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2 **CLERK'S OFFICE**  
3 **APPROVED**  
4 Date: 12-08-98

Submitted by: Chairman of the Assembly  
Prepared by: at the Request of the Mayor  
Wohlforth, Argetsinger,  
For Reading: Johnson & Brecht  
November 17, 1998

5  
6 **MUNICIPALITY OF ANCHORAGE**

7 **ORDINANCE NO. AO 98-179**

8 **AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,**  
9 **AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO**  
10 **EXCEED \$40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAX**  
11 **ANTICIPATION NOTES OF THE MUNICIPALITY; FIXING CERTAIN**  
12 **DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER**  
13 **OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD**  
14 **VALOREM PROPERTY TAXES TO BE LEVIED DURING 1999 AND THE**  
15 **FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT**  
16 **THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTI-**  
17 **ATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF**  
18 **SAID NOTES; AND RELATED MATTERS.**

19 **WHEREAS, the Municipality of Anchorage (the "Municipality") levies ad valorem**  
20 **taxes on real and personal property on an annual basis with payment thereof allowed**  
21 **to be made in installments; and**

22 **WHEREAS, the Municipality requires funds to meet on-going expenses until**  
23 **receipt of sufficient money from the payment of ad valorem property taxes to be levied**  
24 **in 1999 and from other revenue sources, and desires to borrow such funds and to issue**  
25 **its tax anticipation notes for this purpose; and**

26 **WHEREAS, Alaska Statutes, Title 29.47.010 - .040 and Article XV of the Home**  
27 **Rule Charter of the Municipality provide for the borrowing of money by the Municipality**  
28 **in anticipation of tax revenues; and**

**WHEREAS, the Home Rule Charter of the Municipality provides in Section 15.03**  
**that the Assembly by ordinance shall provide for the form and manner of sale of bonds**  
**and notes including reasonable limitation upon the sale of bonds and notes to financial**  
**consultants of the Municipality; and**

1 WHEREAS, the Assembly does herein determine that it is necessary and  
2 advisable and in the best interest of the Municipality and its inhabitants that tax anticipa-  
3 tion notes in an amount not to exceed \$40,000,000 be issued at this time for the purpose  
4 of raising funds to pay on-going expenses of the Municipality until sufficient money from  
5 receipt of 1999 ad valorem property taxes and from other revenue sources is available.

6 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

7 Section 1 Purpose. The purpose of this Ordinance is to authorize the issuance  
8 and sale of not to exceed \$40,000,000 of tax anticipation notes to provide funds to pay  
9 the on-going expenses of the Municipality until sufficient funds from receipt of 1999 ad  
10 valorem property taxes and from other revenue sources are available, to provide for  
11 original issue discount, if any, to pay the costs of issuance of the tax anticipation notes  
12 authorized herein, and to fix certain details of said notes to be issued.

13 Section 2. Definitions. The following terms shall have the following meanings in  
14 this Ordinance:

15 (a) "Assembly" means the Municipal Assembly of the Municipality, as the  
16 general legislative authority of the Municipality established pursuant to its Home Rule  
17 Charter, as the same shall be duly and regularly constituted from time to time.

18 (b) "Code" means the Internal Revenue Code of 1986, as amended from time  
19 to time, together with all regulations effective or promulgated and applicable thereto.

20 (c) "Commission" means the Securities and Exchange Commission.

21 (d) "DTC" means The Depository Trust Company, New York, New York, a  
22 limited purpose trust company organized under the laws of the State of New York, as  
23 depository for the Notes pursuant to Section 6 hereof, and the term DTC shall include  
24 any corporate successor thereto.

1 (e) "Letter of Representations" means the Blanket Issuer Letter of Representa-  
2 tions from the Municipality to DTC dated July 1, 1995, including DTC's Operational  
3 Arrangements referenced in said letter, as they may be amended from time to time.

4 (f) "MSRB" means the Municipal Securities Rulemaking Board or any  
5 successor to its functions.

6 (g) "Municipality" means the Municipality of Anchorage created upon ratification  
7 of the Home Rule Charter after the election thereon held on September 9, 1975, and the  
8 successor thereunder to the City of Anchorage, the City of Glen Alps, the City of  
9 Girdwood and the Greater Anchorage Area Borough, former municipal corporations of  
10 the State of Alaska

11 (h) "NRMSIR" means a nationally recognized municipal securities information  
12 repository.

13 (i) "Non-payment Related Default" means:

14 (i) Default by the Municipality in the performance of any covenants of the  
15 Municipality in this ordinance if such default continues for 90 days after the  
16 Municipality receives written notice specifying and demanding the cure of such  
17 default. If the default in the performance of the covenant cannot be completely  
18 remedied within 90 days after written notice is given, it shall not be a non-  
19 payment related default with respect to Section 24 of this ordinance as long as  
20 the Municipality has taken active steps within 90 days after written notice has  
21 been given to remedy the non-payment related default and is diligently pursuing  
22 such remedy; or

23 (ii) The filing by the Municipality of a petition in bankruptcy or the  
24 establishment of a receivership for the Municipality under any state or federal  
25 bankruptcy or insolvency law.

1 (i) "Note" or "Notes" means any of the Municipality's 1999 General Obligation  
2 Tax Anticipation Notes, the issuance and sale of which are authorized herein.

3 (j) "Note Register" means the registration books maintained by the Paying  
4 Agent (as Note Registrar), as agent of the Municipality, which include the names and  
5 addresses of the owners or nominees of the owners of the Notes.

6 (k) "Ordinance" means this Ordinance of the Municipality.

7 (l) "Paying Agent" means U.S. Bank Trust National Association, Seattle  
8 Washington, or its successors. The Paying Agent shall also act as Note Registrar  
9 pursuant to Section 12 hereof.

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

12 (n) "SID" means a state information depository for the State of Alaska (should  
13 one be created)

14 Section 3. Authority for Ordinance. The Municipality has ascertained and hereby  
15 determines that each and every matter and thing as to which provision is made in this  
16 Ordinance is necessary in order to carry out and effectuate the purposes of the  
17 Municipality in accordance with the Constitution and statutes of the State of Alaska and  
18 the Home Rule Charter of the Municipality, and to incur the indebtedness and issue the  
19 Notes.

20 Section 4. Obligation of Notes; Pledge. The receipts of the Municipality from the  
21 payment of ad valorem property taxes levied by the Municipality in 1999 are hereby  
22 pledged to the payment of the principal of and interest on the Notes. In addition, the  
23 Notes shall be direct and general obligations of the Municipality and the full faith and  
24 credit of the Municipality are hereby pledged to the payment of the principal of and  
25 interest on the Notes. The Municipality hereby irrevocably pledges and covenants that  
26 it will levy and collect taxes upon all taxable property within the Municipality without

1 limitation as to rate or amount, in amounts sufficient, together with other funds legally  
2 available therefor, to pay the principal of and interest on the Notes as the same become  
3 due and payable.

4       Section 5. Authorization of Notes and Purpose of Issuance. For the purpose of  
5 providing the funds required to pay the on-going expenses of the Municipality until  
6 sufficient funds from the receipt of 1999 ad valorem property taxes and from other  
7 revenue sources are available, to provide for original issue discount, if any, and to pay  
8 all costs incidental to the issuance of the Notes, the Municipality hereby authorizes and  
9 determines to issue and sell the Notes in the aggregate principal amount of not to  
10 exceed \$40,000,000 as determined by the Chief Fiscal Officer pursuant to Section 19  
11 of this Ordinance.

12       Section 6. Designation, Rates, Maturities, Payment Dates and Form of Notes.  
13 The Notes shall be designated "Municipality of Anchorage, Alaska, 1999 General  
14 Obligation Tax Anticipation Notes," shall be dated the date of delivery, and shall mature  
15 on a date which is not more than one year from the date of delivery as established by  
16 the Chief Fiscal Officer pursuant to Section 19 of this Ordinance.

17       The Notes shall bear interest calculated on the basis of a 360-day year composed  
18 of twelve 30-day months from their date payable at the maturity thereof at the rate per  
19 annum fixed and determined by the Chief Fiscal Officer pursuant to Section 19 of this  
20 Ordinance.

21       The Notes shall be registered as to principal and interest as herein provided.  
22 Notes shall each be of the denomination of Five Thousand Dollars (\$5,000) or any  
23 integral multiple thereof. Each Note shall bear a number or letter, or a number and  
24 letter, distinguishing it from every other Note in the manner and with such additional  
25 designation as the Paying Agent deems necessary for purposes of identification.  
26 Notes may be delivered with the aggregate principal amount represented by one Note,

1 in typewritten, printed, or lithographed form. The Notes shall be substantially in the form  
2 hereinafter set forth, with such appropriate variations, omissions or insertions as are  
3 permitted or required by this Ordinance, and may have endorsed thereon such legends  
4 or text as may be necessary or appropriate to conform to the rules and regulations of  
5 any governmental authority or any usage or requirement of law with respect thereto.

6 In order to induce DTC to accept the Notes as eligible for deposit at DTC, the  
7 Municipality has executed and delivered the Letter of Representations which has been  
8 accepted by DTC. The Notes initially issued shall be available for purchase only through  
9 brokers and dealers, who must be or act through participants in DTC, shall be held in  
10 fully immobilized form by DTC acting as depository pursuant to the terms and conditions  
11 set forth in the Letter of Representations, shall be issued in a denomination equal to the  
12 aggregate principal amount of the Notes and shall initially be registered in the name of  
13 Cede & Co., as the nominee of DTC.

14 Neither the Municipality nor the Paying Agent will have any responsibility or  
15 obligation to DTC participants or the persons for whom they act as nominees with  
16 respect to the Notes in respect to the accuracy of any records maintained by DTC or any  
17 DTC participant, the payment by DTC or any DTC participant of any amount in respect  
18 of the principal of or interest on the Notes, any notice which is permitted or required to  
19 be given to owners of the Notes under this Ordinance (except such notices as shall be  
20 required to be given by the Municipality to the Paying Agent or to DTC) or any consent  
21 given or other action taken by DTC as the owner of the Notes. For so long as any Notes  
22 are held in fully immobilized form hereunder, DTC or its successor depository shall be  
23 deemed to be the owner of the Notes for all purposes hereunder, and all references  
24 herein to the owner of the Notes or similar terms shall mean DTC or its nominee and  
25 shall not mean the owners of any beneficial interest in the Notes.

Section 7. Additional Details of Notes. Each of the Notes shall be signed by the manual or facsimile signature of the Mayor or the Municipal Manager and the official seal of the Municipality (or a facsimile thereof) shall be affixed, imprinted or otherwise reproduced on the Note and attested by the manual or facsimile signature of the Municipal Clerk or the Deputy Municipal Clerk. In case any officer whose signature or facsimile of whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery.

The Notes shall contain a certificate of the Paying Agent in the following form:

**PAYING AGENT'S CERTIFICATE  
OF AUTHENTICATION**

This Note is one of the Municipality of Anchorage, Alaska,  
1999 General Obligation Tax Anticipation Notes described in  
and issued pursuant to the within mentioned Ordinance.

**U.S. BANK TRUST NATIONAL ASSOCIATION,  
as Paying Agent**

Date of Authentication

By \_\_\_\_\_  
Authorized Agent

The principal and the interest on the Notes shall be payable in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts.

For so long as all outstanding Notes are held in fully immobilized form by DTC and are registered in the name of Cede & Co. or its registered assigns, payment of principal and interest thereon shall be made as provided in the Letter of Representations.

1 In the event that the Notes are no longer held in fully immobilized form by DTC  
2 and registered in the name of Cede & Co. or its registered assigns, the principal and  
3 interest on the Notes shall be payable at maturity of the Notes upon presentment of the  
4 Notes at the corporate trust office designated by the Paying Agent.

5 Section 8. Redemption of Notes. The Notes are not subject to redemption by or  
6 on behalf of the Municipality prior to their scheduled maturity.

7 Section 10. Form of Note. Each Note shall be in substantially the following form,  
8 with such variations, omissions and insertions as may be required or permitted by this  
9 Ordinance:

10 UNITED STATES OF AMERICA  
11 STATE OF ALASKA  
12 MUNICIPALITY OF ANCHORAGE  
(A Municipal Corporation of the State of Alaska)

13 NO. \$

14 1999 GENERAL OBLIGATION TAX ANTICIPATION NOTE

15 INTEREST RATE MATURITY DATE CUSIP NO.  
16 %

17 Registered Owner: CEDE & Co.

18 Principal Amount:  
19

20 The Municipality of Anchorage, a municipal corporation of the State of Alaska (the  
21 "Municipality"), for value received, acknowledges itself indebted and hereby promises to  
22 pay to the Registered Owner identified above, or registered assigns, on the Maturity  
23 Date identified above, upon presentation and surrender hereof, the Principal Amount  
24 shown above, and to pay interest on such principal sum from the date hereof until its  
25 obligation with respect to the payment of such principal sum shall be discharged, at the  
26



1 Interest Rate per annum shown above, calculated on the basis of a 360-day year  
2 composed of twelve 30-day months, payable on the Maturity Date identified above.  
3 principal and interest of this Note shall be payable in any coin or currency of the United  
4 States of America which at the time of payment is legal tender for the payment of public  
5 and private debts. Principal and interest shall be paid to the Registered Owner or  
6 assigns upon presentation and surrender of this Note at the corporate trust office  
7 designated by U.S. Bank Trust National Association (hereinafter called the "Paying  
8 Agent"), or its successors. Notwithstanding the foregoing, if this Note is held in fully  
9 immobilized form, payment of principal and interest shall be paid as provided in  
10 Depository Trust Company's Operational Arrangements Guidelines, as amended from  
11 time to time (the "Guidelines").

12 This Note is the single Note initially issued of the 1999 General Obligation Tax  
13 Anticipation Notes of the Municipality, aggregating \$\_\_\_\_\_ in principal amount,  
14 and constituting Notes authorized for the purpose of providing funds to pay the on-going  
15 expenses of the Municipality until sufficient funds from the receipt of 1999 ad valorem  
16 property taxes and from other revenue sources are available and is issued pursuant to  
17 Ordinance No. AO 98- of the Municipality entitled:

18  
19 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
20 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO  
21 EXCEED \$40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAX  
22 ANTICIPATION NOTES OF THE MUNICIPALITY; FIXING CERTAIN  
23 DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER  
24 OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD  
25 VALOREM PROPERTY TAXES TO BE LEVIED DURING 1999 AND THE  
26 FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT  
27 THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTI-  
28 ATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF  
SAID NOTES; AND RELATED MATTERS.

(herein, called the "Ordinance")

1 The Notes are not subject to redemption prior to their scheduled maturity.

2 This Note is transferable as provided in the Ordinance and the Guidelines. The  
3 Municipality and the Paying Agent may treat and consider the person in whose name this  
4 Note is registered as the absolute owner hereof for the purpose of receiving payment of,  
5 or on account of, the principal of and interest due hereon and for all other purposes  
6 whatsoever.

7 The receipts of the Municipality from the payment of ad valorem property taxes  
8 levied by the Municipality in 1999 are pledged to the payment of the principal of and  
9 interest on this Note. This Note is a general obligation of the Municipality and the full  
10 faith and credit of the Municipality are pledged for the payment of the principal of and  
11 interest on this Note. The Municipality hereby irrevocably pledges and covenants that  
12 it will levy and collect taxes upon all taxable property within the Municipality without  
13 limitation as to rate or amount, in amounts sufficient, together with other funds legally  
14 available therefor, to pay the principal of and interest on the Notes as the same become  
15 due and payable.

16 IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, or things  
17 required by the Constitution or statutes of the State of Alaska and the Home Rule  
18 Charter of the Municipality to exist, to have happened or to have been performed prece-  
19 dent to or in the issuance of this Note, exist, have happened and have been performed,  
20 and that the series of Notes of which this is one, together with all other indebtedness of  
21 the Municipality, is within every debt and other limit prescribed by said Constitution.  
22 statutes or Charter.

23 IN WITNESS WHEREOF, THE MUNICIPALITY OF ANCHORAGE, ALASKA, has  
24 caused this Note to be signed in its name and on its behalf by the signature of its  
25  
26

1 Municipal Manager and its corporate seal to be hereunto affixed, imprinted or otherwise  
2 reproduced and attested by the signature of its Clerk, all as of the day of December,  
3 1998.

4  
5 GEORGE VAKALIS  
6 Municipal Manager

7 [SEAL]

8 ATTEST:

9 LEJANE FERGUSON  
10 Clerk

11 In the event the Notes are not or are no longer registered in the name of Cede  
12 & Co., or its assigns, the form of the Notes may be modified to conform to printing  
13 requirements and the terms of this Ordinance.

14 Section 11 Application of Note Proceeds. The proceeds of the sale of the Notes  
15 shall be deposited in the "1999 General Obligation Tax Anticipation Note Fund" which  
16 is hereby created, and shall be used and applied to pay the on-going expenses of the  
17 Municipality until sufficient funds from the receipt of 1999 ad valorem property taxes and  
18 from other revenue sources are available.

19 Section 12. Paying Agent and Note Registrar. (a) U.S. Bank Trust National  
20 Association, Seattle, Washington, is hereby appointed Paying Agent for the Notes and  
21 the term "Paying Agent" shall include any successor or successors thereto. Any  
22 company into which the Paying Agent may be merged or converted or with which it may  
23 be consolidated or any company resulting from any merger, conversion or consolidation  
24 to which it shall be a party, provided such company shall be a bank or trust company  
25 organized under the laws of the United States of America or a national banking  
26 association and shall be authorized by law to perform all the duties imposed upon it by

1 this Ordinance, shall be the successor to the Paying Agent without the execution or filing  
2 of any paper or the performance of any further act. The form of the Paying  
3 Agent/Registrar Agreement, on file with the Municipal Clerk, is hereby approved and its  
4 execution by the Chief Fiscal Officer on behalf of the Municipality with such changes as  
5 may hereafter be approved by him is hereby authorized.

6 The Paying Agent, as Note Registrar, shall maintain a Note Register which shall  
7 include the names and addresses of the owners or nominees of the owners of the Notes  
8 and which shall provide for the registration, transfer and exchange of Notes. The  
9 Municipality covenants that, until all Notes have been surrendered and canceled, it will  
10 maintain a system for recording the ownership of each Note that complies with the  
11 provisions of Section 149 of the Code.

12 The Paying Agent may become the owner of or may deal in Notes as fully and  
13 with the same rights as if it were not the Paying Agent.

14 (b) Concerning the use of DTC,

15 (1) The Notes shall be registered initially in the name of "Cede & Co.", as  
16 nominee of DTC, as a single Note in a denomination corresponding to the total principal  
17 amount of the Notes. Registered ownership of such immobilized Notes, or any portions  
18 thereof, may not thereafter be transferred except (i) to any successor of DTC or its  
19 nominee, provided that any such successor shall be qualified under any applicable laws  
20 to provide the service proposed to be provided by it; (ii) to any substitute depository  
21 appointed by the Municipality pursuant to (2) below or such substitute depository's  
22 successor; or (iii) to any person as provided in (4) below.

23 (2) Upon the resignation of DTC or its successor (or any substitute  
24 depository or its successor) from its functions as depository or a determination by the  
25 Assembly that it is no longer in the best interest of owners of beneficial interests in the  
26 Notes to continue the system of book-entry transfers through DTC or its successor (or

any substitute depository or its successor), the Municipality may thereafter 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 (i) or (ii) of (1) above, the Paying Agent shall, upon receipt of the outstanding Note, together with a written request on behalf of the Municipality, issue a single new Note 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 Municipality.

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository and no substitute depository can be obtained, or (ii) the Municipality determines that it is in the best interest of the beneficial owners of the Notes that they be able to obtain Note certificates, the ownership of Notes may then be transferred to any person or entity as herein provided and the Notes shall no longer be held in fully immobilized form. The Municipality shall deliver a written request to the Paying Agent, together with a supply of definitive Notes, to issue Notes as herein provided in any authorized denomination. Upon receipt of all then outstanding Notes by the Paying Agent, together with a written request on behalf of the Municipality to the Paying Agent, new Notes shall be issued in such denominations and registered in the names of such persons as are requested in such written request.

**Section 13. Mutilated, Destroyed, Stolen or Lost Notes.** In case any Note shall become mutilated or be destroyed, stolen or lost, the Municipality may cause to be executed, and shall deliver, a new Note of like principal amount and interest rate in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and in substitution for such Note destroyed, stolen or lost, in each case upon the registered owner thereof paying the reasonable expenses and charges of the

1 Municipality and the Paying Agent in connection therewith and in the case of a Note  
2 destroyed, stolen or lost, filing by the owner with the Paying Agent evidence satisfactory  
3 to the Paying Agent and the Municipality that such Note was destroyed, stolen or lost  
4 and the owner's ownership thereof, and furnishing the Municipality and the Paying Agent  
5 with indemnity satisfactory to them. Any new Note so delivered may bear a number  
6 differing from the number of the Note it replaces.

7       Section 14. Transfer of Notes and Delivery of New Notes. If the Notes are no  
8 longer held in book-entry form, any Note may be transferred only upon the books kept  
9 for the registration and transfer of Notes by the Paying Agent, as Note Registrar, upon  
10 surrender thereof at the corporate trust office designated by the Paying Agent, together  
11 with an assignment duly executed by the registered owner or the registered owner's  
12 attorney in such form as shall be satisfactory to the Paying Agent. Upon the transfer of  
13 any such Note, there shall be executed in the name of the transferee, and the  
14 Municipality shall cause to be authenticated and delivered, a new registered Note or  
15 Notes of the same aggregate principal amount and the same interest rate in any of the  
16 authorized denominations.

17       In all cases in which Notes may be transferred under this Ordinance, there shall  
18 be executed, and the Municipality shall authenticate and deliver, Notes in accordance  
19 with the provisions of this Ordinance. Any such transfer shall be without cost to the  
20 registered owner, except that the Municipality and the Paying Agent may make a charge  
21 for every such registration, exchange or transfer of Notes sufficient to reimburse them  
22 for any tax, fee or other governmental charge required to be paid with respect to such  
23 registration, exchange or transfer, and such charge or charges shall be paid before any  
24 such new Note shall be delivered.

25       Section 15. Ownership of Notes. As to any Note, the person in whose name the  
26 same shall be registered on the Note Register shall be deemed and regarded as the

1 absolute owner thereof for all purposes, and payment of or on account of the principal  
2 of such Note and the interest on such Note shall be made only to or upon the order of  
3 the registered owner thereof or the owner's legal representative, but such registration  
4 may be changed as hereinabove provided All such payments shall be valid and  
5 effectual to satisfy and discharge the liability upon such Note, including the interest  
6 thereon, to the extent of the sum or sums so paid.

7 The Notes shall be uncertificated securities to the extent provided by Alaska  
8 Statutes, Chapter 45.08. The Municipality and the Paying Agent shall be entitled to treat  
9 the person in whose name any Note is registered as the absolute owner thereof for all  
10 purposes of this Ordinance and any applicable laws, notwithstanding any notice to the  
11 contrary received by the Paying Agent or the Municipality. Neither the Municipality nor  
12 the Paying Agent will have any responsibility or obligation, legal or otherwise, to any  
13 other party, except to the owners of the Notes.

14 Section 16. Repayment Fund. There is hereby created the "1999 General  
15 Obligation Tax Anticipation Note Repayment Fund," the money in which shall be invested  
16 in obligations of, or obligations insured or guaranteed by, the United States or an agency  
17 or instrumentality of the United States, held for the benefit of the registered owners of  
18 the Notes and used on the maturity date of the Notes, to the extent necessary, to pay  
19 the principal of and interest on the Notes. The Municipality hereby covenants to pay into  
20 said Fund on or before the first day of each of the six months preceding the maturity  
21 date of the Notes an amount which is not less than one-sixth of the principal and interest  
22 due on maturity of the Notes. Whenever the total of the money deposited in said Fund,  
23 together with the earnings from the investment thereof, shall exceed the amount needed  
24 to pay in full the principal of and interest on the Notes at maturity, such excess shall be  
25 transferred to the general fund of the Municipality.

1       Section 17. Arbitrage Covenant. The Municipality covenants with the registered  
2 owners of all Notes at any time outstanding that it will make no use of the proceeds of  
3 the Notes which will cause the Notes to be "arbitrage bonds" subject to federal income  
4 taxation by reason of Section 148 of the Code. To that end, so long as any of the Notes  
5 are outstanding, the Municipality, with respect to the proceeds of the Notes, shall comply  
6 with all requirements of said Section 148 and of all regulations of the United States  
7 Department of Treasury issued thereunder, to the extent that such requirements are, at  
8 the time, applicable and in effect.

9       As part of the performance of this covenant, within 25 days of the end of the six-  
10 month period beginning on the date of delivery of the Notes, the Municipality will perform  
11 such calculations as are necessary to determine whether or not the Municipality has met  
12 the "safe harbor" requirements of Section 148(f)(4)(B)(iii) of the Code with respect to the  
13 Notes and, if it has not met such safe harbor requirements, it will, within 45 days after  
14 the retirement of the Notes, calculate the amount, if any, of investment profits that must  
15 be rebated to the United States, and will pay to the United States the amount of any  
16 such investment profit within 60 days of retirement of the Notes.

17       Section 18. Compliance with Code. The Municipality hereby covenants to comply  
18 with any and all applicable requirements set forth in the Code in effect from time to time  
19 to the extent that such compliance shall be necessary for the exemption from federal  
20 income taxes of the interest on the Notes. The Municipality hereby further covenants  
21 to observe any and all applicable requirements in any future federal tax legislation to the  
22 extent that such compliance is determined by the Municipality to be legal and practicable  
23 and required for such exemption.

24       Section 19. Sale of Notes, Final Terms, Approval of Official Statement. The  
25 Notes shall be sold at negotiated sale. The Chief Fiscal Officer, with the assistance of  
26 the Financial Advisor (as defined below), is hereby authorized to select an underwriter



1 (the "Underwriter"), and negotiate terms for the purchase of not to exceed Forty Million  
2 Dollars (\$40,000,000) in principal amount of the Notes. The Chief Fiscal Officer is  
3 further authorized to execute a contract with the Underwriter for the purchase of the  
4 Notes which is in the best interest of the Municipality.

5 The Municipality has been advised by its financial advisor, PaineWebber  
6 Incorporated (the "Financial Advisor"), that market conditions continue to fluctuate and,  
7 as a result, the most favorable market conditions may occur on a day other than a  
8 regular meeting date of the Assembly. The Assembly has determined that it would be  
9 inconvenient, perhaps impossible, to hold a special meeting on short notice and,  
10 accordingly, has determined that it would be in the best interest of the Municipality to  
11 delegate to the Chief Fiscal Officer for a limited time the authority to approve certain  
12 details of the Notes including the delivery date, the total principal amount to be sold, the  
13 purchase price, the maturity date and the interest rate. The interest rate for the Notes  
14 shall be determined by agreement among the Underwriter, the Financial Advisor and the  
15 Chief Fiscal Officer, shall take into account those factors which, in their judgement, will  
16 result in the lowest net effective interest cost on the Notes, and shall be set forth as an  
17 exhibit to the Purchase Contract for the Notes.

18 The Chief Fiscal Officer is hereby authorized to execute the final form of the  
19 Purchase Contract with the Underwriter for the Notes upon his approval of the details of  
20 the Notes including the delivery date, the total principal amount, the maturity date, the  
21 interest rate per annum and the true interest cost on the Notes. The authority granted  
22 to the Chief Fiscal Officer or the acting Chief Fiscal Officer by this Section shall expire  
23 on January 31, 1999. If the terms of the Notes have not been approved by the Chief  
24 Fiscal Officer in accordance with the delegated authority of this Section by said date, the  
25 Notes shall be sold in the manner provided in the following paragraph.

1 The Chief Fiscal Officer is hereby authorized to solicit an offer or offers for the  
2 purchase of the Notes from a qualified and selected underwriter or underwriters in such  
3 manner as he deems appropriate, and thereafter to negotiate a contract for the purchase  
4 of the Notes which is in the best interest of the Municipality, said contract or contracts  
5 to be approved by the Assembly by resolution

6 The Chief Fiscal Officer is authorized to review and to approve, on behalf of the  
7 Municipality, the Preliminary Official Statement and Official Statement relating to the  
8 issuance and sale of the Notes with such changes, if any, as may be deemed by him to  
9 be appropriate, including changes necessary in order to evidence compliance with  
10 Securities and Exchange Commission Rule 15c2-12(b).

11 Section 20. Authority of Officers. The Mayor, the Municipal Manager, the Chief  
12 Fiscal Officer, the Cash Management and Investment Officer, the Municipal Clerk and  
13 the acting Municipal Clerk from time to time, are, and each of them hereby is, authorized  
14 and directed to do and perform all things and determine all matters not determined by  
15 this Ordinance, or to be determined by a subsequent ordinance or resolution of the  
16 Municipality, to the end that the Municipality may carry out its obligations under the  
17 Notes and this Ordinance. The proper officials of the Municipality are authorized and  
18 directed to execute all documents and to do everything necessary for the preparation  
19 and delivery of a transcript of proceedings pertaining to the Notes and the preparation,  
20 authentication and delivery of the single initial Note in definitive form to DTC on behalf  
21 of the purchasers thereof.

22 Section 21. Amendatory and Supplemental Ordinances.

23 (a) The Assembly from time to time and at any time may adopt an ordinance or  
24 ordinances supplemental hereto, which ordinance or ordinances thereafter shall become  
25 a part of this Ordinance, for any one or more of the following purposes:  
26

1 (1) To add to the covenants and agreements of the Municipality in  
2 this Ordinance contained, other covenants and agreements thereafter to be  
3 observed, or to surrender any right or power herein reserved to or conferred upon  
4 the Municipality.

5 (2) To make such provisions for the purpose of curing any  
6 ambiguities or of curing, correcting or supplementing any defective provision  
7 contained in this Ordinance or in regard to matters or questions arising under this  
8 Ordinance as the Assembly may deem necessary or desirable and not inconsis-  
9 tent with this Ordinance and which shall not adversely affect the interests of the  
10 registered owners of the Notes.

11 Any such supplemental ordinance of the Assembly may be adopted without the  
12 consent of the registered owner of any of the Notes at any time outstanding, notwith-  
13 standing any of the provisions of subsection (b) of this Section.

14 (b) With the consent of the registered owners of not less than 60% in aggregate  
15 principal amount of the Notes at the time outstanding, the Assembly may adopt an  
16 ordinance or ordinances supplemental hereto for the purpose of adding any provisions  
17 to or changing in any manner or eliminating any of the provisions of this Ordinance or  
18 of any supplemental ordinance; provided, however, that no such supplemental ordinance  
19 shall:

20 (1) Extend the fixed maturity of the Notes, or reduce the rate of  
21 interest thereon, or extend the time of payment of interest from its due date, or  
22 reduce the amount of the principal thereof, without the consent of the owner of  
23 each Note so affected; or

24 (2) Reduce the aforesaid percentage of owners of Notes required  
25 to approve any such supplemental ordinance without the consent of the owners  
26 of all of the Notes then outstanding

1 It shall not be necessary for the consent of the owners of the Notes under this  
2 subsection to approve the particular form of any proposed supplemental ordinance, but  
3 it shall be sufficient if such consent approves the substance thereof.

4 (c) Upon the adoption of any supplemental ordinance pursuant to the provisions  
5 of this Section, this Ordinance shall be deemed to be modified and amended in  
6 accordance therewith, and the respective rights, duties and obligations of the Municipality  
7 under this Ordinance and all owners of Notes outstanding hereunder shall thereafter be  
8 determined, exercised and enforced thereunder, subject in all respects to such  
9 modification and amendment, and all the terms and conditions of any such supplemental  
10 ordinance shall be deemed to be part of the terms and conditions of this Ordinance for  
11 any and all purposes.

12 (d) Notes executed and delivered after the execution of any supplemental  
13 ordinance adopted pursuant to the provisions of this Section may bear a notation as to  
14 any matter provided for in such supplemental ordinance, and if such supplemental  
15 ordinance shall so provide, new Notes so modified so as to conform, in the opinion of  
16 the Municipality, to any modification of this Ordinance contained in any such supple-  
17 mental ordinance may be prepared by the Municipality and delivered without cost to the  
18 registered owners of the Notes then outstanding, upon surrender for cancellation of such  
19 Notes in equal aggregate principal amounts.

20 Section 22. Prohibited Sale of Notes. No person, firm or corporation, or any  
21 agent or employee thereof, acting as financial consultant to the Municipality under an  
22 agreement for payment in connection with the sale of the Notes is eligible to purchase  
23 the Notes as a member of the original underwriting syndicate either at public or private  
24 sale

1       Section 23   Miscellaneous.

2       No recourse shall be had for the payment of the principal of or the interest on the  
3 Notes or for any claim based thereon or on this Ordinance against any member of the  
4 Assembly or officer of the Municipality or any person executing the Notes. The Notes  
5 are not and shall not be in any way a debt or liability of the State of Alaska or of any  
6 political subdivision thereof, except the Municipality, and do not and shall not create or  
7 constitute an indebtedness or obligation, either legal, moral or otherwise, of said State  
8 or of any political subdivision thereof, except the Municipality.

9       Section 24.   Undertaking to Provide Ongoing Disclosure

10       (a) Contract/Undertaking. This Section constitutes the Municipality's written  
11 undertaking for the benefit of the owners of the Notes as required by Section (b)(5) of  
12 the Rule.

13       (b) Financial Statements/Operating Data. In the case of the Notes, which mature  
14 on a date which is not more than one year from the date of delivery, the Municipality, in  
15 accordance with the Rule, is not required to provide annual financial information and  
16 operating data for the prior fiscal year to each NRMSIR or to any SID

17       (c) Material Events. The Municipality agrees to provide or cause to be provided,  
18 in a timely manner, to any SID, and to each NRMSIR, in each case as designated by the  
19 Commission in accordance with the Rule, or to the MSRB notice of the occurrence of  
20 any of the following events with respect to the Notes, if such event is material:

- 21
- 22       •     Principal and interest payment delinquencies
  - 23       Non-payment related defaults;
  - 24       Unscheduled draws on debt service reserves reflecting financial difficulties;
  - 25       •     Unscheduled draws on credit enhancements reflecting financial difficulties;
  - 26       •     Substitution of credit or liquidity providers, or their failure to perform

- Adverse tax opinions or events affecting the tax-exempt status of the Notes;
- Modifications to rights of owners of the Notes;
- Note calls;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Notes; and
- Rating changes.

The Municipality will state in its Preliminary and Final Official Statements that there is no debt service reserve established for the Notes other than the 1999 General Obligation Tax Anticipation Note Repayment Fund created pursuant to Section 16 of this Ordinance.

(d) Termination/Modification. The Municipality's obligation to provide notices of material events shall terminate upon the payment in full of all of the Notes. This Section of the Ordinance, or any provision hereof, shall be null and void if the Municipality (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Notes and (2) notifies each then existing NRMSIR and any SID of such opinion and the cancellation of this Section. Notwithstanding any other provision of this Ordinance, the Municipality may amend this Section and any provision of this Section may be waived, provided that the following conditions are satisfied:

(1) If the amendment or waiver relates to the provisions of (b) or (c) of this Section, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Notes, or the type of business conducted;

1 (2) The undertaking, as amended or taking into account such waiver,  
2 would, in the opinion of nationally recognized bond counsel, have complied with  
3 the requirements of the Rule at the time of the original issuance of the Notes,  
4 after taking into account any amendments or interpretations of the Rule, as well  
5 as any change in circumstances; and

6 (3) The amendment or waiver either (A) is approved by the  
7 registered owners of the Notes in the same manner as provided in this Ordinance  
8 for amendments to this Ordinance with the consent of registered owners or (B)  
9 does not, in the opinion of nationally recognized bond counsel, materially impair  
10 the interests of the registered owners of the Notes.

11 In the event of any amendment of or waiver of a provision of this Section,  
12 the Municipality shall describe such amendment in a report provided to any SID,  
13 and to each NRMSIR, in each case as designated by the Commission in  
14 accordance with the Rule, and shall include, as applicable, a narrative explanation  
15 of the reason for the amendment or waiver and its impact on the type of  
16 information being presented by the Municipality.

17 (e) Registered Owner's Remedies Under This Section. The right of a registered  
18 owner of a Note to enforce the provisions of this Section shall be limited to a right to  
19 obtain specific enforcement of the Municipality's obligations hereunder, and any failure  
20 by the Municipality to comply with the provisions of this undertaking shall not be a default  
21 with respect to the Notes under this Ordinance.

22 Section 25. Severability. If any one or more of the covenants and agreements  
23 provided in this Ordinance to be performed on the part of the Municipality shall be  
24 declared by any court of competent jurisdiction to be contrary to law, then such covenant  
25 or covenants, agreement or agreements shall be null and void and shall be deemed  
26

1 separable from the remaining covenants and agreements in this Ordinance and shall in  
2 no way affect the validity of the other provisions of this Ordinance or of the Notes.

3 Section 26. Effective Date. This Ordinance shall take effect immediately.

4 PASSED AND APPROVED by the Anchorage Assembly, this 8<sup>th</sup> day of  
5 ~~November~~ <sup>December</sup> 1998.

6  
7   
8 Chair

9 ATTEST:

10   
11 Municipal Clerk