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1 CLERK'S OFFICE
2 **APPROVED**
3 Date: 1-11-00

Submitted by: Chairman of the Assembly
Prepared by: at the Request of the Mayor
 Wohlforth, Vassar,
 Johnson & Brecht
For Reading: December 14, 1999

4 MUNICIPALITY OF ANCHORAGE

5 ORDINANCE NO. AO 99-158

6 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
7 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO
8 EXCEED \$50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAX
9 ANTICIPATION NOTES OF THE MUNICIPALITY; FIXING CERTAIN
10 DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER
11 OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD
12 VALOREM PROPERTY TAXES TO BE LEVIED DURING YEAR 2000 AND
13 THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE
14 PAYMENT THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO
15 NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND
16 SALE OF SAID NOTES; AND RELATED MATTERS.

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

20 WHEREAS, the Municipality requires funds to meet on-going expenses until
21 receipt of sufficient money from the payment of ad valorem property taxes to be levied
22 in 2000 and from other revenue sources, and desires to borrow such funds and to issue
23 its tax anticipation notes for this purpose; and

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

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

31 WHEREAS, the Assembly does herein determine that it is necessary and
32 advisable and in the best interest of the Municipality and its inhabitants that tax anticipa-

tion notes in an amount not to exceed \$50,000,000 be issued at this time for the purpose of raising funds to pay on-going expenses of the Municipality until sufficient money from receipt of year 2000 ad valorem property taxes and from other revenue sources is available.

NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

Section 1 Purpose. The purpose of this Ordinance is to authorize the issuance and sale of not to exceed \$50,000,000 of tax anticipation notes to provide funds to pay the on-going expenses of the Municipality until sufficient funds from receipt of year 2000 ad valorem property taxes and from other revenue sources are available, to provide for original issue discount, if any, to pay the costs of issuance of the tax anticipation notes authorized herein, and to fix certain details of said notes to be issued

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

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

(b) "Beneficial Owner" means either the person in whose name a Note is recorded as the beneficial owner of such Note by the respective systems of DTC Participants, or if the Note is not then registered in the name of Cede & Co. and held in the Book-Entry System, the registered owner of the Note.

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

(d) "Commission" means the Securities and Exchange Commission.

(e) "DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as

1 depository for the Notes pursuant to Section 6 hereof, and the term DTC shall include
2 any corporate successor thereto.

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

6 (g) "MSRB" means the Municipal Securities Rulemaking Board or any
7 successor to its functions.

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

13 (i) "NRMSIR" means a nationally recognized municipal securities information
14 repository.

15 (j) "Non-payment Related Default" means:

16 (i) Default by the Municipality in the performance of any covenants of the
17 Municipality in this ordinance if such default continues for 90 days after the
18 Municipality receives written notice specifying and demanding the cure of such
19 default. If the default in the performance of the covenant cannot be completely
20 remedied within 90 days after written notice is given, it shall not be a non-
21 payment related default with respect to Section 23 of this ordinance as long as
22 the Municipality has taken active steps within 90 days after written notice has
23 been given to remedy the non-payment related default and is diligently pursuing
24 such remedy; or

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

(k) "Note" or "Notes" means any of the Municipality's 2000 General Obligation Tax Anticipation Notes, the issuance and sale of which are authorized herein.

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

(m) "Ordinance" means this Ordinance of the Municipality.

(n) "Paying Agent" means U.S. Bank Trust National Association, Seattle, Washington, or its successors. The Paying Agent shall also act as Note Registrar pursuant to Section 11 hereof.

(o) "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.

(p) "SID" means a state information depository for the State of Alaska (should one be created).

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

Section 4. Obligation of Notes; Pledge. The receipts of the Municipality from the payment of ad valorem property taxes levied by the Municipality in year 2000 are hereby pledged to the payment of the principal of and interest on the Notes. In addition, the Notes shall be direct and general obligations of the Municipality and the full faith and

1 credit of the Municipality are hereby pledged to the payment of the principal of and
2 interest on the Notes. The Municipality hereby irrevocably pledges and covenants that
3 it will levy and collect taxes upon all taxable property within the Municipality without
4 limitation as to rate or amount, in amounts sufficient, together with other funds legally
5 available therefor, to pay the principal of and interest on the Notes as the same become
6 due and payable.

7 Section 5. Authorization of Notes and Purpose of Issuance. For the purpose of
8 providing the funds required to pay the on-going expenses of the Municipality until
9 sufficient funds from the receipt of year 2000 ad valorem property taxes and from other
10 revenue sources are available, to provide for original issue discount, if any, and to pay
11 all costs incidental to the issuance of the Notes, the Municipality hereby authorizes and
12 determines to issue and sell the Notes in the aggregate principal amount of not to
13 exceed \$50,000,000 as determined by the Chief Fiscal Officer pursuant to Section 18
14 of this Ordinance.

15 Section 6. Designation, Rates, Maturities, Payment Dates and Form of Notes.
16 The Notes shall be designated "Municipality of Anchorage, Alaska. 2000 General
17 Obligation Tax Anticipation Notes," shall be dated the date of delivery, and shall mature
18 on a date which is not more than one year from the date of delivery as established by
19 the Chief Fiscal Officer pursuant to Section 18 of this Ordinance.

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

24 The Notes shall be registered as to principal and interest as herein provided. The
25 Notes shall each be of the denomination of Five Thousand Dollars (\$5,000) or any
26 integral multiple thereof. Each Note shall bear a number or letter, or a number and

1 letter, distinguishing it from every other Note in the manner and with such additional
2 designation as the Paying Agent deems necessary for purposes of identification The
3 Notes may be delivered with the aggregate principal amount represented by one Note,
4 in typewritten, printed, or lithographed form. The Notes shall be substantially in the form
5 hereinafter set forth, with such appropriate variations, omissions or insertions as are
6 permitted or required by this Ordinance, and may have endorsed thereon such legends
7 or text as may be necessary or appropriate to conform to the rules and regulations of
8 any governmental authority or any usage or requirement of law with respect thereto.

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

17 Neither the Municipality nor the Paying Agent will have any responsibility or
18 obligation to DTC participants or the persons for whom they act as nominees with
19 respect to the Notes in respect to the accuracy of any records maintained by DTC or any
20 DTC participant, the payment by DTC or any DTC participant of any amount in respect
21 of the principal of or interest on the Notes, any notice which is permitted or required to
22 be given to owners of the Notes under this Ordinance (except such notices as shall be
23 required to be given by the Municipality to the Paying Agent or to DTC) or any consent
24 given or other action taken by DTC as the owner of the Notes. For so long as any Notes
25 are held in fully immobilized form hereunder, DTC or its successor depository shall be
26 deemed to be the owner of the Notes for all purposes hereunder, and all references

herein to the owner of the Notes or similar terms shall mean DTC or its nominee and 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,
2000 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.

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

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

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

UNITED STATES OF AMERICA
STATE OF ALASKA

MUNICIPALITY OF ANCHORAGE
(A Municipal Corporation of the State of Alaska)

NO. \$

2000 GENERAL OBLIGATION TAX ANTICIPATION NOTE

INTEREST RATE	MATURITY DATE	CUSIP NO.
%		

Registered Owner: CEDE & Co.

Principal Amount:

The Municipality of Anchorage, a municipal corporation of the State of Alaska (the "Municipality"), for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity

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

15 This Note is the single Note initially issued of the 2000 General Obligation Tax
16 Anticipation Notes of the Municipality, aggregating \$_____ in principal amount,
17 and constituting Notes authorized for the purpose of providing funds to pay the on-going
18 expenses of the Municipality until sufficient funds from the receipt of 2000 ad valorem
19 property taxes and from other revenue sources are available and is issued pursuant to
20 Ordinance No. AO 99-158 of the Municipality entitled:

21
22 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
23 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO
24 EXCEED \$50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAX
25 ANTICIPATION NOTES OF THE MUNICIPALITY; FIXING CERTAIN
26 DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER
OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD
VALOREM PROPERTY TAXES TO BE LEVIED DURING 2000 AND THE
FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT
THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTI-

1 ATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF
2 SAID NOTES; AND RELATED MATTERS.

3 (herein, called the "Ordinance")

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

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

10 The receipts of the Municipality from the payment of ad valorem property taxes
11 levied by the Municipality in 2000 are pledged to the payment of the principal of and
12 interest on this Note. This Note is a general obligation of the Municipality and the full
13 faith and credit of the Municipality are pledged for the payment of the principal of and
14 interest on this Note. The Municipality hereby irrevocably pledges and covenants that
15 it will levy and collect taxes upon all taxable property within the Municipality without
16 limitation as to rate or amount, in amounts sufficient, together with other funds legally
17 available therefor, to pay the principal of and interest on the Notes as the same become
18 due and payable.

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

1 IN WITNESS WHEREOF, THE MUNICIPALITY OF ANCHORAGE, ALASKA, has
2 caused this Note to be signed in its name and on its behalf by the signature of its
3 Municipal Manager and its corporate seal to be hereunto affixed, imprinted or otherwise
4 reproduced and attested by the signature of its Clerk, all as of the day of January,
5 2000.

7 GEORGE VAKALIS
8 Municipal Manager

9 [SEAL]

10 ATTEST:

11 LEJANE FERGUSON
12 Clerk

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

16 Section 10. Application of Note Proceeds. The proceeds of the sale of the Notes
17 shall be deposited in the "2000 General Obligation Tax Anticipation Note Fund" which
18 is hereby created, and shall be used and applied to pay the on-going expenses of the
19 Municipality until sufficient funds from the receipt of 2000 ad valorem property taxes and
20 from other revenue sources are available.

21 Section 11 Paying Agent and Note Registrar. (a) U.S. Bank Trust National
22 Association, Seattle, Washington, is hereby appointed Paying Agent for the Notes and
23 the term "Paying Agent" shall include any successor or successors thereto. Any
24 company into which the Paying Agent may be merged or converted or with which it may
25 be consolidated or any company resulting from any merger, conversion or consolidation
26 to which it shall be a party, provided such company shall be a bank or trust company

1 organized under the laws of the United States of America or a national banking
2 association and shall be authorized by law to perform all the duties imposed upon it by
3 this Ordinance, shall be the successor to the Paying Agent without the execution or filing
4 of any paper or the performance of any further act. The form of the Paying
5 Agent/Registrar Agreement, on file with the Municipal Clerk, is hereby approved and its
6 execution by the Chief Fiscal Officer on behalf of the Municipality with such changes as
7 may hereafter be approved by him is hereby authorized.

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

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

16 (b) Concerning the use of DTC,

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

25 (2) Upon the resignation of DTC or its successor (or any substitute
26 depository or its successor) from its functions as depository or a determination by the

1 Assembly that it is no longer in the best interest of owners of beneficial interests in the
2 Notes to continue the system of book-entry transfers through DTC or its successor (or
3 any substitute depository or its successor), the Municipality may thereafter appoint a
4 substitute depository. Any such substitute depository shall be qualified under any
5 applicable laws to provide the services proposed to be provided by it.

6 (3) In the case of any transfer pursuant to clause (i) or (ii) of (1) above, the
7 Paying Agent shall, upon receipt of the outstanding Note, together with a written request
8 on behalf of the Municipality, issue a single new Note registered in the name of such
9 successor or such substitute depository, or their nominees, as the case may be, all as
10 specified in such written request of the Municipality.

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

23 Section 12 Mutilated, Destroyed, Stolen or Lost Notes. In case any Note shall
24 become mutilated or be destroyed, stolen or lost, the Municipality may cause to be
25 executed, and shall deliver, a new Note of like principal amount and interest rate in
26 exchange and substitution for and upon cancellation of such mutilated Note, or in lieu

of and be used in the Note destroyed, lost, or in any case upon the
 registered the of any the reason for expense and charge of the
 Municipality the Paying Agent connection with and the Note
 destroyed to the filing by the owner with the Paying Agent satisfactory
 the Paying Agent the Municipality has the Note destroyed, stolen or
 the original with the Municipality the Paying Agent
 the indemnity factory to them. Any Note so delivered may be made
 different from the made the Note replaces

Section 1 Transfer of Notes and Delivery of New Notes If the Note
 longer in book-entry form by the Paying Agent only the book-keeper
 for the registered and transfer Notes the Paying Agent Note Registrar upon
 the of the appropriate trustee designated the Paying Agent, together
 with the appropriate duly executed by the registered the registered
 attorney-in-fact shall be satisfactory the Paying Agent Upon the transfer
 any such Note the be executed the immediate fee and the
 Municipality to be authorized delivered new registered Notes
 Notes of the same registered par value and interest rate any of the
 authorized agent

case which Notes may be transferred the Office the
 be executed the Municipality the certificate delivered Notes occur
 with the principal the Office in which transfer be without cost to the
 registered the accept at the Municipality and the Paying Agent may make charge
 every such registered exchange transfer Notes sufficient to reimburse them
 any tax fee or other governmental charge required to be paid with respect to
 registration, exchange transfer and charge charge be paid for any
 such Note that he delivered

1 Section 14. Ownership of Notes. As to any Note, the person in whose name the
2 same shall be registered on the Note Register shall be deemed and regarded as the
3 absolute owner thereof for all purposes, and payment of or on account of the principal
4 of such Note and the interest on such Note shall be made only to or upon the order of
5 the registered owner thereof or the owner's legal representative, but such registration
6 may be changed as hereinabove provided. All such payments shall be valid and
7 effectual to satisfy and discharge the liability upon such Note, including the interest
8 thereon, to the extent of the sum or sums so paid.

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

16 Section 15. Repayment Fund. There is hereby created the "2000 General
17 Obligation Tax Anticipation Note Repayment Fund," the money in which shall be invested
18 in obligations of, or obligations insured or guaranteed by, the United States or an agency
19 or instrumentality of the United States, held for the benefit of the registered owners of
20 the Notes and used on the maturity date of the Notes, to the extent necessary, to pay
21 the principal of and interest on the Notes. The Municipality hereby covenants to pay into
22 said Fund on or before the first day of each of the six months preceding the maturity
23 date of the Notes an amount which is not less than one-sixth of the principal and interest
24 due on maturity of the Notes. Whenever the total of the money deposited in said Fund,
25 together with the earnings from the investment thereof, shall exceed the amount needed
26

1 to pay in full the principal of and interest on the Notes at maturity, such excess shall be
2 transferred to the general fund of the Municipality.

3 Section 16. Arbitrage Covenant. The Municipality covenants with the registered
4 owners of all Notes at any time outstanding that it will make no use of the proceeds of
5 the Notes which will cause the Notes to be "arbitrage bonds" subject to federal income
6 taxation by reason of Section 148 of the Code. To that end, so long as any of the Notes
7 are outstanding, the Municipality, with respect to the proceeds of the Notes, shall comply
8 with all requirements of said Section 148 and of all regulations of the United States
9 Department of Treasury issued thereunder, to the extent that such requirements are, at
10 the time, applicable and in effect.

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

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

1 Section 18. Sale of Notes, Final Terms, Approval of Official Statement. The
2 Notes shall be sold at negotiated sale to the Underwriter (as herein defined) The Chief
3 Fiscal Officer, with the assistance of the Financial Advisor (as defined below), is hereby
4 authorized to negotiate terms for the purchase of not to exceed Fifty Million Dollars
5 (\$50,000,000) in principal amount of the Notes by Salomon Smith Barney (the
6 "Underwriter"), and is further authorized to execute a contract with the Underwriter for
7 the purchase of the Notes which is in the best interest of the Municipality.

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

21 The Chief Fiscal Officer is hereby authorized to execute the final form of the
22 Purchase Contract with the Underwriter for the Notes upon his approval of the details of
23 the Notes including the delivery date, the total principal amount, the maturity date, the
24 interest rate per annum and the true interest cost on the Notes The authority granted
25 to the Chief Fiscal Officer or the acting Chief Fiscal Officer by this Section shall expire
26 on February 29, 2000 If the terms of the Notes have not been approved by the Chief

1 Fiscal Officer in accordance with the delegated authority of this Section by said date, the
2 Notes shall be sold in the manner provided in the following paragraph

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

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

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

1 Section 20. Amendatory and Supplemental Ordinances. (a) The Assembly from
2 time to time and at any time may adopt an ordinance or ordinances supplemental hereto,
3 which ordinance or ordinances thereafter shall become a part of this Ordinance, for any
4 one or more of the following purposes:

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

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

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

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

24 (1) Extend the fixed maturity of the Notes, or reduce the rate of
25 interest thereon, or extend the time of payment of interest from its due date, or
26

1 reduce the amount of the principal thereof, without the consent of the owner of
2 each Note so affected; or

3 (2) Reduce the aforesaid percentage of owners of Notes required
4 to approve any such supplemental ordinance without the consent of the owners
5 of all of the Notes then outstanding

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

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

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

25 Section 21 Prohibited Sale of Notes. No person, firm or corporation, or any
26 agent or employee thereof, acting as financial consultant to the Municipality under an

1 agreement for payment in connection with the sale of the Notes is eligible to purchase
2 the Notes as a member of the original underwriting syndicate either at public or private
3 sale.

4 Section 22. Miscellaneous. No recourse shall be had for the payment of the
5 principal of or the interest on the Notes or for any claim based thereon or on this
6 Ordinance against any member of the Assembly or officer of the Municipality or any
7 person executing the Notes. The Notes are not and shall not be in any way a debt or
8 liability of the State of Alaska or of any political subdivision thereof, except the Municipal-
9 ity, and do not and shall not create or constitute an indebtedness or obligation, either
10 legal, moral or otherwise, of said State or of any political subdivision thereof, except the
11 Municipality.

12 Section 23. Undertaking to Provide Ongoing Disclosure. (a) Contract/Under-
13 taking. This Section constitutes the Municipality's written undertaking for the benefit of
14 the Beneficial Owners of the Notes as required by Section (b)(5) of the Rule.

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

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

- 23
- 24 • Principal and interest payment delinquencies;
- 25 • Non-payment related defaults;
- 26 • Unscheduled draws on debt service reserves reflecting financial difficulties;

- Unscheduled draws on credit enhancements reflecting financial difficulties;
- 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 2000 General Obligation Tax Anticipation Note Repayment Fund created pursuant to Section 15 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

1 identity, nature or status of an obligated person with respect to the Notes, or the
2 type of business conducted

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

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

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

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

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

1 or covenants, agreement or agreements shall be null and void and shall be deemed
2 separable from the remaining covenants and agreements in this Ordinance and shall in
3 no way affect the validity of the other provisions of this Ordinance or of the Notes.

4 Section 25. Effective Date. This Ordinance shall take effect immediately.

5 PASSED AND APPROVED by the Anchorage Assembly, this 11th day of January
6 2000.

7
8 
Chair

9 ATTEST:

10
11 
Municipal Clerk