are (a) under construction at the time of such certificate or (b) will be constructed or acquired from the proceeds of the Future Parity Bonds to be issued.
Such Engineer or Certified Public Accountant may rely upon, and such certificate shall have attached thereto, financial statements of the System, certified by the City Finance Director, showing income and expenses for the period upon which the same is based. The certificate of such Engineer or Certified Public Accountant shall be conclusive and the only evidence required to show compliance with the provisions and requirements of this subsection.

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

(e) Junior Lien Bonds. Subject to Section 14(g) of this ordinance, nothing herein contained shall prevent the City from issuing revenue bonds or other obligations which are a charge upon Gross Revenues junior or inferior to the payments required by this ordinance to be made out of such Revenue into the Bond Fund and accounts therein to pay and secure the payment of any outstanding Parity Bonds.
(f) Nothing herein contained shall prevent the City from issuing revenue bonds to refund maturing Parity Bonds for the payment of which money is not otherwise available.

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

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

Section 17. Sale of Bonds.

(a) Bond Sale. The Council has determined that it would be in the best interest of the City to delegate to each Designated Representative for a limited time the authority to determine whether the Bonds shall be issued in one or more series, the method of sale of each series, whether a series shall be designated as Taxable Bonds or Tax-Exempt Bonds, and to approve the final interest rates,
maturity dates, redemption terms, principal maturities and other terms for each
series of Bonds. Bonds may be issued pursuant to this ordinance at one time or
from time to time as provided herein. Each Designated Representative is hereby
authorized to approve the issuance, from time to time, of one or more series of
Bonds and to determine whether the Bonds of such series shall be sold through a
competitive public sale or a negotiated sale, designated as Taxable Bonds or Tax-
Exempt Bonds, and to approve the final terms of the Bonds, as set forth below.

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

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

1. the aggregate principal amount (face amount) of all Bonds issued pursuant to this ordinance does not exceed $16,000,000,
2. the final maturity date for each series of Bonds is no later than December 1, 2032,
3. the Bonds of each series are sold (in the aggregate) at a price not less than 98 percent,
4. the true interest cost for each series of Bonds (in the aggregate) does not exceed 4.00 percent, and
5. the Bonds conform to all other terms of this ordinance.

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

Following the execution of a Sale Document, a Designated Representative shall provide a report to the City Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 17 shall expire 180 days after the effective date of this ordinance. If a Sale Document for the Bonds has not been executed within 180 days after the effective date of this ordinance, the
authorization for the issuance of the Bonds shall be rescinded and the Bonds shall not be issued nor their sale approved unless such Bonds shall have been reauthorized by ordinance of the City Council. The ordinance reauthorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a sale document or establishing terms and conditions for the authority delegated under this Section 17.

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

Section 18. Approval of Official Statement.

The Finance Director is hereby authorized to approve and to deem final the preliminary Official Statement relating to the Bonds for the purposes of the Rule. The Finance Director is further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement relating to the issuance and sale of the Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed by such officer to be appropriate.

Section 19. Defaults and Remedies.

The following constitute “Events of Default” under this ordinance:
(a) If default shall be made in the due and punctual payment of the principal of and premium, if any, on any of the Parity Bonds when the same shall become due and payable, either at maturity or by mandatory redemption;

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

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

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

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

(2) Promptly imposes rates at least as high as those recommended by such Engineer.
So long as such Event of Default shall not have been remedied, a bondowners’ trustee may be appointed by the registered owners of 25 percent in principal amount of the Parity Bonds.

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

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

Section 20. Supplemental Ordinances.

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

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

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

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

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

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

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

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

Section 21. Bond Insurance.

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

In the event that all or a portion of the Bonds are to be insured, a Designated
Representative may execute a commitment received from the insurer. The Council
further authorizes all proper officers, agents, attorneys and employees of the City to
cooperate with the insurer in preparing such additional agreements, certificates, and
other documentation on behalf of the City as shall be necessary or advisable in
providing for the bond insurance policy.

Section 22. Ongoing Disclosure.

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

Section 23. Lost or Destroyed Bonds.

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

Section 24. Severability.

If any one or more of the covenants or agreements provided in this
ordinance to be performed on the part of the City shall be declared by any court of
competent jurisdiction to be contrary to law, then such covenant or covenants,
agreement or agreements, shall be null and void and shall be deemed separable
from the remaining covenants and agreements of this ordinance and shall in no
way affect the validity of the other provisions of this ordinance or of the Bonds. All
acts taken pursuant to the authority granted in this ordinance but prior to its
effective date are hereby ratified and confirmed.

Section 25. Effective Date.

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

Passed: ____________________

______________________________
Mayor

Attest:

______________________________
City Clerk

Approved as to form and legality:

Pacifica Law Group LLP
Bond Counsel to the City of Tacoma

By ______________________________
EXHIBIT A

[DTC Language]

UNITED STATES OF AMERICA

No. _____        $____________

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

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

The City of Tacoma, Washington, a municipal corporation of the State of Washington (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest from __________, 2022, or the most recent date to which interest has been paid or duly provided for, until payment of this bond at the Interest Rate set forth above, payable on __________, 20___, and semiannually thereafter on the first days of each succeeding [June] and [December]. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company (“DTC”) referred to in the Blanket Issuer Letter of Representations (the “Letter of Representations”) from the City to DTC.

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest, date of maturity and rights of redemption, in the aggregate principal amount of $__________, and is issued pursuant to Ordinance No. ________ passed by the Council on February 22, 2022 (the “Bond Ordinance”) to provide the funds necessary to finance and/or reimburse costs related to the acquisition, construction, and installation of additions and improvements to and equipment for the solid waste system (the “System”), [to fund the debt service reserve fund, if necessary], and to pay costs of issuance of the bonds. Capitalized terms used in this bond and not otherwise defined shall have the meanings given them in the Bond Ordinance.

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

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

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

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

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

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

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

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

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

[SEAL]

CITY OF TACOMA, WASHINGTON

By /s/ manual or facsimile
Mayor

ATTEST:

/s/ manual or facsimile
City Clerk

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

CERTIFICATE OF AUTHENTICATION

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

WASHINGTON STATE FISCAL AGENT, as Bond Registrar

By ______________________________
CLERK’S CERTIFICATE

I, the undersigned, the duly chosen, qualified City Clerk of the City of Tacoma, Washington, and keeper of the records of the Council (herein called the “Council”), DO HEREBY CERTIFY:

1. That the attached Ordinance No. ____ (herein called the “Ordinance”) is a true and correct copy of an Ordinance of the Council, as finally passed at a regular meeting of the Council held on the 22nd day of February, 2022, and duly recorded in my office.

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

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

______________________________
City Clerk
City of Tacoma, Washington