

CLERK'S OFFICE

AMENDED AND APPROVED

Date: 7-18-00

Submitted by: Chairman of the Assembly at the
Request of the Mayor
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& Brecht
For Reading: June 27, 2000

MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2000-111

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO
EXCEED \$77,900,000 IN AGGREGATE PRINCIPAL AMOUNT OF
GENERAL OBLIGATION SCHOOL BONDS OF THE MUNICIPALITY FOR
THE PURPOSE OF RAISING FUNDS TO PAY THE COSTS OF
EDUCATIONAL CAPITAL IMPROVEMENT PROJECTS IN THE MUNICI-
PALITY; FIXING CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR
THE FORM AND MANNER OF SALE OF SAID BONDS; PLEDGING THE
FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT
THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE
AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID
BONDS; AND RELATED MATTERS.

WHEREAS, pursuant to Ordinance No. AO 2000-28 of the Municipality passed and
approved on February 8, 2000, the following question referred to at the election held on
April 4, 2000 as Proposition 13:

PROPOSITION NO. 13

Shall Anchorage borrow up to \$77,900,000 through the
issuance of general obligation bonds?

The general obligation bond proceeds will be used to pay costs
of planning, designing, acquiring property for, site preparation,
constructing, acquiring, renovating, installing and equipping
educational capital improvement projects within Anchorage.
The proposed education capital improvement projects include,
but are not limited to, the following:

<u>Projects:</u>	<u>Estimated Cost</u>
Districtwide Renewal and Replacement /ADA/Code Requirements:	\$ 5,355,000
Bayshore, Lake Otis, North Star, Northwood, Susitna, Ursa Major, Wonder Park and Gladys Woods Elementary Schools, Clark Middle School, Whaley Center, SAVE I, Stellar, and Facilities/Maintenance Building	
Districtwide Roof Replacement and Repairs:	3,437,000
Roof Repairs: Bear Valley, Bowman, Fire Lake, Klatt, Ravenwood and Spring Hill Elementary Schools, and Hanshew Middle School	
Replacement Roofs: Eagle River, O'Malley and Turnagain Elementary Schools, Clark Middle School, Polaris K-12 School, Chugiak High Auditorium, and ASD Warehouse	
Districtwide Electrical Upgrades in Support of Computers:	5,866,000
Alpenglow, Bear Valley, Birchwood ABC, Bowman, Campbell, Chester Valley, Chinook, Denali, Fire Lake, Huffman, Inlet View, Klatt, Mountain View, North Star, Northwood, Ravenwood, Spring Hill, Williwaw, Willow Crest and Wonder Park Elementary Schools, Clark, Gruening, Hanshew, Mears, Romig and Wendler Middle Schools, Girdwood K-8 School, Polaris K-12 School, and Whaley Center	
Traffic Safety Upgrades:	600,000
Bayshore, Chugiak and Tudor Elementary Schools	
Bartlett High School - Phase I Renovation	5,000,000
Chugiak High School - Phases II and III Renovation	20,805,000
East High School - Phase I Renovation	10,422,000

Girdwood K-8 School - Roof Replacement and Miscellaneous Upgrades	1,500,000
Service High School - Phase I Renovation	7,140,000
Wendler Middle School- Phase I Design and Site Work	6,045,000

New Construction:

Denali Elementary School Replacement	11,730,000
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Total principal amount will not exceed \$77,900,000.

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 2000 assessed valuation) an annual increase in taxes of \$45.22 to retire the proposed debt.

The debt will be paid first from real and personal property taxes levied and collected areawide in Anchorage. Anchorage will also pledge its full faith and credit for payment of the debt.

There is currently no program for State reimbursement to Anchorage for payment of principal and interest on these bonds. If legislation were enacted to establish such a program, Anchorage would seek reimbursement pursuant to the terms of such legislation.

(No. AO 2000-28)

(herein called "Proposition 2000-13") was passed and approved, and said election has been duly canvassed and the results thereof certified and confirmed in accordance with law, and the \$77,900,000 principal amount of said general obligation bonds remain unissued under Proposition 2000-13; 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 Municipality has determined and does hereby determine that it is
2 necessary to continue to plan, design, acquire property for, prepare the sites for, construct,
3 acquire, renovate, install and equip some of the educational capital improvements of the
4 Municipality specified in Proposition 2000-13, and to pay the capital costs thereof (herein-
5 after referred to, as specified in said Proposition, as the "Project"); and

6 WHEREAS, it is deemed necessary and advisable and in the best interest of the
7 Municipality and its inhabitants that not to exceed \$77,900,000 principal amount of general
8 obligation school bonds referred to in Proposition 2000-13, constituting the \$77,900,000
9 principal amount of unsold general obligation school bonds referred to therein, be hereby
10 authorized, as hereinafter fixed and determined, for the purpose of raising funds to pay the
11 Costs (as hereinafter defined) of the Project; and

12 WHEREAS, the Municipality authorized the issuance of not to exceed \$77,900,000
13 principal amount of general obligation school bonds by adoption of Ordinance No. AO
14 2000-28 on February 8, 2000 (the "2000 Ordinance").

15 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

16 Section 1. Purpose. The purpose of this Ordinance is (i) to authorize the issuance
17 and sale of not to exceed \$77,900,000 of general obligation school bonds of the
18 Municipality (the "Bonds") to provide funds to pay the capital costs of the Project, to pay
19 the costs of issuance of the Bonds authorized herein (including the bond insurance
20 premium, if any) and to fix certain details and to provide for the form and manner of sale
21 of said Bonds to be issued.

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

24 (a) "Acquired Obligations" means any of the following securities, if and to the
25 extent the same are at the time legal for investment of funds of the Municipality: (1) any
26 bonds or other obligations which as to principal and interest constitute direct obligations
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1 of, or are unconditionally guaranteed as to timely payment by, the United States of
2 America; direct obligations and fully guaranteed certificates of beneficial interest of the
3 Export-Import Bank of the United States; senior debt obligations of the Federal Home Loan
4 Banks; debentures of the Federal Housing Administration; guaranteed mortgage-backed
5 bonds and guaranteed pass-through obligations of the Government National Mortgage
6 Association; guaranteed Title XI financings of the U.S. Maritime Administration; and
7 participation certificates and senior debt obligations of the Federal Home Loan Mortgage
8 Corporation; or (2) any bonds or other obligations of any state of the United States of
9 America or of any agency, instrumentality or local governmental unit of any such state,
10 (a)(i) which are not callable at the option of the obligor prior to maturity, (ii) which are
11 callable prior to maturity and the issuer has foregone the right to call the obligations and
12 the obligations are irrevocably escrowed to maturity, or (iii) as to which irrevocable
13 instructions have been given to the trustee of such bonds or other obligations by the
14 obligor to give due notice of redemption and to call such bonds for redemption on the date
15 or dates specified in such instructions, (b)(i) which are fully secured as to principal and
16 interest and redemption premium, if any, by a fund consisting only of cash or bonds or
17 other obligations of the character described in clause (1) hereof which fund may be applied
18 only to the payment of such principal of and interest and redemption premium, if any, on
19 such bonds or other obligations on the maturity date or dates thereof or the specified
20 redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii)
21 the principal of and interest on the bonds and obligations of the character described in
22 clause (1) hereof have been deposited in such fund and, along with any cash on deposit
23 in such fund, are sufficient to pay principal of and interest and redemption premium, if any,
24 on the bonds or other obligations described in this clause (2) on the maturity date or dates
25 thereof or on the redemption date or dates specified in the irrevocable instructions referred
26 to in subclause (a) of this clause (2), as appropriate, and (c) such securities are
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1 unconditionally rated Aaa by Moody's Investors Service or unconditionally rated AAA by
2 Standard & Poor's, a Division of The McGraw Hill Companies.

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

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

10 (d) "Bond" or "Bonds" means any of the bonds of the Municipality, the issuance
11 and sale of which are authorized herein as the evidence of the indebtedness referred to
12 in Proposition 2000-13.

13 (e) "Bond Insurer" means, with respect to the Bonds, the insurance company
14 which issues a policy of insurance with respect to payment of the interest on and principal
15 of the Bonds.

16 (f) "Bond Register" means the registration books maintained by the Paying
17 Agent (as Bond Registrar), as agent of the Municipality, which include the names and
18 addresses of the registered owners or nominees of the registered owners, if the Bond is
19 held in the Book-Entry System, of the Bonds.

20 (g) "Book-Entry System" means the system in which the Bonds (represented by
21 one Bond certificate for each maturity of the Bonds) are delivered into the possession of
22 DTC and are issued and fully-registered as to principal and interest in the name of Cede
23 & Co., and whereby beneficial interests in the Bonds are purchased by investors through
24 DTC Participants, such interests shown and transfers thereof effected only through the
25 records maintained by the respective DTC Participants from whom each such investor
26 acquired such beneficial interest.

1 (h) "Cede & Co." means Cede & Co., the nominee of DTC, and any successor
2 nominee of DTC with respect to the Bonds.

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

5 (j) "Commission" means the Securities and Exchange Commission.

6 (k) "Cost" or "Costs" means the cost of planning, designing, acquiring property
7 for, equipping, acquiring, replacing, installing, rehabilitating and constructing the Project,
8 including interest on the Bonds during the period of planning, designing, equipping,
9 acquiring, replacing, installing, rehabilitating and constructing the Project, and reasonable
10 fees of the Paying Agent for the payment of such interest, the cost, whether incurred by
11 the Municipality or by another, of field surveys and advance planning undertaken in
12 connection with the Project properly allocable to the Project, the cost of acquisition of any
13 land or interest therein required as the site or sites of the Project or for use in connection
14 therewith, the cost of any indemnity and surety bonds and premiums on insurance incurred
15 in connection with the Project prior to or during acquisition or construction thereof, all
16 related direct administrative and inspection expenses, whether incurred by the Municipality
17 or by another, in connection with the Project prior to or during acquisition or construction
18 thereof and allocable portions of direct costs of the Municipality, legal fees, fees and
19 expenses of the Paying Agent, costs of issuance of the Bonds by the Municipality,
20 including financing charges and fees and expenses of bond counsel, financial advisors and
21 consultants in connection therewith, the cost of any bond insurance premium, the cost of
22 audits, the cost of all machinery, apparatus and equipment, the cost of engineering,
23 architectural services, designs, plans, specifications and surveys, estimates of cost, the
24 reimbursement of all moneys advanced from whatever source for the payment of any item
25 or items of cost of the Project, and all other expenses necessary or incident to determining
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1 the feasibility or practicability of the Project, and such other expenses not specified herein
2 as may be necessary or incident to the acquisition and development of the Project, the
3 financing thereof and the putting of the same into use and operation.

4 (l) "DTC" means The Depository Trust Company, New York, New York, a limited
5 purpose trust company organized under the laws of the State of New York, as depository
6 for the Bonds pursuant to Section 6 hereof, and the term DTC shall include any corporate
7 successor thereto.

8 (m) "Letter of Representations" means the Blanket Issuer Letter of
9 Representations from the Municipality to DTC dated July 1, 1995, including DTC's
10 Operational Arrangements referenced in said letter, as they may be amended from time
11 to time.

12 (n) "MSRB" means the Municipal Securities Rulemaking Board or any successor
13 to its functions.

14 (o) "Municipality" means the Municipality of Anchorage created upon ratification
15 of the Home Rule Charter after the election thereon held on September 9, 1975, and the
16 successor thereunder to the City of Anchorage, the City of Glen Alps, the City of Girdwood
17 and the Greater Anchorage Area Borough, former municipal corporations of the State of
18 Alaska.

19 (p) "NRMSIR" means a nationally recognized municipal securities information
20 repository.

21 (q) "Ordinance" means this Ordinance of the Municipality.

22 (r) "Paying Agent" means U.S. Bank Trust National Association, Seattle,
23 Washington, or its successors. The Paying Agent shall also act as Bond Registrar
24 pursuant to Section 13 hereof.

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

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

3 (u) "2000 Ordinance" means Ordinance No. AO 2000-28, adopted by the
4 Assembly on February 8, 2000.

5 Section 3. Authority for Ordinance. The Municipality has ascertained and hereby
6 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
7 accordance with the Constitution and statutes of the State of Alaska and the Home Rule
8 Charter of the Municipality, and to incur the indebtedness and issue the Bonds as referred
9 to in Proposition 2000-13.
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11 Section 4. Obligation of Bonds; Pledge. The Bonds shall be direct and general
12 obligations of the Municipality and the full faith and credit of the Municipality are hereby
13 pledged to the payment of the principal of and interest on the Bonds. The Municipality
14 hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable
15 property within the Municipality without limitation as to rate or amount, in amounts
16 sufficient, together with other funds legally available therefor, to pay the principal of and
17 interest on the Bonds as the same become due and payable. In the event that any Bond
18 Insurer makes any payment under a bond insurance policy with respect to the Bonds, such
19 payment shall not be deemed a payment of the Municipality and such payment amounts
20 shall continue to be due and payable by the Municipality under this Ordinance.

21 Section 5. Authorization of Bonds and Purpose of Issuance. For the purpose of
22 raising funds to pay the Costs of acquiring and developing the Project as authorized by
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1 Proposition 2000-13, which in accordance with said Proposition 2000-13, is hereby deter-
2 mined to be necessary, and to provide for original issue discount, if any, and to pay all
3 costs incidental thereto and to the issuance of the Bonds as follows:

<u>Proposition No.</u>	<u>Not to Exceed Principal Amount</u>
2000-13	\$77,900,000

6 general obligation school bonds of the Municipality referred to in Proposition 2000-13 with
7 such designation as is set forth in Section 6 hereof, are hereby authorized, and shall be
8 issued in the aggregate principal amount of not to exceed SEVENTY-SEVEN MILLION
9 NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$77,900,000).

10 Section 6. Designation, Maturities, Payment Dates, Rates and Bonds. The Bonds
11 shall be designated "Municipality of Anchorage, Alaska, 2000 General Obligation School
12 Bonds, Series B" or such other or additional designation as may be made by the Chief
13 Fiscal Officer, shall be dated and mature on such dates and may be redeemed in such
14 manner as shall be established by the Chief Fiscal Officer pursuant to Section 22 of this
15 Ordinance or by the Assembly by resolution adopted prior to delivery of the Bonds.

16 The Bonds shall bear interest from their date payable on such dates at such rates
17 as may be fixed and determined by the Chief Fiscal Officer pursuant to Section 22 of this
18 Ordinance or by the Assembly by resolution adopted prior to the delivery of the Bonds.

19 The Bonds shall be registered as to principal and interest as herein provided. The
20 Bonds shall each be of the denomination of Five Thousand Dollars (\$5,000) or any integral
21 multiple thereof of the same interest rate and maturity approved by the Municipality, such
22 approval to be evidenced by the execution of such Bonds. Each Bond shall bear a number
23 or letter, or a number and letter, distinguishing it from every other Bond in the manner and
24 with such additional designation as the Paying Agent deems necessary for purposes of
25 identification. The Bonds may be delivered with the aggregate principal amount of Bonds
26 maturing on one date represented by one Bond, in typewritten, printed or lithographed
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1 form. The Bonds shall be substantially in the form of the Bond hereinafter set forth, with
2 such appropriate variations, omissions or insertions as are permitted or required by this
3 Ordinance, and may have endorsed thereon such legends or text as may be necessary or
4 appropriate to conform to the rules and regulations of any governmental authority or any
5 usage or requirement of law with respect thereto.

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

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

Section 7. Additional Details of Bonds. Each of the Bonds 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 Bond and attested by the manual or facsimile signature of the Municipal Clerk or Deputy Municipal Clerk. In case any officer whose signature or facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, 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 Bonds shall contain a certificate of the Paying Agent in substantially the following form:

PAYING AGENT'S CERTIFICATE
OF AUTHENTICATION

This Bond is one of the Municipality of Anchorage, Alaska, 2000 General Obligation School Bonds, Series B, 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, redemption price of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

For so long as all outstanding Bonds 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 thereof shall be made as provided in the Letter of Representations.

1 In the event that the Bonds are not or are no longer held in fully immobilized form
2 by DTC and registered in the name of Cede & Co. or its registered assigns: (i) the principal
3 of all Bonds shall be payable upon presentment at the corporate trust office designated by
4 the Paying Agent; and (ii) payment of interest on the Bonds shall be made by check or
5 draft mailed by first class mail to the registered owner of record as of the 15th day of the
6 month preceding each interest payment date at the address appearing on the Bond
7 Register of the Municipality kept by the Paying Agent, provided that any owner of Bonds
8 in an aggregate principal amount of \$1,000,000 or more may, at its option, receive interest
9 payments by wire transfer at any location within the United States of America upon written
10 notice delivered to the Paying Agent not later than the 15th day of the month preceding any
11 interest payment date.

12 Section 8. Redemption of Bonds. The Bonds may be subject to redemption by or
13 on behalf of the Municipality prior to maturity and upon notice as hereinafter provided, as
14 a whole or in part as may be fixed and determined by the Chief Fiscal Officer pursuant to
15 Section 22 of this Ordinance or by resolution of the Assembly adopted prior to or at the
16 time of delivery of the Bonds. If fewer than all of the Bonds within a single maturity are to
17 be called for redemption prior to their scheduled maturity, the portions of Bonds within a
18 maturity to be redeemed shall be selected by the Paying Agent, acting as Bond Registrar,
19 by lot in the manner chosen by the Paying Agent. In selecting Bonds to be redeemed in
20 part within a single maturity, the Paying Agent shall treat each Bond as representing that
21 number of Bonds of a \$5,000 denomination which is obtained by dividing the principal
22 amount of such Bond by \$5,000. As long as the Bonds are held in fully immobilized form,
23 such selection shall be made by DTC in accordance with the Letter of Representations.

24 Section 9. Notice of Redemption. Except as hereafter provided in this Section 9,
25 when the Municipality determines to redeem any Bonds, it shall cause to be given notice
26 of such redemption in the manner then provided by law, which notice shall state the
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1 redemption date and identify the Bonds to be redeemed by reference to their numbers and
2 further state that on such redemption date there shall become due and payable upon each
3 such Bond the principal amount thereof plus the applicable premium, if any (the "Redemp-
4 tion Price"), together with interest accrued to the redemption date, and that from and after
5 such date interest thereon shall cease to accrue. Such notice shall be given at least 30
6 days but not more than 60 days prior to the redemption date by first class mail, postage
7 prepaid, to the registered owner of any Bond to be redeemed at the address of the
8 registered owner appearing on the Bond Register; provided, however, that for so long as
9 the Bonds are held in fully immobilized form by DTC and are registered in the name of
10 Cede & Co. or its registered assigns, all notices of redemption shall be given only as
11 provided in the Letter of Representations. In addition to the above required mailing, the
12 Municipality shall also cause to be mailed notice of such intended redemption to the
13 managing underwriter(s) of the Bonds being redeemed or their respective business
14 successors, if any, to each NRMSIR or the MSRB, to any SID and, when there is a bond
15 insurance policy with respect to any Bonds, to the Bond Insurer, if any, for such Bonds by
16 certified or registered mail.

17 If the Bonds are no longer held in immobilized form by DTC, then, in addition to the
18 foregoing notice, further notice of redemption shall be given by the Paying Agent as set out
19 below, but no defect in said further notice nor failure to give all or any portion of such
20 further notice shall in any manner defeat the effectiveness of a call for redemption if notice
21 thereof is given as above prescribed.

22 Each further notice of redemption given hereunder shall contain the information
23 required above for an official notice of redemption plus: (i) the CUSIP numbers of all
24 Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate
25 of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being
26 redeemed; and (v) any other descriptive information needed to identify accurately the
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1 Bonds being redeemed.

2 Each further notice of redemption shall be sent at least 35 days before the
3 redemption date by United States mail to all registered securities depositories then in the
4 business of holding substantial amounts of obligations of types comprising the Bonds (such
5 depositories now being DTC; Midwest Securities Trust Company of Chicago, Illinois; and
6 Philadelphia Depository Trust Company of Philadelphia, Pennsylvania).

7 The Municipality shall notify the Paying Agent of any optional redemption at least
8 20 days prior to the date on which notice pursuant to this Section is to be given to DTC or
9 the registered owner of any Bond to be redeemed, as the case may be.

10 The foregoing notice provisions of this Section, including but not limited to the
11 information to be included in redemption notices and the persons designated to receive
12 notices, may be amended by additions, deletions and changes in order to maintain
13 compliance with duly promulgated regulations and recommendations regarding notices of
14 redemption of municipal securities.

15 Section 10. Payment of Redeemed Bonds. Notice of redemption having been
16 given in the manner provided in this Ordinance, the Bonds so called for redemption shall
17 become due and payable on the redemption date stated in said notice at the applicable
18 redemption price on said date plus interest accrued and unpaid to the redemption date
19 upon presentation and surrender thereof at the corporate trust office of the Paying Agent.
20 If, on the redemption date, moneys for the redemption of all the Bonds to be redeemed,
21 together with interest accrued and unpaid to the redemption date, shall be held on behalf
22 of the Municipality at the corporate trust office of the Paying Agent so as to be available
23 therefor on said date and if notice of redemption shall have been given as aforesaid, then
24 from and after the redemption date the Bonds so called for redemption shall cease to bear
25 interest.

26 Each check or other transfer of funds issued for the payment of the redemption price
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of Bonds being redeemed shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 11. Form of Bond. Each Bond shall be in substantially the following form, with such variations, omissions and insertions as may be required or permitted by this Ordinance or by resolution of the Assembly:

UNITED STATES OF AMERICA
STATE OF ALASKA

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

NO. R- \$

2000 GENERAL OBLIGATION SCHOOL BOND, SERIES B

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 Date identified above, upon presentation and surrender hereof, the Principal Amount shown above, and to pay interest on such principal sum from the date hereof until its obligation with respect to the payment of such principal sum shall be discharged, at the Interest Rate per annum shown above, payable on the first days of _____ and _____ in each year beginning _____, [2000]. The principal, interest and redemption price of this Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Principal shall be paid to the Registered Owner or assigns upon presentation and surrender of this

Bond at the corporate trust office of U.S. Bank Trust National Association (hereinafter called the Paying Agent), or its successors. Payment of interest shall be made by check or draft mailed to the Registered Owner, as of the 15th day of the month preceding the interest payment date, at the address appearing on the Bond Register of the Municipality kept at the corporate trust office of the Paying Agent. Notwithstanding the foregoing, if this Bond is held in fully immobilized form, payment of principal and interest shall be as provided in the Blanket Issuer Letter of Representations between the Municipality and The Depository Trust Company, dated July 1, 1995, and The Depository Trust Company's Operational Arrangements Guidelines referred to therein, as they may be amended from time to time (together, the "Letter of Representations").

This Bond is one of the 2000 General Obligation School Bonds, Series B of Anchorage, Alaska, of like tenor and effect except as to interest rate, number, redemption terms and maturity, aggregating \$_____ in principal amount, and constituting Bonds authorized for the purpose of raising funds to pay the cost of educational capital improvements in the Municipality, with the question of their issuance for such purpose approved and ratified by a majority vote of the qualified voters of the Municipality who voted on Proposition 2000-13 at the election held in the Municipality on April 4, 2000, and is issued pursuant to Ordinance No. AO 2000-___ of the Municipality entitled:

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$77,900,000 IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION SCHOOL BONDS OF THE MUNICIPALITY FOR THE PURPOSE OF RAISING FUNDS TO PAY THE COSTS OF EDUCATIONAL CAPITAL IMPROVEMENT PROJECTS IN THE MUNICIPALITY; FIXING CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID BONDS; PLEDGING THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID BONDS; AND RELATED MATTERS.

(the "Ordinance").

The Bonds maturing in the years ____ through ____, inclusive, are not subject to redemption prior to maturity. The Bonds maturing on and after _____, _____, are subject to redemption at the option of the Municipality on and after _____ 1, _____, in whole on any date or in part in increments of \$5,000 with maturities selected by the Municipality on any interest payment date prior to maturity, at the following prices expressed as a percentage of the principal amount thereof, plus accrued interest to the date of redemption, upon notice as provided in the Ordinance and the Letter of Representations:

<u>Redemption Date</u>	<u>Redemption Price</u>
____ 1, ____ through ____ 31, ____ ____ 1, ____ and thereafter	%

Unless previously redeemed pursuant to the foregoing optional redemption provision, the Bonds maturing on _____ 1, 20__ are subject to mandatory redemption on _____ 1 of the following years, and in the following principal amounts, beginning on _____ 1, 20__, at a price of 100% of the principal amount thereof, plus accrued interest, if any, to the date of redemption, upon notice as provided in the Ordinance and the Letter of Representations:

<u>Redemption Year</u>	<u>Term Bonds</u>	<u>Principal Amount</u>
20__		\$
20__		
20__		
20__		
20__*		

* Final Maturity

Interest on any Bonds called for redemption shall cease to accrue on the date fixed for redemption unless such Bonds are not redeemed upon presentation pursuant to such call. Notice of any redemption of Bonds shall be given as provided in the Ordinance and the Letter of Representations. If fewer than all Bonds of like maturity are to be redeemed,

1 the particular Bonds to be redeemed shall be selected by lot within such maturity as
2 provided in the Ordinance and the Letter of Representations.

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

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

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

1 IN WITNESS WHEREOF, ANCHORAGE, ALASKA, has caused this Bond to be
2 signed in its name and on its behalf by the signature of its Municipal Manager and its
3 corporate seal to be hereunto impressed and attested by the signature of its Municipal
4 Clerk, all as of the ____ day of _____, 2000.

5
6 [S E A L]

~~GEORGE J. VAKALIS~~
Municipal Manager

7
8 A T T E S T:

9
10 LEJANE FERGUSON
Municipal Clerk

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

14 Section 12. Application of Bond Proceeds. The net proceeds of the sale of the
15 Bonds shall be deposited in a separate account within the "General Obligation School
16 Bond Construction Fund" created by Ordinance No. AO 94-104(S) (as amended) of the
17 Municipality, and shall be used and applied to pay the Costs of the Projects identified in
18 Proposition 2000-13.

19 Section 13. Paying Agent and Bond Registrar. (a) U.S. Bank Trust National
20 Association, Seattle, Washington, is hereby appointed the Paying Agent for the Bonds and
21 the term "Paying Agent" shall include any business 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 any state 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 this
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1 Ordinance, shall be the successor to the Paying Agent without the execution or filing of any
2 paper or the performance of any further act.

3 The Paying Agent/Registrar shall maintain a Bond Register which shall include the
4 names and addresses of the registered owners or nominees of the owners of the Bonds
5 and which shall provide for the registration, transfer and exchange of Bonds. The
6 Municipality covenants that, until all Bonds have been surrendered and canceled, it will
7 maintain a system for recording the ownership of each Bond that complies with the
8 provisions of Section 149 of the Code.

9 The Paying Agent may become the owner of or may deal in Bonds as fully and with
10 the same rights as if it was not the Paying Agent.

11 (b) Concerning the use of DTC,

12 (1) Unless otherwise provided by resolution of the Assembly, the Bonds shall
13 be registered initially in the name of Cede & Co., as nominee of DTC, with one Bond
14 maturing on each of the maturity dates established in a denomination corresponding
15 to the total principal amount therein designated to mature on such date. Registered
16 ownership of such immobilized Bonds, or any portions thereof, may not thereafter
17 be transferred except (i) to any successor of DTC or its nominee, provided that any
18 such successor shall be qualified under any applicable laws to provide the service
19 proposed to be provided by it; (ii) to any substitute depository appointed by the
20 Assembly pursuant to (2) below or such substitute depository's successor; or (iii) to
21 any person as provided in (4) below.

22 (2) Upon the resignation of DTC or its successor (or any substitute
23 depository or its successor) from its functions as depository or a determination by
24 the Assembly that it is no longer in the best interest of owners of beneficial interests
25 in the Bonds to continue the system of book-entry transfers through DTC or its
26 successors (or any substitute depository or its successor), the Assembly may
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1 thereafter appoint a substitute depository. Any such substitute depository shall be
2 qualified under any applicable laws to provide the services proposed to be provided
3 by it.

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

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

22 Section 14. Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall
23 become mutilated or be destroyed, stolen or lost, the Municipality may cause to be
24 executed, and shall deliver, a new Bond of like interest rate, principal amount, maturity and
25 series in exchange and substitution for and upon cancellation of such mutilated Bond, or
26 in lieu of and in substitution for such Bond destroyed, stolen or lost, in each case upon the
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1 registered owner thereof paying the reasonable expenses and charges of the Municipality
2 and the Paying Agent in connection therewith and in the case of a Bond destroyed, stolen
3 or lost, filing by the owner with the Paying Agent evidence satisfactory to the Paying Agent
4 and the Municipality that such Bond was destroyed, stolen or lost and the owner's
5 ownership thereof, and furnishing the Municipality and the Paying Agent with indemnity
6 satisfactory to them. Any new Bond so delivered may bear a number differing from the
7 number of the Bond it replaces.

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

18 In all cases in which Bonds may be transferred under this Ordinance, there shall be
19 executed, and the Municipality shall authenticate and deliver, Bonds in accordance with
20 the provisions of this Ordinance. Any such transfer shall be without cost to the registered
21 owner, except that the Municipality and the Paying Agent may make a charge for every
22 such registration, exchange or transfer of Bonds sufficient to reimburse them for any tax,
23 fee or other governmental charge required to be paid with respect to such registration, ex-
24 change or transfer, and such charge or charges shall be paid before any such new Bond
25 shall be delivered. Neither the Municipality nor the Paying Agent shall be required to make
26 any such registration, exchange or transfer of a Bond during (i) the 15 days next preceding
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1 an interest payment date for such Bond, (ii) during a period of 15 days preceding any
2 selection of Bonds to be redeemed or thereafter until after the mailing of any notice of
3 redemption or (iii) following any publication of notice of redemption of such Bond.

4 Section 16. Ownership of Bonds. As to any Bond, the person in whose name the
5 same shall be registered on the Bond Register shall be deemed and regarded as the
6 absolute owner thereof for all purposes (except for Section 26 hereof), and payment of or
7 on account of the principal on such Bond and the interest on such Bond shall be made only
8 to or upon the order of the registered owner thereof or the registered owner's legal
9 representative, but such registration may be changed as hereinabove provided. All such
10 payments shall be valid and effectual to satisfy and discharge the liability upon such Bond,
11 including the interest thereon, to the extent of the sum or sums so paid.

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

19 Section 17. Arbitrage Covenant. The Municipality covenants with the registered
20 owners of all Bonds at any time outstanding that it will make no use of the proceeds of the
21 Bonds which will cause the Bonds to be "arbitrage bonds" subject to federal income
22 taxation by reason of Section 148 of the Code. To that end, so long as any of the Bonds
23 are outstanding, the Municipality, with respect to the proceeds of the Bonds, shall comply
24 with all requirements of said Section 148 and the regulations thereunder to the extent that
25 such requirements are, at the time, applicable and in effect.

26 Section 18. Compliance with Code. The Municipality hereby covenants to comply
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1 with any and all applicable requirements set forth in the Code in effect from time to time to
2 the extent that such compliance shall be necessary for the exemption from federal income
3 taxes of the interest on the Bonds. The Municipality hereby further covenants to observe
4 any and all applicable requirements in any future federal tax legislation to the extent that
5 such compliance is determined by the Municipality to be legal and practicable and required
6 for such exemption.

7 The covenants of this Section shall also be deemed to have been made for the
8 benefit of any Bond Insurer for so long as a Bond Insurer maintains a policy of insurance
9 with respect to any of the Bonds.

10 Section 19. Rebate Requirement. The Municipality covenants and agrees that it
11 will pay any amounts required to comply with the arbitrage rebate requirements of
12 Section 148(f) of the Code.

13 Section 20. Defeasance. In the event money and/or Acquired Obligations maturing
14 at such times and bearing interest to be earned thereon in amounts sufficient to redeem
15 and retire any or all of the Bonds in accordance with their terms are set aside in a special
16 trust account to effect such redemption or retirement and such moneys and the principal
17 of and interest on such obligations are irrevocably set aside and pledged for such purpose,
18 then no further payments need be made to pay or secure the payment of the principal of
19 and interest on such Bonds and such Bonds shall be deemed not to be outstanding. If the
20 Bonds are insured, any defeasance of the Bonds shall be made by cash and/or direct, non-
21 callable obligations of the United States of America.

22 Section 21. Sale of Bonds, Final Terms, Approval of Official Statement. The Bonds
23 shall be sold at negotiated sale to the Underwriters (as hereinafter defined). The Chief
24 Fiscal Officer, with the assistance of the Financial Advisor (as defined herein), is hereby
25 authorized to negotiate terms for the purchase of not to exceed SEVENTY-SEVEN
26 MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$77,900,000) in

1 principal amount of the Bonds by Bear, Stearns & Co. Inc., Goldman, Sachs & Co.,
2 Prudential Securities Incorporated and Salomon Smith Barney (collectively, the
3 "Underwriters") for the purchase of the Bonds which is in the best interest of the
4 Municipality.

5 The Municipality has been advised by its financial advisor, PaineWebber
6 Incorporated (the "Financial Advisor"), that market conditions continue to fluctuate and, as
7 a result, the most favorable market conditions may occur on a day other than a regular
8 meeting date of the Assembly. The Assembly has determined that it would be inconve-
9 nient, perhaps impossible, to hold a special meeting on short notice and, accordingly, has
10 determined that it would be in the best interest of the Municipality to delegate to the Chief
11 Fiscal Officer for a limited time the authority to approve certain details of the Bonds
12 including the date and the delivery date, the principal amount of each maturity, the
13 purchase price, the maturity and interest payment dates, the redemption provisions and
14 the interest rates of each maturity. The interest rates for the Bonds of each maturity and
15 the corresponding principal amount of Bonds shall be determined by agreement among
16 the Underwriters and the Chief Fiscal Officer. The Chief Fiscal Officer shall take into
17 account those factors which, in his judgment, will result in the lowest true interest cost on
18 the Bonds, and shall be set forth as an exhibit to the purchase contract for the Bonds;
19 provided that the true interest cost on the Bonds is less than 6.25% and the Underwriters'
20 discount does not exceed .75% of the par value of the Bonds.

21 The Chief Fiscal Officer is hereby authorized to execute the final form of a purchase
22 contract with the Underwriters for the Bonds upon his approval of the details of the Bonds
23 including the date and the delivery date, the aggregate principal amount and the principal
24 amount of each maturity, the purchase price, the maturity and interest payment dates, the
25 redemption provisions and the interest rate of each maturity, the underwriters' discount and
26 the true interest cost on the Bonds. The authority granted to the Chief Fiscal Officer by this
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1 Section 22 shall expire in 90 days from the date of approval of this Ordinance. If the terms
2 of the Bonds have not been approved by the Chief Fiscal Officer in accordance with the
3 delegated authority of this Section 22 by said date, the Bonds shall be sold in the manner
4 provided in the following paragraph.

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

10 The Chief Fiscal Officer is hereby authorized to solicit commitments for a policy of
11 insurance with respect to payment of the interest on and principal of the Bonds and
12 thereafter to accept such commitment which in his judgment is in the best interest of the
13 Municipality. The Chief Fiscal Officer is hereby further authorized to enter into such
14 agreements with the Bond Insurer related to said policy as are not inconsistent with this
15 Ordinance and are, in his opinion, in the best interest of the Municipality.

16 The Chief Fiscal Officer is further authorized to review and to deem final (in the case
17 of the Preliminary Official Statement) and approve (in the case of the final Official
18 Statement), on behalf of the Municipality, the Preliminary Official Statement and final
19 Official Statement relating to the issuance and sale of the Bonds with such changes, if any,
20 as may be deemed by him to be appropriate, including changes necessary in order to
21 evidence compliance with Section (b)(5) of the Rule.

22 Section 22. Authority of Officers. The Mayor, the Municipal Manager, the Chief
23 Fiscal Officer, the Municipal Clerk and the acting Municipal Clerk from time to time, are,
24 and each of them is, hereby authorized and directed to do and perform all things and
25 determine all matters not determined by this Ordinance, or to be determined by a
26 subsequent ordinance or resolution of the Municipality, to the end that the Municipality may
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1 carry out its obligations under the Bonds and this Ordinance.

2 Section 23. Amendatory and Supplemental Ordinances. (a) The Assembly from
3 time to time and at any time may adopt an ordinance or ordinances supplemental hereto,
4 which ordinance or ordinances thereafter shall become a part of this Ordinance, for any
5 one or more of the following purposes:

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

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

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

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

25 (1) Extend the fixed maturity of any of the Bonds, or reduce the rate of
26 interest thereon, or reduce the amount or change the date of any sinking fund in-
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1 stallment, or extend the time of payments of interest from their due date, or reduce
2 the amount of the principal thereof, or reduce any premium payable on the
3 redemption thereof, without the consent of the registered owners of each Bond so
4 affected; or

5 (2) Reduce the aforesaid percentage of registered owners of Bonds required
6 to approve any such supplemental ordinance without the consent of the registered
7 owners of all of the Bonds then outstanding;

8 and provided, further, that if the Bonds are insured any such supplemental ordinance may
9 not be adopted without the prior written consent of the Bond Insurer.

10 It shall not be necessary for the consent of the registered owners of the Bonds
11 under this subsection to approve the particular form of any proposed supplemental
12 ordinance, but it shall be sufficient if such consent approves the substance thereof.

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

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

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

8 Section 25. Miscellaneous. No recourse shall be had for the payment of the
9 principal of or the interest on the Bonds or for any claim based thereon or on this
10 Ordinance against any member of the Assembly or officer of the Municipality or any person
11 executing the Bonds. The Bonds are not and shall not be in any way a debt or liability of
12 the State of Alaska or of any political subdivision thereof, except the Municipality, and do
13 not and shall not create or constitute an indebtedness or obligation, either legal, moral or
14 otherwise, of said State or of any political subdivision thereof, except the Municipality.

15 Section 26. Undertaking to Provide Ongoing Disclosure.

16 (a) Contract/Undertaking. This Section constitutes the Municipality's written
17 undertaking for the benefit of the Beneficial Owners of the Bonds as required by
18 Section (b)(5) of the Rule.

19 (b) Financial Statements/Operating Data. The Municipality covenants and agrees
20 to provide or cause to be provided to each NRMSIR and to the SID, in each case as
21 designated by the Commission in accordance with the Rule, the following annual financial
22 information and operating data (the "Annual Report") for the prior fiscal year (commencing
23 in 2000 for the fiscal year ended December 31, 1999):

24 Annual audited financial statements for the Municipality prepared in
25 accordance with generally accepted accounting principles as prescribed by the
26 Government Accounting Standards Board (or its successor) from time to time and
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generally of the type included in the official statement for the Bonds as Appendix A, "1999 General Purpose Financial Statements of the Municipality"; including the notes thereto and the statistical data included in the Comprehensive Annual Financial Report of the Municipality for the year. If the annual financial statements are not available by the Submission Date (as defined below) the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements most recently prepared for the Municipality, and the Municipality's audited financial statements shall be filed in the same manner as the Annual Report when and if they become available.

Such annual information and operating data described above shall be available on or before six months from the end of the fiscal year (the "Submission Date"). The Municipality may adjust such date if the Municipality changes its fiscal year by providing written notice of the change of fiscal year and the new reporting date to each then existing NRMSIR and the SID. In lieu of providing such Annual Report, the Municipality may cross-reference to other documents the Municipality provides to the NRMSIRs, the SID or to the Commission and, if such document is a final official statement within the meaning of the Rule, which is available from the MSRB.

(c) Material Events. The Municipality agrees to provide or cause to be provided, in a timely manner, to the SID, and to each NRMSIR or to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if, in the judgment of the Municipality, such event is material:

- Principal and interest payment delinquencies;
- Non-payment related defaults;
- 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 Bonds;
- Modifications to rights of owners of the Bonds;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemption for which notice is given pursuant to Exchange Act Release 34-23856;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds; and
- Rating changes.

(d) Notice Upon Failure to Provide Financial Data. The Municipality agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB, and to any SID, notice of its failure to provide the annual financial information described in (b) of this Section on or prior to the date set forth in (b) of this Section.

(e) Termination/Modification. The Municipality's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance (if notice is given as provided above), prior redemption or payment in full of all of the Bonds. 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 Bonds 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 without the consent of the Beneficial Owners of the Bonds, provided that the following conditions are satisfied:

- (i) If the amendment or waiver relates to the provisions of Section 26(b), (c) or (d) 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

1 change in the identity, nature or status of an obligated person with respect to the
2 Bonds, or the type of business conducted;

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

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

13 In the event of any amendment of or waiver of a provision of this Section, the
14 Municipality shall describe such amendment in the next Annual Report, and shall
15 include, as applicable, a narrative explanation of the reason for the amendment or
16 waiver and its impact on the type (or in the case of a change of accounting
17 principles, or the presentation) of financial information or operating data being
18 presented by the Municipality. In addition, if the amendment relates to the
19 accounting principles to be followed in preparing financial statements, (i) notice of
20 such change shall be given in the same manner as for a material event under
21 Subsection (c), and (ii) the Annual Report for the year in which the change is made
22 shall present a comparison (in narrative form and also, if feasible, in quantitative
23 form) between the financial statements as prepared on the basis of the new
24 accounting principles and those prepared on the basis of the former accounting
25 principles.

26 (f) Beneficial Owner's Remedies Under This Section. The right of a Beneficial
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1 Owner of a Bond to enforce the provisions of this Section shall be limited to a right to
2 obtain specific enforcement of the Municipality's obligations hereunder, and any failure by
3 the Municipality to comply with the provisions of this undertaking shall not be a default with
4 respect to the Bonds under this Ordinance.

5 (g) Additional Information. Nothing in this Section shall be deemed to prevent the
6 Municipality from disseminating any other information, using the means of dissemination
7 set forth in this Section or any other means of communication, or including any other
8 information in any Annual Report or notice of occurrence or a material event, in addition
9 to that which is required by this Section. If the Municipality chooses to include any
10 information in any Annual Report or notice of the occurrence of a material event in addition
11 to that specifically required by this Section, the Municipality shall have no obligation under
12 this Ordinance to update such information or to include it in any future Annual Report(s)
13 or notice of occurrence of a material event.

14 Section 27. Severability. If any one or more of the covenants and agreements
15 provided in this Ordinance to be performed on the part of the Municipality shall be declared
16 by any court of competent jurisdiction to be contrary to law, then such covenant or
17 covenants, agreement or agreements shall be null and void and shall be deemed
18 separable from the remaining covenants and agreements in this Ordinance and shall in no
19 way affect the validity of the other provisions of this Ordinance or of the Bonds.

20 Section 28. Effective Date. This Ordinance shall take effect immediately.
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1 PASSED AND APPROVED by the Anchorage Assembly, this 18th day of _____ -

2 July 2000.

3
4 Fay Von Henningsen
Chair

5 ATTEST:

6
7 Lepine Ferguson
Municipal Clerk

A02000-111

1		SUBJECT OF AGENDA DOCUMENT		DATE PREPARED			
		NTE \$77,900,000 General Obligation School Bonds		6/20/00			
				Indicate Documents Attached			
				<input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> AM <input type="checkbox"/> AIM			
2		DEPARTMENT NAME		DIRECTOR'S NAME			
		Finance		Soren Orley			
3		THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY		HIS/HER PHONE NUMBER			
		Soren Orley		343-6610			
4		COORDINATED WITH AND REVIEWED BY		INITIALS		DATE	
X		Mayor					
		Municipal Clerk					
		Municipal Attorney					
		Employee Relations					
X		Municipal Manager		<i>SO</i>		<i>6/21/00</i>	
		Cultural & Recreational Services					
		Fire					
		Health & Human Services					
		Management & Budget					
		Merrill Field					
		Municipal Light & Power					
		Police					
		Port of Anchorage					
		Public Transportation					
		Public Works					
		Solid Waste Services					
		Water & Wastewater Utility					
X		Executive Manager		<i>AR</i>		<i>6/21/00</i>	
		Community Planning & Development					
X		Finance, Chief Fiscal Officer		<i>SO</i>		<i>6/22/00</i>	
		Heritage Land Bank					
		Management Information Services					
		Property & Facility Management					
		Purchasing					
		Other					
5		SPECIAL INSTRUCTIONS/COMMENTS		JUN 22 2000			
		<i>7.B.5. Introduction</i>					
6		ASSEMBLY HEARING DATE REQUESTED		PUBLIC HEARING DATE REQUESTED			
		6/27/00		7/18/00			