

CLERK'S OFFICE

APPROVED

Date: 6-11-02

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Wohlforth, Vassar, Johnson
& Brecht
For Reading: May 14, 2002

MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2002-80

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING GENERAL PURPOSE BONDS OF THE MUNICIPALITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE HUNDRED TEN MILLION AND NO/100 DOLLARS (\$110,000,000) TO PROVIDE FUNDS REQUIRED TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION GENERAL PURPOSE BONDS OF THE MUNICIPALITY; 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, there are now outstanding certain general obligation general purpose bonds of the Municipality of Anchorage, Alaska (the "Municipality") issued July 17, 1990, December 17, 1992, February 24, 1994, September 18, 1997, April 22, 1999, and September 14, 2000, respectively, as set out in Section 2(t) hereof, which financed certain wastewater and port development capital improvements, certain general purpose improvements, and refinanced certain general obligation general purpose bonds of the Municipality (the "Outstanding Bonds"); and

WHEREAS, after due consideration it appears to the Assembly that it is advisable for the Municipality to provide for the refunding, including the payment of principal of, premium, if any, and interest on certain of the Outstanding Bonds as further described herein (the "Refunded Bonds") by the issuance of general obligation refunding general purpose bonds in order to effect a savings of debt service; and

1 WHEREAS, the Home Rule Charter of the Municipality provides in Section 15.02 that
2 general obligation refunding bonds may be issued without an election; and

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

7 WHEREAS, in order to effect such refunding in the most economical manner, it is
8 deemed necessary and advisable that the net proceeds of the sale of the bonds herein
9 authorized and any other moneys necessary and available for refunding purposes be
10 invested in obligations to be authorized and approved by the Chief Fiscal Officer, maturing
11 in such amounts and at such times as are required to pay the principal of, premium, if any,
12 and interest on the Refunded Bonds prior to their respective dates of redemption and to
13 redeem the Refunded Bonds on dates on which said Refunded Bonds may be called for
14 redemption; and

15 WHEREAS, because the amount of bond proceeds and the obligations necessary
16 to pay the principal of, premium, if any, and interest on, and to effect the refunding of, the
17 Refunded Bonds depends, in part, on the interest rates to be borne by the bonds to be
18 issued pursuant to this Ordinance, the exact principal amount and the amount of each
19 maturity of the bonds to be issued and the specific obligations to be acquired shall hereafter
20 be authorized and approved by the Chief Fiscal Officer.

21 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

22 Section 1. Purpose. The purpose of this Ordinance is to authorize the issuance and
23 sale of not to exceed One Hundred Ten Million and No/100 Dollars (\$110,000,000) of
24 general obligation refunding general purpose bonds of the Municipality (the "Bonds") to
25 provide the funds to refund the Refunded Bonds, to pay the costs of issuance of the Bonds
26

1 authorized herein (including the bond insurance premium, if any), and to fix certain details
2 and to provide for the form and manner of sale of said Bonds to be issued.

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

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

1 instructions, as appropriate, and (ii) the principal of and interest on the bonds and obliga-
2 tions of the character described in clause (1) hereof have been deposited in such fund and,
3 along with any cash on deposit in such fund, are sufficient to pay principal of and interest
4 and redemption premium, if any, on the bonds or other obligations described in this clause
5 (2) on the maturity date or dates thereof or on the redemption date or dates specified in the
6 irrevocable instructions referred to in subclause (a) of this clause (2), as appropriate, and
7 (c) such securities are unconditionally rated Aaa by Moody's Investors Service or
8 unconditionally rated AAA by Standard & Poor's Ratings Services, a Division of The McGraw
9 Hill Companies.

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

13 (c) "Bond" or "Bonds" means any of the bonds of the Municipality, the issuance
14 and sale of which are authorized herein.

15 (d) "Bond Insurer" means, with respect to the Bonds, an insurance company which
16 issues a policy of insurance with respect to payment of the interest on and principal of the
17 Bonds.

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

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

maintained by the respective DTC Participants from whom each such investor acquired such beneficial interest.

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

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

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

(j) "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 depository for the Bonds pursuant to Section 6 hereof, and the term DTC shall include any corporate successor thereto.

(k) "Escrow Agent" means U.S. Bank, N.A., Seattle, Washington, or its successors, as Escrow Agent under the Escrow Agreement.

(l) "Escrow Agreement" means the Escrow Agreement between the Escrow Agent and the Municipality, pursuant to which the Escrow Obligations will be deposited, together with other moneys, if necessary, to pay the interest on and the redemption price of the Refunded Bonds.

(m) "Escrow Obligations" means direct, non-callable obligations of the United States of America.

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

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

(p) "Municipality" means the Municipality of Anchorage created upon ratification of the Home Rule Charter after the election thereon held on September 9, 1975, and the

1 successor thereunder to the City of Anchorage, the City of Glen Alps, the City of Girdwood
2 and the Greater Anchorage Area Borough, former municipal corporations of the State of
3 Alaska.

4 (q) "NRMSIR" means a nationally recognized municipal securities information
5 repository.

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

7 (s) "Outstanding Bonds" means the 1990 General Obligation Refunding General
8 Purpose Bonds, dated July 1, 1990, maturing on August 1, 2003, through and including
9 August 1, 2006, the 1992 General Obligation Refunding School and General Purpose
10 Bonds, dated December 1, 1992, maturing on February 1, 2003, through and including
11 February 1, 2008, the 1994 General Obligation General Purpose and General Obligation
12 Refunding General Purpose Bonds, dated February 1, 1994, maturing on February 1, 2005,
13 through and including February 1, 2009 and February 1, 2014, the 1997 General Obligation
14 General Purpose Bonds, Series A, dated September 1, 1997, maturing on September 1,
15 2008 through and including September 1, 2014, and September 1, 2017, the 1999 General
16 Obligation General Purpose and General Obligation Refunding General Purpose Bonds,
17 Series A, dated April 1, 1999, maturing on April 1, 2010 through and including April 1, 2014,
18 and the 2000 General Obligation General Purpose Bonds, Series A, dated September 1,
19 2000, maturing September 1, 2011 through and including September 1, 2015, all, or a
20 portion, of which shall be refunded with the proceeds of the Bonds.

21 (t) "Paying Agent" means U.S. Bank, N.A., Seattle, Washington, or its successors
22 as described in Section 14 of the ordinance. The Paying Agent shall also act as "Bond
23 Registrar."

24 (u) "Paying Agent Agreement" means the Agreement between the Municipality
25 and the Paying Agent relating to the Bonds.

1 (v) "Refunded Bonds" means all, or a portion, of the Outstanding Bonds which are
2 designated by the Chief Fiscal Officer for refunding in the purchase contract for the Bonds.

3 (w) "Refunded Bond Fund" means the special fund established pursuant to
4 Section 12 hereof, and designated as the "2002 General Obligation Refunded General
5 Purpose Bond Fund" for the purpose of holding moneys, including Bond proceeds, to be
6 used to pay the interest on and to redeem the Refunded Bonds.

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

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

11 Section 3. Authority for Ordinance. The Municipality has ascertained and hereby
12 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
13 accordance with the Constitution and statutes of the State of Alaska and the Home Rule
14 Charter of the Municipality, and to incur the indebtedness and issue the Bonds.
15

16 Section 4. Obligation of Bonds; Pledge. The Bonds shall be direct and general
17 obligations of the Municipality and the full faith and credit of the Municipality are hereby
18 pledged to the payment of the principal of and interest on the Bonds. The Municipality
19 hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable
20 property within the Municipality without limitation as to rate or amount, in amounts sufficient,
21 together with other funds legally available therefor, to pay the principal of and interest on the
22 Bonds as the same become due and payable. In the event that any Bond Insurer makes
23 any payment under a bond insurance policy with respect to the Bonds, such payment shall
24 not be deemed a payment of the Municipality and such payment amounts shall continue to
25 be due and payable by the Municipality under this Ordinance.
26

1 Section 5. Authorization of Bonds and Purpose of Issuance. For the purpose of
2 providing the funds required to purchase Escrow Obligations and to provide beginning cash
3 to effect the refunding of the Refunded Bonds in the manner and at the time hereinafter set
4 forth, and to provide for original issue discount, if any, and to pay all costs incidental thereto
5 and to the issuance of the Bonds, general obligation bonds of the Municipality with such
6 designation as is set forth in Section 6 hereof, are hereby authorized, and shall be issued,
7 in the principal amount of not to exceed One Hundred Ten Million and No/100 Dollars
8 (\$110,000,000) or so much thereof as is required, together with other moneys available and
9 used for such purpose, to effect the refunding of the Refunded Bonds. The aggregate
10 principal amount of the Bonds to be issued shall be fixed by the Chief Fiscal Officer in the
11 manner described in Section 22.

12 Section 6. Designation, Maturities, Payment Dates, Rates. The Bonds shall be
13 designated "Municipality of Anchorage, Alaska, 2002 General Obligation Refunding Bonds,
14 Series A (General Purpose)" or such other or additional designation as may be made by the
15 Chief Fiscal Officer, shall be issued in one or more series or may be combined and sold as
16 a single series with other bonds authorized by an ordinance approved by the Assembly, shall
17 be dated and mature on such dates and may be redeemed in such manner as shall be
18 established by the Chief Fiscal Officer pursuant to Section 22 of this Ordinance or by the
19 Assembly by resolution.

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

23 The Bonds shall be registered as to principal and interest as herein provided. The
24 Bonds shall each be of the denomination of Five Thousand Dollars (\$5,000) or any integral
25 multiple thereof of the same interest rate and maturity approved by the Municipality, such
26 approval to be evidenced by the execution of such Bonds. Each Bond shall bear a number

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

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

19 Neither the Municipality nor the Paying Agent will have any responsibility or obligation
20 to DTC participants or the persons for whom they act as nominees with respect to the Bonds
21 regarding the accuracy of any records maintained by DTC or any DTC participant, the
22 payment by DTC or any DTC participant of any amount in respect of the principal or
23 redemption price of or interest on the Bonds, any notice which is permitted or required to be
24 given to owners of the Bonds under this Ordinance (except such notices as shall be required
25 to be given by the Municipality to the Paying Agent or to DTC), the selection by DTC or any
26 DTC participant of any person to receive payment in the event of a partial redemption of the

1 Bonds or any consent given or other action taken by DTC as the owner of the Bonds. For
2 so long as any Bonds are held under the Book-Entry System, DTC or its successor
3 depository shall be deemed to be the owner of the Bonds for all purposes hereunder, and
4 all references herein (except for Section 27) to the owner of the Bonds or similar terms shall
5 mean DTC or its nominee and shall not mean the owners of any beneficial interest in the
6 Bonds.

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

15 The Bonds shall contain a certificate of the Paying Agent in substantially the following
16 form:

17 PAYING AGENT'S CERTIFICATE
18 OF AUTHENTICATION

19 This Bond is one of the Municipality of Anchorage, Alaska, 2002 General Obligation
20 Refunding Bonds, Series A (General Purpose) described in and issued pursuant to the
21 within mentioned Ordinance.

22 U.S. BANK, N.A.,
23 as Paying Agent

24 Date of Authentication:

25 By _____
26 Authorized Agent

1 The principal, redemption price of and the interest on the Bonds shall be payable in
2 any coin or currency of the United States of America which, at the respective dates of
3 payment thereof, is legal tender for the payment of public and private debts.

4 For so long as all outstanding Bonds are held under the Book-Entry System, payment
5 of principal and interest thereof shall be made as provided in the Letter of Representations.

6 In the event that the Bonds are not or are no longer held under the Book-Entry
7 System: (i) payment of principal on each principal payment date on all Bonds shall be
8 payable upon presentment at the corporate trust office of the Paying Agent in Seattle,
9 Washington, or such other location as designated by the Paying Agent; and (ii) payment of
10 interest on the Bonds shall be made by check or draft mailed by first class mail to the
11 registered owner of record as of the 15th day of the month preceding each interest payment
12 date at the address appearing on the Bond Register of the Municipality kept by the Paying
13 Agent, provided that any owner of Bonds in an aggregate principal amount of \$1,000,000
14 or more may, at its option, receive interest payments by wire transfer at any location within
15 the United States of America upon written notice delivered to the Paying Agent not later than
16 the 15th day of the month preceding any interest payment date.

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

1 such Bond by \$5,000. As long as the Bonds are held under the Book-Entry System, such
2 selection shall be made by DTC in accordance with the Letter of Representations.

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

21 If the Bonds are no longer held under the Book-Entry System, then, in addition to the
22 foregoing notice, further notice of redemption shall be given by the Paying Agent as set out
23 below, but no defect in said further notice nor failure to give all or any portion of such further
24 notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof
25 is given as above prescribed.

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus: (i) if fewer than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the Bonds to be redeemed, (ii) if the Bonds are no longer held under the Book-Entry System the Bonds are to be surrendered for payment at the corporate trust office of the Paying Agent in Seattle, Washington, or such other location as may be designated by the Paying Agent (iii) the CUSIP numbers of all Bonds being redeemed, (iv) the dated date of the Bonds, (v) the rate of interest for each Bond being redeemed, (vi) the date of the notice, and (vii) any other information needed to identify accurately the Bonds being redeemed.

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

The foregoing notice provisions of this Section 9, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be, but is not required to be, amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 10. Payment of Redeemed Bonds. If unconditional notice of redemption has been given in the manner provided in this Ordinance, the Bonds so called for redemption shall become due and payable on the redemption date stated in said notice at the applicable redemption price on said date plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds to be redeemed, together with interest accrued and unpaid to the redemption date, shall be held on behalf of the Municipality at the corporate trust office of the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then

1 from and after the redemption date the Bonds so called for redemption shall cease to bear
2 interest.

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

6 UNITED STATES OF AMERICA
7 STATE OF ALASKA

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

9 No. GO- \$

10 2002 GENERAL OBLIGATION REFUNDING BOND, SERIES A
11 (GENERAL PURPOSE)

12 INTEREST RATE: MATURITY DATE: CUSIP NO.

13 REGISTERED OWNER: CEDE & Co.

14
15 PRINCIPAL AMOUNT:

16 The Municipality of Anchorage, a municipal corporation of the State of Alaska (the
17 "Municipality"), for value received, acknowledges itself indebted and hereby promises to pay
18 to the Registered Owner identified above, or registered assigns, on the Maturity Date
19 identified above, upon presentation and surrender hereof, the Principal Amount shown
20 above, and to pay interest on such principal sum from the date hereof until its obligation with
21 respect to the payment of such principal sum shall be discharged, at the Interest Rate per
22 annum shown above, payable on the first days of _____ and _____ in each year
23 beginning _____, 200__. The principal of and interest on this Bond shall be
24 payable in any coin or currency of the United States of America which at the time of payment
25 is legal tender for the payment of public and private debts. Principal shall be paid to the
26

1 Registered Owner or assigns upon presentation and surrender of this Bond at the corporate
2 trust office of U.S. Bank, N. A., Seattle, Washington (hereinafter called the Paying Agent),
3 or its successors. Payment of interest shall be made by check or draft mailed to the Regis-
4 tered Owner, as of the 15th day of the month preceding the interest payment date, at the
5 address appearing on the Bond Register of the Municipality kept at the corporate trust office
6 of the Paying Agent. Notwithstanding the foregoing, if this Bond is held in fully immobilized
7 form, payment of principal and interest shall be as provided in the Blanket Issuer Letter of
8 Representations between the Municipality and The Depository Trust Company dated July 1,
9 1995, and The Depository Trust Company's Operational Arrangements referred to therein
10 as they may be amended from time to time (together, the "Letter of Representations").

11 This Bond is one of the 2002 General Obligation Refunding Bonds, Series A (General
12 Purpose) of Anchorage, Alaska, of like tenor and effect except as to interest rate, number,
13 and maturity, aggregating \$_____ in principal amount, and constituting Bonds autho-
14 rized for the purpose of refunding certain general obligation general purpose bonds of the
15 Municipality, and is issued pursuant to Ordinance No. AO 2002-____ of the Municipality
16 entitled:

17 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
18 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL
19 OBLIGATION REFUNDING GENERAL PURPOSE BONDS OF THE MUNICI-
20 PALITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED
21 ONE HUNDRED TEN MILLION AND NO/100 DOLLARS (\$110,000,000) TO
22 PROVIDE FUNDS REQUIRED TO REFUND CERTAIN OUTSTANDING
23 GENERAL OBLIGATION GENERAL PURPOSE BONDS OF THE MUNICI-
24 PALITY; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID
25 BONDS; PLEDGING THE FULL FAITH AND CREDIT OF THE MUNICIPALITY
26 TO THE PAYMENT THEREOF; AUTHORIZING THE CHIEF FISCAL
27 OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE
28 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 _____ 3, _____ _____ 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 unconditionally 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, the particular Bonds to be redeemed shall be selected by lot within such maturity as provided in the Ordinance and the Letter of Representations.

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

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

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

19 IN WITNESS WHEREOF, ANCHORAGE, ALASKA, has caused this Bond to be
20 signed in its name and on its behalf by the manual or facsimile signature of its Mayor and
21 its corporate seal to be hereunto impressed or imprinted or otherwise reproduced and
22 attested by the manual or facsimile signature of its Municipal Clerk, all as of the ____ day
23 of _____, 2002.

24
25 [S E A L]

26 GEORGE WUERCH,
Mayor

1 A T T E S T:

2
3 GREG MOYER
Municipal Clerk

4
5 In the event the Bonds are not or are no longer held under the Book-Entry System,
6 the form of the Bonds may be modified to conform to printing requirements and the terms
7 of this Ordinance.

8 Section 12. Disposition of the Proceeds of Sale of the Bonds and Authorization of
9 an Escrow Agreement. The net proceeds received from the sale of the Bonds (exclusive
10 of accrued interest, and premium, if any) shall be deposited in the "2002 General Obligation
11 Refunded General Purpose Bond Fund" (the "Refunded Bond Fund") which is hereby
12 created, and used, together with such moneys as may be transferred to said account
13 pursuant to this Ordinance, to deposit cash and to purchase Escrow Obligations maturing
14 as to principal and interest in such amounts and at such times as to provide for the payment
15 of interest on the Refunded Bonds to the maturity date or date of redemption of each such
16 Bond and the redemption price of the Refunded Bonds on the permitted redemption date
17 as provided in Section 14 hereof.

18 Such money and Escrow Obligations shall be irrevocably set aside and held in the
19 Refunded Bond Fund and deposited in a trust account for safekeeping, pursuant to the
20 Escrow Agreement with U.S. Bank, N.A., Seattle, Washington, which is hereby appointed
21 as Escrow Agent. Such money and obligations are hereby pledged to be held and applied
22 solely for the purpose set forth herein, provided, however, that the Municipality may from
23 time to time transfer, or cause to be transferred, free of trust from such Refunded Bond
24 Fund any moneys not required for such purpose upon securing a verification from a certified
25 public accountant and opinion of bond counsel as set forth in the next succeeding
26 paragraph.

The Municipality reserves the right to substitute other Escrow Obligations for investments in the Refunded Bond Fund in the event it may do so pursuant to Section 148 of the Code and applicable regulations thereunder, provided, that, at all times the moneys and Escrow Obligations in the Refunded Bond Fund shall be sufficient to accomplish the refunding of the Refunded Bonds and the payment of principal and interest as provided herein. Prior to each such substitution, the Municipality shall obtain (1) a verification by a certified public accountant which shall be satisfactory to bond counsel to the Municipality that the moneys and Escrow Obligations on deposit after such substitution will be sufficient to effect such refunding of the Refunded Bonds and the payment of principal and interest, and (2) an opinion from bond counsel that such substitution shall not cause any Bond or Refunded Bond to lose its tax-exempt status under Section 148 of the Code. When all of the Refunded Bonds shall have been redeemed and retired, the Municipality may cause to be transferred from the Refunded Bond Fund free of trust all moneys remaining therein.

Section 13. Call of Refunded Bonds for Prior Redemption. The designation of the Refunded Bonds shall be made by the Chief Fiscal Officer pursuant to Section 22 of this Ordinance. The Municipality hereby elects to call the Refunded Bonds on the first date on which such Refunded Bonds may be redeemed in accordance with the Ordinances authorizing their issuance, respectively, which dates and prices are as follows:

1990 General Obligation Refunding General Purpose Bonds

<u>Maturity Date</u>	<u>Redemption Date</u> <u>Not Later than</u>	<u>Price</u>
August 1, 2003	September 21, 2002	100%
August 1, 2004	September 21, 2002	100
August 1, 2005	September 21, 2002	100
August 1, 2006	September 21, 2002	100

1992 General Obligation
Refunding School and General Purpose Bonds

<u>Maturity Date</u>	<u>Redemption Date Not Later than</u>	<u>Price</u>
February 1, 2003	September 21, 2002	101%
February 1, 2004	September 21, 2002	101
February 1, 2005	September 21, 2002	101
February 1, 2006	September 21, 2002	101
February 1, 2007	September 21, 2002	101
February 1, 2008	September 21, 2002	101

1994 General Obligation General Purpose and
General Obligation Refunding General Purpose Bonds

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
February 1, 2005	February 1, 2004	101%
February 1, 2006	February 1, 2004	101
February 1, 2007	February 1, 2004	101
February 1, 2008	February 1, 2004	101
February 1, 2009	February 1, 2004	101
February 1, 2014	February 1, 2004	101

1997 General Obligation
General Purpose Bonds, Series A

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
September 1, 2008	September 1, 2007	100%
September 1, 2009	September 1, 2007	100
September 1, 2010	September 1, 2007	100
September 1, 2011	September 1, 2007	100
September 1, 2012	September 1, 2007	100
September 1, 2013	September 1, 2007	100
September 1, 2014	September 1, 2007	100

September 1, 2017 September 1, 2007 100

1999 General Obligation General Purpose and
General Obligation Refunding General Purpose Bonds, Series A

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
April 1, 2010	April 1, 2009	100%
April 1, 2011	April 1, 2009	100
April 1, 2012	April 1, 2009	100
April 1, 2013	April 1, 2009	100
April 1, 2014*	April 1, 2009	100

* Only a portion of these bonds are eligible for redemption prior to maturity.

2000 General Obligation
General Purpose Bonds, Series A

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
September 1, 2011	September 1, 2010	100%
September 1, 2012	September 1, 2010	100
September 1, 2013	September 1, 2010	100
September 1, 2014	September 1, 2010	100
September 1, 2015	September 1, 2010	100

The election to make such call for redemption shall be subject to the delivery of the Bonds to the initial purchasers thereof and shall become irrevocable upon such delivery.

The Escrow Agent, acting in concert with the Municipal Clerk and the Chief Fiscal Officer of the Municipality and the paying agent for the Refunded Bonds, is hereby authorized and directed to provide for the giving of notice of redemption of the Refunded Bonds in the manner set forth in the ordinances of the Municipality authorizing their issuance.

Section 14. Paying Agent and Bond Registrar. (a) U.S. Bank, N.A., Seattle, Washington, is hereby appointed the Paying Agent for the Bonds and the term "Paying

1 Agent" shall include any business successor or successors thereto. Any company into
2 which the Paying Agent may be merged or converted or with which it may be consolidated
3 or any company resulting from any merger, conversion or consolidation to which it shall be
4 a party, provided such company shall be a bank or trust company organized under the laws
5 of any state of the United States of America or a national banking association and shall be
6 authorized by law to perform all the duties imposed upon it by this Ordinance, shall be the
7 successor to the Paying Agent without the execution or filing of any paper or the
8 performance of any further act.

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

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

17 (b) Concerning the use of DTC,

18 (1) Unless otherwise provided by resolution of the Assembly, the Bonds shall
19 be registered initially in the name of Cede & Co., as nominee of DTC, with one Bond
20 maturing on each of the maturity dates established in a denomination corresponding
21 to the total principal amount therein designated to mature on such date. Registered
22 ownership of such immobilized Bonds, or any portions thereof, may not thereafter be
23 transferred except (i) to any successor of DTC or its nominee, provided that any such
24 successor shall be qualified under any applicable laws to provide the service
25 proposed to be provided by it; (ii) to any substitute depository appointed by the
26

1 Assembly pursuant to (2) below or such substitute depository's successor; or (iii) to
2 any person as provided in (4) below.

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

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

16 (4) In the event that (i) DTC or its successor (or substitute depository or its
17 successor) resigns from its functions as depository and no substitute depository can
18 be obtained, or (ii) the Assembly determines that it is in the best interest of the
19 registered owners of the Bonds that they be able to obtain Bond certificates, the
20 ownership of Bonds may then be transferred to any person or entity as herein
21 provided and the Bonds shall no longer be held under the Book-Entry System. The
22 Municipality shall deliver a written request to the Paying Agent, together with a supply
23 of definitive Bonds, to issue Bonds as herein provided in any authorized denomina-
24 tion. Upon receipt of all then outstanding Bonds by the Paying Agent, together with
25 a written request on behalf of the Assembly to the Paying Agent, new Bonds shall be
26

1 issued in such denominations and registered in the names of such persons as are
2 requested in such written request.

3 Section 15. Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall
4 become mutilated or be destroyed, stolen or lost, the Municipality may cause to be
5 executed, and shall deliver, a new Bond of like interest rate, principal amount, maturity and
6 series in exchange and substitution for and upon cancellation of such mutilated Bond, or in
7 lieu of and in substitution for such Bond destroyed, stolen or lost, in each case upon the
8 registered owner thereof paying the reasonable expenses and charges of the Municipality
9 and the Paying Agent in connection therewith and in the case of a Bond destroyed, stolen
10 or lost, filing by the owner with the Paying Agent evidence satisfactory to the Paying Agent
11 and the Municipality that such Bond was destroyed, stolen or lost and the owner's ownership
12 thereof, and furnishing the Municipality and the Paying Agent with indemnity satisfactory to
13 them. Any new Bond so delivered may bear a number differing from the number of the
14 Bond it replaces.

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

25 In all cases in which Bonds may be transferred under this Ordinance, there shall be
26 executed, and the Municipality shall authenticate and deliver, Bonds in accordance with the

1 provisions of this Ordinance. Any such transfer shall be without cost to the registered
2 owner, except that the Municipality and the Paying Agent may make a charge for every such
3 registration, exchange or transfer of Bonds sufficient to reimburse them for any tax, fee or
4 other governmental charge required to be paid with respect to such registration, exchange
5 or transfer, and such charge or charges shall be paid before any such new Bond shall be
6 delivered. Neither the Municipality nor the Paying Agent shall be required to make any such
7 registration, exchange or transfer of a Bond during the 15 days next preceding an interest
8 payment date for such Bond.

9 Section 17. Ownership of Bonds. As to any Bond, the person in whose name the
10 same shall be registered on the Bond Register shall be deemed and regarded as the
11 absolute owner thereof for all purposes (except for Section 27 hereof), and payment of or
12 on account of the principal on such Bond and the interest on such Bond shall be made only
13 to or upon the order of the registered owner thereof or the registered owner's legal
14 representative, but such registration may be changed as hereinabove provided. All such
15 payments shall be valid and effectual to satisfy and discharge the liability upon such Bond,
16 including the interest thereon, to the extent of the sum or sums so paid.

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

24 Section 18. Arbitrage Covenant. The Municipality covenants with the registered
25 owners of all Bonds at any time outstanding that it will make no use of the proceeds of the
26 Bonds which will cause the Bonds to be "arbitrage bonds" subject to federal income taxation

1 by reason of Section 148 of the Code. To that end, so long as any of the Bonds are
2 outstanding, the Municipality, with respect to the proceeds of the Bonds, shall comply with
3 all requirements of said Section 148 and the regulations thereunder to the extent that such
4 requirements are, at the time, applicable and in effect.

5 Section 19. Compliance with Code. The Municipality hereby covenants to comply
6 with any and all applicable requirements set forth in the Code in effect from time to time to
7 the extent that such compliance shall be necessary for the exemption from federal income
8 taxes of the interest on the Bonds. The Municipality hereby further covenants to observe
9 any and all applicable requirements in any future federal tax legislation to the extent that
10 such compliance is determined by the Municipality to be legal and practicable and required
11 for such exemption.

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

15 Section 20. Rebate Requirement. The Municipality covenants and agrees that it will
16 pay any amounts required to comply with the arbitrage rebate requirements of Section 148(f)
17 of the Code.

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

1 Section 22. Sale of Bonds, Final Terms, Approval of Official Statement. The Bonds
2 shall be sold at negotiated sale to the Underwriters (as defined below). The Chief Fiscal
3 Officer, with the assistance of the Financial Advisor (as defined below), is hereby authorized
4 to designate the Outstanding Bonds to be refunded as the "Refunded Bonds," negotiate
5 terms for the purchase of the Bonds by Salomon Smith Barney Inc., Bear, Stearns & Co.
6 Inc., Morgan Stanley and George K. Baum & Company (collectively, the "Underwriters"), and
7 to execute a purchase contract with the representative of the Underwriters and named
8 therein, for the purchase of the Bonds (the "Purchase Contract") which is in the best interest
9 of the Municipality.

10 The Municipality has been advised by its financial advisor, UBS PaineWebber Inc.
11 (the "Financial Advisor"), that market conditions continue to fluctuate and, as a result, the
12 most favorable market conditions may occur on a day other than a regular meeting date of
13 the Assembly. The Assembly has determined that it would be inconvenient, perhaps
14 impossible, to hold a special meeting on short notice and, accordingly, has determined that
15 it would be in the best interest of the Municipality to delegate to the Chief Fiscal Officer for
16 a limited time the authority to approve certain details of the Bonds including the date and the
17 delivery date, the aggregate principal amount and the principal amount of each maturity, the
18 purchase price, the maturity and interest payment dates and the interest rates of each
19 maturity. The foregoing terms, including the designation of the Refunded Bonds shall be set
20 forth in the Purchase Contract. The Chief Fiscal Officer shall take into account those factors
21 which, in her judgment, will result in the lowest net effective interest cost on the Bonds to
22 their maturity; however, the Bonds shall not be issued nor may the Purchase Contract be
23 executed by the Chief Fiscal Officer unless there is a present value savings in debt service
24 as a result of the issuance of the Bonds at least equal to 3.0% of the principal amount of the
25 Refunded Bonds.

1 The Chief Fiscal Officer is hereby authorized to execute the Purchase Contract with
2 the Underwriters for the Bonds upon her approval of the details of the Bonds including, but
3 not limited to, the designation of the Refunded Bonds and the details referred to in the
4 foregoing paragraph, the date and the delivery date, the aggregate principal amount and the
5 principal amount of each maturity, the purchase price, the maturity and interest payment
6 dates, the redemption provisions and the interest rate of each maturity, the Underwriters'
7 discount and the true interest cost on the Bonds. The authority granted to the Chief Fiscal
8 Officer by this Section shall expire in 90 days from the date of approval of this Ordinance.
9 If the Purchase Contract has not been executed by the Chief Fiscal Officer in accordance
10 with the delegated authority of this Section by said date, the Bonds may only be sold in the
11 manner provided in the following paragraph.

12 The terms of this paragraph apply only if the Chief Financial Officer has not entered
13 into a Purchase Contract for the Bonds within 90 days of approval of the Ordinance. The
14 Chief Fiscal Officer is hereby authorized to solicit an offer or offers for the purchase of the
15 Bonds in such manner as she deems appropriate, and thereafter to negotiate a contract for
16 the purchase of the Bonds which is in the best interest of the Municipality, said contract or
17 contracts be executed by the Chief Fiscal Officer after approval of a Resolution by the
18 Assembly.

19 The Chief Fiscal Officer is authorized to solicit commitments for a policy of insurance
20 with respect to payment of the interest on and principal of the Bonds and thereafter to
21 accept such commitment from an insurer (the "Bond Insurer") which in her judgment is in
22 the best interest of the Municipality. The Chief Fiscal Officer is further authorized to enter
23 into such agreements with the Bond Insurer related to said policy as are not inconsistent
24 with this Ordinance and, are in her opinion, in the best interest of the Municipality.

25 The Chief Fiscal Officer is authorized to approve the final terms of, and to execute
26 on behalf of the Municipality, an Escrow Agreement. The Chief Fiscal Officer is further

1 authorized to enter into such agreements to purchase Escrow Obligations to effect the
2 refunding of the Refunded Bonds that are not inconsistent with this Ordinance and are, in
3 her opinion and in the opinion of the Financial Advisor, in the best interest of the Municipali-
4 ty.

5 The Chief Fiscal Officer is authorized to approve the final terms of, and to execute
6 on behalf of the Municipality, a Paying Agent Agreement.

7 The Chief Fiscal Officer is further authorized to review and to approve, on behalf of
8 the Municipality, the preliminary official statement and final official statement relating to the
9 issuance and sale of the Bonds with such changes, if any, as may be deemed by her to be
10 appropriate, including changes necessary in order to evidence compliance with
11 Section (b)(5) of the Rule.

12 Section 23. Authority of Officers. The Mayor, the Municipal Manager, the Chief
13 Fiscal Officer, the Municipal Attorney, the Municipal Clerk and the Deputy Municipal Clerk
14 from time to time, are, and each of them is, hereby authorized and directed to do and
15 perform all things and determine all matters not determined by this Ordinance, or to be
16 determined by a subsequent ordinance or resolution of the Municipality, to the end that the
17 Municipality may carry out its obligations under the Bonds and this Ordinance.

18 Section 24. Amendatory and Supplemental Ordinances. (a) The Assembly from
19 time to time and at any time may adopt an ordinance or ordinances supplemental hereto,
20 which ordinance or ordinances thereafter shall become a part of this Ordinance, for any one
21 or more of the following purposes:

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

25 (2) To make such provisions for the purpose of curing any ambiguities or of
26 curing, correcting or supplementing any defective provision contained in this Ordi-

1 nance or in regard to matters or questions arising under this Ordinance as the
2 Assembly may deem necessary or desirable and not inconsistent with this Ordinance
3 and which in the opinion of the Municipality's bond counsel shall not materially
4 adversely affect the interests of the registered owners of the Bonds.

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

8 (b) With the consent of the Bond Insurer or the registered owners of not less than
9 60% in aggregate principal amount of the Bonds at the time outstanding affected by the
10 supplemental ordinance, the Assembly may adopt an ordinance or ordinances supplemental
11 hereto for the purpose of adding any provisions to or changing in any manner or eliminating
12 any of the provisions of this Ordinance or of any supplemental ordinance with respect to the
13 Bonds; provided, however, that no such supplemental ordinance shall:

14 (1) Extend the fixed maturity of any of the Bonds, or reduce the rate of interest
15 thereon, or reduce the amount or change the date of any sinking fund installment, or
16 extend the time of payments of interest from their due date, or reduce the amount of
17 the principal thereof, or reduce any premium payable on the redemption thereof,
18 without the consent of the registered owners of each Bond so affected; or

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

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

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

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

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

17 Section 25. Prohibited Sale of Bonds. No person, firm or corporation, or any agent
18 or employee thereof, acting as financial consultant to the Municipality under an agreement
19 for payment in connection with the sale of the Bonds, is eligible to purchase the Bonds as
20 a member of the original underwriting syndicate either at public or private sale.

21 Section 26. Miscellaneous. No recourse shall be had for the payment of the principal
22 of or the interest on the Bonds or for any claim based thereon or on this Ordinance against
23 any member of the Assembly or officer of the Municipality or any person executing the
24 Bonds. The Bonds are not and shall not be in any way a debt or liability of the State of
25 Alaska or of any political subdivision thereof, except the Municipality, and do not and shall
26

1 not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of
2 said State or of any political subdivision thereof, except the Municipality.

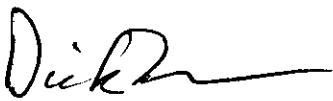
3 Section 27. Undertaking to Provide Ongoing Disclosure. The Municipality will execute
4 a certificate for ongoing disclosure in form and substance satisfactory to the Underwriters,
5 and the Chief Fiscal Officer is hereby authorized and directed to execute such certificate.

6 Section 28. Severability. If any one or more of the covenants and agreements
7 provided in this Ordinance to be performed on the part of the Municipality shall be declared
8 by any court of competent jurisdiction to be contrary to law, then such covenant or
9 covenants, agreement or agreements shall be null and void and shall be deemed separable
10 from the remaining covenants and agreements in this Ordinance and shall in no way affect
11 the validity of the other provisions of this Ordinance or of the Bonds.

12 Section 29. Effective Date. This Ordinance shall take effect immediately.

13 PASSED AND APPROVED by the Anchorage Assembly, this 11th day of
14 June 2002.

15
16
17 ATTEST:


Chairman

18
19 
Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 446-2002

Meeting Date: May 14, 2001

From: Mayor

Subject: **Not to Exceed \$110,000,000 General Obligation Refunding Bonds (General Government)**

Attached Ordinance No. AO 2002-80 provides for the issuance of not to exceed \$110,000,000 General Obligation Refunding Bonds (General Government). Proceeds from the sale will be used to retire (replace) bonds with higher interest rates issued in the past.

The not to exceed amount allows flexibility should interest rates decline on the pricing date. The exact size of the issue and the savings realized will be determined on the pricing date. Estimated net present value savings are expected to be in excess of \$700,000.

The current schedule for the sale and related matters calls for a public hearing on the ordinance on June 11, 2002.

The Chief Fiscal Officer is authorized by Section 22 of the Ordinance to negotiate terms for purchase of the bonds and to execute a contract for their purchase, which is in the best interest of the Municipality.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AO NO. 2002-80

Concurrence:

Harry J. Kioing, Jr.
Municipal Manager

Recommended by:

Kate Giard
Chief Fiscal Officer

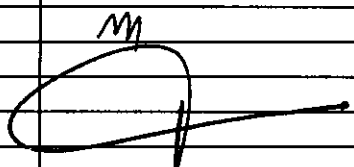
Respectfully submitted,

George P. Wuerch
Mayor

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

AO 2002-80

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

1	SUBJECT OF AGENDA DOCUMENT		DATE PREPARED	
	Not to Exceed \$110,000,000 General Obligation Refunding		5/9/02	
	Bonds (General Government)			
			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		Kate Giard	
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY		HIS/HER PHONE NUMBER	
	Tony Price		343-6606	
4	COORDINATED WITH AND REVIEWED BY	INITIALS	DATE	
<input checked="" type="checkbox"/>	Mayor			
	Heritage Land Bank			
	Merrill Field Airport			
	Municipal Light & Power			
	Port of Anchorage			
	Solid Waste Services			
	Water & Wastewater Utility			
<input checked="" type="checkbox"/>	Municipal Manager	<i>MP</i>	5/14	
	Cultural & Recreational Services		5/10/02	
	Employee Relations			
<input checked="" type="checkbox"/>	Finance, Chief Fiscal Officer			
	Fire			
	Health & Human Services			
	Office of Management and Budget			
	Management Information Services			
	Police			
	Planning, Development & Public Works			
	Development Services			
	Facility Management			
	Planning			
	Project Management & Engineering			
	Street Maintenance			
	Traffic			
	Public Transportation Department			
	Purchasing			
	Municipal Attorney			
	Municipal Clerk			
	Other			
5	Special Instructions/Comments			
	<i>AO 2002-80</i> <i>9.F.5. introduction</i>			
6	ASSEMBLY HEARING DATE REQUESTED		PUBLIC HEARING DATE REQUESTED	
	5/14/02		6/11/02	

K.O.A.
 2002 MAY 14 AM 11:13
 CLERK'S OFFICE