Exhibit No. ___ (MC-5)
Docket TG-140560
Witness: Melissa Cheesman

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, **Complainant,** **v.** **WASTE CONTROL, INC.,** **Respondent.**	**DOCKET TG-140560**

EXHIBIT TO TESTIMONY OF

Melissa Cheesman

STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Heirborne Bond Tax Exemption and Nonarbitrage Certification

July 18, 2014

TAX EXEMPTION AND NONARBITRAGE CERTIFICATE OF COMPANY

We, Joe Willis and Kevin Willis, certify that:

1. Company Representatives. We are each a duly appointed, qualified and acting managing member of Heirborne Investments, LLC, which is a duly organized and validly existing Washington limited liability company (the "Company").

2. Purpose of Certificate. This certificate is made and delivered in connection with the issuance, execution, sale, authentication and delivery of the $11,785,000 par value Variable Rate Demand Solid Waste Revenue Bonds, Series 2006K (Heirborne Investments LLC Project) of the Washington Economic Development Finance Authority (the "Issuer"), dated December 14, 2006 (the "Bonds"), issued by the Issuer pursuant to that certain Trust Indenture dated as of December 14, 2006 (the "Indenture"), by and between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee"). Any capitalize term used and not otherwise defined in this certificate has the meaning given to that term by the Indenture.

3. Issuer Expectations Reasonable. We have read and considered the Tax Exemption and Nonarbitrage Certificate of Issuer pertaining to the Bonds dated December 14, 2006 (the "Issuer Tax Certificate"). We also have reviewed such documents and information and made such inquiries as we have deemed necessary or otherwise have sufficient personal knowledge to verify the facts, estimates and circumstances set forth in the Issuer Tax Certificate with respect to the use, application and investment of the proceeds of the Bonds (the "Bond Proceeds") that will be lent by the Issuer to the Company pursuant to the Loan Agreement. Based upon our verification and personal knowledge of those facts, estimates and circumstances, the expectations of the Issuer with respect to the use, application and investment of the proceeds of the Bond Proceeds are reasonable, and those expectations also are the good faith reasonable expectations of the Company;

4. Description of Project.

(a) The land, building, facilities, equipment and other functionally related and subordinate property comprising the Project to be financed with the Bond Proceeds consist of a new solid waste transfer station to be constructed on land previously acquired by the Company, including electric power, utilities, water, storm water, and sewer infrastructure facilities necessary for its operation; intermodal truck/rail transfer facilities, including top pick containers and equipment; trucks, loader, excavator, drop boxes, carts, wood chipper and other functionally related and subordinate facilities; and a parcel of land expected to be used for truck and equipment storage and future expansion of the Company's solid waste disposal facilities.

(b) The Company holds a permit from the Washington State Utilities and Transportation Commission for the exclusive franchise right to transport solid waste for the collection and/or disposal in the Greater Cowlitz County area (the "County"). The Company is financing, acquiring, constructing and equipping the Project in order to carry out its obligations under that certain Solid Waste Contract Between Cowlitz County and Waste Control Recycling, Inc. dated November 14, 2006 (the "County Contract"). Under the County Contract, the Company is obligated to provide for the long-term handling, transfer and disposal of solid waste as contemplated in the Comprehensive Solid Waste Management Plan of the County, which includes the design and construction of the Project. The solid waste will be finally disposed of through transportation to the existing County landfill and, after that landfill is filled to its capacity, transportation through the use of intermodal handling facilities, containers and railcars to a regional landfill located in Roosevelt, Washington.

5. Project Used Exclusively for Collection, Handling and Disposal of Materials Constituting Solid Waste.

(a) The County Contract defines "Acceptable Waste" which the Company is required to accept, handle and dispose of through use of the Project as

> All putrescible and nonputrescible waste as currently accepted at the County landfill including but not limited to residential, construction demolition and land clearing waste (such as waste lumber, sheetrock, concrete, mixed demolition material, brush and stumps), non-hazardous industrial waste, inert waste, commercial waste, appliances, woody yard waste, grass, asbestos, roofing, vactor waste, sewage treatment plant grit, leaves and sharps. The term does not include materials defined under federal or state laws as Hazardous Waste or Dangerous Waste and such materials will not be accepted...at the Project, except exempted Household Hazardous Waste and Conditionally Exempt Small Quantity Generators.

The County Contract also defines, as a subset of solid waste which the Company is required to accept, handle and dispose of through use of the Project, "Municipal Solid Waste" as solid waste that is generated in the County, Wahkiakum County and portions of Clark and Skamania Counties, including "unsegregated garbage, refuse and similar solid waste material discarded from residential, commercial, institutional and industrial sources and community activities, including residue after recyclables have been separated."

(b) The Acceptable Waste and Municipal Solid Waste that will be collected, stored, handled and disposed of through use of the Project has no market or other value at the location of the Project. The Company will not pay any amount to any person for the materials that constitute the Acceptable Waste and Municipal Solid Waste that will be collected, stored, handled and disposed of through use of the Project. The Company therefore represents to the Authority that the Project will constitute (i) facilities for the collection, storage, handling and final disposal of "solid waste" within the meaning of Treas. Reg. §§1.103-8(f)(2)(ii)—that is, property which on the date the Bonds are issued (December 14, 2006) is useless, unused, unwanted, or discarded solid material which has no market or other value at the place where the Company takes possession thereof, (ii) facilities for the disposal of solid waste by reconstituting, converting or otherwise recycling solid waste into material which is not waste, or (iii) facilities that will be functionally related and subordinate to the facilities described in the foregoing clauses (i) and (ii). Material has no "value" for this purpose so long as no payment in fact is made for such material and so long as no reasonable person would make a payment in order to collect and receive the material in the form in which the Company collects and receives the material. The solid waste to be collected, stored, handled and finally disposed of through the Company's use of the Project will consist of garbage, refuse and other solid discarded solid materials, including solid waste materials resulting from industrial, commercial and community activities.

(c) To the extent that any materials are physically separated and recovered from the general waste stream collected and handled by the Project in the disposal process, so that such separated and recovered materials then have any commercial or other value whatsoever, no facilities comprising the Project being financed with proceeds of the Bonds will be used thereafter to carry out any further processing of such separated and recovered materials that have any commercial or other value. If and to the extent any portion of the Project facilities is treated as used to dispose of solid waste by reconstituting, converting, or otherwise recycling such waste into material which is not waste, the Company represents that solid waste will constitute at least 65%, by weight or volume, of the total materials introduced into the recycling process.

(d) To the extent that the Company is required by the County Contract to provide, or the Company otherwise chooses to provide, facilities for the recycling or "buy back" of materials that have any commercial or other value, the Company will ensure that only its existing facilities, including its existing Material Recovery Facility, which the Company or its affiliates already own and operate and which have not been, and will not be, financed with proceeds of any tax-exempt bonds, including the Bonds, are used for the collection, handling and disposal of such materials. To the extent Project facilities are required by the County Contract to handle separately and to provide a drop-off location for certain household hazardous waste and similar materials that would not constitute solid waste, the Company represents that (i) such Project facilities are functionally related and subordinate to the disposal of solid waste because the Company is required under applicable local, state and federal law to ensure that hazardous materials are not commingled with non-hazardous waste when non-hazardous waste is finally disposed of, and (ii) the cost of such Project facilities properly allocable to such use in any event will represent less than 3% of the proceeds of the Bonds because such Project facilities will be available for that purpose only two hours per day, two days per week, and the quantities of such hazardous materials are expected to be minimal.

(e) Therefore, not less than 95% of the Bond Proceeds will be used to acquire facilities to be used for the collection, storage, treatment, processing and disposal of solid waste, and functionally related and subordinate facilities as described above. No proceeds of the Bonds will be used to provide any office space.

6. Bond Issuance Costs. No more than 2% of the Bond Proceeds ($235,700) will be used to finance costs of issuance of the Bonds. The Company is contributing $203,195 of non-Bond proceed funds to the Costs of Issuance Account to pay the remaining cost of issuance of the Bonds.

7. Economic Life of Project. The reasonably expected weighted average economic life of the Project facilities to be financed with proceeds of the Bonds is approximately 22.39 years as shown in Exhibit A attached hereto; and the reasonably expected average maturity of the Bonds, based upon the schedule of annual partial redemptions of the outstanding principal of the

Bonds required by the Reimbursement Agreement, is approximately 11.00 years as shown in Exhibit B attached hereto.

8. Required Application of Bond Proceeds. The Company will ensure that the Bond Proceeds and other money described in the Issuer Tax Certificate will be used, applied and invested in conformity with the provisions of the applicable provisions of the Indenture, Article V of the Loan Agreement, and the reasonable expectations set forth in the Issuer Tax Certificate and this certificate.

9. Compliance with Arbitrage Rebate Requirement.

(a) As described in Section 7.07 of the Loan Agreement, the Company on behalf of the Issuer will comply with the arbitrage rebate requirement to the extent applicable to the Bonds, including the requirement to calculate and pay to the United States, at the sole expense of the Company, all arbitrage rebate amounts in the manner and at the times required by Section 148 of the Code; and, if required to prevent a loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds because of any failure to meet arbitrage rebate requirements applicable to those Bonds under Section 148 of the Code, to pay on behalf of the Issuer the penalty and interest thereon as provided in Subsection 148(f)(7)(C) of the Code.

(b) For this purpose, the Company will cause to be prepared a calculation of the rebate amount, if any, with respect to the Bonds no later than 60 days after the fifth (5^{th}) anniversary of the issue date of the Bonds and each five years thereafter, and deliver a copy of the arbitrage rebate report to the Issuer and the Trustee. Such calculations shall be prepared by nationally recognized bond counsel or nationally recognized firm of certified public accountants expert in the calculation of rebate. A final calculation of the rebate amount shall be completed within 55 of dates after the first date on which all the Bonds are no longer outstanding. The Company shall pay to the United States Department of the treasury, not later than 60 days after the fifth (5^{th}) anniversary of the issued date of the Bonds and each five years thereafter an amount equal to 90%, and not later than 60 days after the first date on which all the Bonds are no longer outstanding, an amount equal to 100% of the rebate amount, plus earnings thereon, as required by Treasury Regulations §1.148-3. Each payment of a rebate amount shall be filed with the Internal Revenue Service Center, at the address as directed in the instructions to that form, on or before the date payment is due, accompanied for IRS Form 8038-T. The Company will deliver a copy of each Form 8038-T to the Issuer and the Trustee.

10. Reliance on Certificate. The Executive Director of the Issuer, in executing the Issuer Tax Certificate, and Bond Counsel, in delivering its approving opinion with respect to the Bonds, may rely upon this certificate, upon which the Issuer Tax Certificate and Bond Counsel opinion are based.

DATED December 14, 2006.

HEIRBORNE INVESTMENTS, LLC

Joe Willis, Managing Member

Kevin Willis, Managing Member

EXHIBIT A

12/13/2006

$11,785,000
WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY
Variable Rate Demand Solid Waste Disposal Revenue Bonds
(Heirborne Investments, LLC Project), Series 2006K

WEIGHTED AVERAGE ECONOMIC LIFE OF THE PROJECT

Closing Date: 12/14/06

Capital Cost Components	*Cost*	*In-Service Date*	*Useful Life*	*Adjusted Useful Life* (1)	*Weighted Cost*
Purchase of land north of facility	$510,000	n/a	n/a	n/a	n/a
New construction of buildings	3,850,000	12/01/07	40.0 Years	49.0 Years	188,512,877
Infrastructure	780,000	06/01/07	40.0 Years	48.5 Years	37,801,151
Equipment	5,660,000	12/14/06	10.0 Years	12.0 Years	67,920,000
Subtotal capital costs subject to useful life test	$10,800,000				$294,234,027
Construction contingency	500,000	n/a	n/a	n/a	n/a
Other contingency	175,186	n/a	n/a	n/a	n/a
Subtotal capital costs	11,475,186				

100% of the Weighted Average Economic Life of the Project	**22.39 Years**
120% of the Weighted Average Economic Life of the Project	**27.24 Years**

Costs of Issuance	$235,700
Bank Costs	74,114
Total Bond Amount	$11,785,000

(1) Equals the useful life times 120%, calculated from the in-sevice date.

Prepared by Westhoff, Cone & Holmstedt

EXHIBIT B

12/13/2006

$11,785,000
WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY
Variable Rate Demand Solid Waste Disposal Revenue Bonds
(Heirborne Investments, LLC Project), Series 2006K

WEIGHTED AVERAGE MATURITY OF THE BONDS

Dated/Delivery Date: 12/14/06

January Interest Payment Date of Payment Year	*Principal Payment Schedule*	*Years Outstanding*	*Bond Years*
2008	105,000	1.05	109,958
2009	220,000	2.05	450,389
2010	445,000	3.05	1,356,014
2011	650,000	4.05	2,630,694
2012	695,000	5.05	3,507,819
2013	730,000	6.05	4,414,472
2014	770,000	7.05	5,426,361
2015	820,000	8.05	6,598,722
2016	865,000	9.05	7,825,847
2017	910,000	10.05	9,142,972
2018	775,000	11.05	8,561,597
2019	640,000	12.05	7,710,222
2020	600,000	13.05	7,828,333
2021	315,000	14.05	4,424,875
2022	335,000	15.05	5,040,819
2023	350,000	16.05	5,616,528
2024	370,000	17.05	6,307,472
2025	395,000	18.05	7,128,653
2026	415,000	19.05	7,904,597
2026*	1,380,000	20.00	27,596,167
Total	$11,785,000		129,582,514

Weighted Average Maturity (Average Life) of the Bonds	11.00 Years

* December 13, 2026 maturity.

Prepared by Westhoff, Cone & Holmstedt