

1 **CLERK'S OFFICE**

2 **APPROVED**

3 Date: 6-15-02

Submitted by: Chairman of the Assembly at the  
Request of the Mayor

Prepared by: Wohlforth, Vassar, Johnson  
& Brecht

For Reading: May 14, 2002

5 **MUNICIPALITY OF ANCHORAGE**

6 **ORDINANCE NO. AO 2002-82**

7 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE,  
8 ALASKA, AUTHORIZING AND PROVIDING FOR THE  
9 ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS  
10 OF THE MUNICIPALITY IN THE AGGREGATE PRINCIPAL  
11 AMOUNT OF NOT TO EXCEED NINETY MILLION AND  
12 NO/100 DOLLARS (\$90,000,000) TO PROVIDE FUNDS RE-  
13 QUIRED TO REFUND CERTAIN OUTSTANDING GENERAL  
14 OBLIGATION SCHOOL 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; AUTHO-  
RIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE AND  
EXECUTE A CONTRACT FOR THE PURCHASE AND SALE  
OF SAID BONDS; AND RELATED MATTERS.

15 WHEREAS, there are now outstanding certain general obligation school bonds of the  
16 Municipality of Anchorage, Alaska (the "Municipality") issued December 15, 1993, June 28,  
17 1994, December 7, 1995, August 21, 1996, December 11, 1997, February 18, 1999, August  
18 23, 2000, and October 11, 2000, respectively, as set out in Section 2(t) hereof, which  
19 financed certain educational capital improvements in the Municipality (the "Outstanding  
20 Bonds"); and

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

26 WHEREAS, the Home Rule Charter of the Municipality provides in Section 15.02 that  
27 general obligation refunding bonds may be issued without an election; and  
28

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

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

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

19 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

20 Section 1. Purpose. The purpose of this Ordinance is to authorize the issuance and  
21 sale of not to exceed Ninety Million and No/100 Dollars (\$90,000,000) of general obligation  
22 refunding school bonds of the Municipality (the "Bonds") to provide the funds to refund the  
23 Refunded Bonds, to pay the costs of issuance of the Bonds authorized herein (including the  
24 bond insurance premium, if any), and to fix certain details and to provide for the form and  
25 manner of sale of said Bonds to be issued.

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

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

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

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

11 (c) "Book-Entry System" means the system in which the Bonds (represented by  
12 one Bond certificate for each maturity of the Bonds) are delivered into the possession of  
13 DTC and are issued and fully-registered as to principal and interest in the name of Cede &  
14 Co., and whereby beneficial interests in the Bonds are purchased by investors through DTC  
15 Participants, such interests shown and transfers thereof effected only through the records  
16 maintained by the respective DTC Participants from whom each such investor acquired such  
17 beneficial interest.

18 (d) "Bond" or "Bonds" means any of the bonds of the Municipality, the issuance  
19 and sale of which are authorized herein.

20 (e) "Bond Insurer" means, with respect to the Bonds, an insurance company which  
21 issues a policy of insurance with respect to payment of the interest on and principal of the  
22 Bonds.

23 (f) "Bond Register" means the registration books maintained by the Paying Agent  
24 (as "Bond Registrar"), as agent of the Municipality, which include the names and addresses  
25 of the registered owners, or nominees of the registered owners if the Bonds are held in the  
26 Book-Entry System, of the Bonds.

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

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

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

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

10 (k) "Escrow Agent" means U.S. Bank, N.A., Seattle, Washington, or its succes-  
11 sors, as Escrow Agent under the Escrow Agreement.

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

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

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

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

23 (p) "Municipality" means the Municipality of Anchorage created upon ratification  
24 of the Home Rule Charter after the election thereon held on September 9, 1975, and the  
25 successor thereunder to the City of Anchorage, the City of Glen Alps, the City of Girdwood  
26

1 and the Greater Anchorage Area Borough, former municipal corporations of the State of  
2 Alaska.

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

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

6 (s) "Outstanding Bonds" means the 1993 General Obligation School Bonds dated  
7 December 1, 1993, maturing on January 1, 2005, the 1994 General Obligation School  
8 Bonds dated June 1, 1994, maturing on July 1, 2005 through and including July 1, 2007, the  
9 1995 General Obligation School and General Obligation Refunding School Bonds dated  
10 November 1, 1995, maturing on October 1, 2007 and October 1, 2008, the 1996 General  
11 Obligation School Bonds, Series A dated August 1, 1996, maturing August 1, 2007 through  
12 and including August 1, 2014, and August 1, 2016, the 1997 General Obligation School  
13 Bonds, Series A, dated December 1, 1997, maturing on December 1, 2008 through and  
14 including December 1, 2013, the 1999 General Obligation School Bonds, Series A, dated  
15 February 1, 1999, maturing on December 1, 2010 and December 1, 2011, the 2000 General  
16 Obligation School Bonds, Series A, dated August 1, 2000, maturing December 1, 2013, the  
17 2000 General Obligation School Bonds, Series B, dated October 1, 2000, maturing De-  
18 cember 1, 2011 through and including December 1, 2013, all, or a portion, of which shall be  
19 refunded with the proceeds of the Bonds.

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

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

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

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

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

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

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

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

24 Section 5. Authorization of Bonds and Purpose of Issuance. For the purpose of  
25 providing the funds required to purchase Escrow Obligations and to provide beginning cash  
26 to effect the refunding of the Refunded Bonds in the manner and at the time hereinafter set

1 forth, and to provide for original issue discount, if any, and to pay all costs incidental thereto  
2 and to the issuance of the Bonds, general obligation bonds of the Municipality with such  
3 designation as is set forth in Section 6 hereof, are hereby authorized, and shall be issued,  
4 in the principal amount of not to exceed Ninety Million and No/100 Dollars (\$90,000,000) or  
5 so much thereof as is required, together with other moneys available and used for such  
6 purpose, to effect the refunding of the Refunded Bonds. The aggregate principal amount  
7 of the Bonds to be issued shall be fixed by the Chief Fiscal Officer in the manner described  
8 in Section 22.

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

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

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



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

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

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

1 all references herein (except for Section 27) to the owner of the Bonds or similar terms shall  
2 mean DTC or its nominee and shall not mean the owners of any beneficial interest in the  
3 Bonds.

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

12 The Bonds shall contain a certificate of the Paying Agent in substantially the following  
13 form:

14 PAYING AGENT'S CERTIFICATE  
15 OF AUTHENTICATION

16 This Bond is one of the Municipality of Anchorage, Alaska, 2002 General Obligation  
17 Refunding Bonds, Series B (Schools) described in and issued pursuant to the within  
18 mentioned Ordinance.

19 U.S. BANK, N.A.,  
20 as Paying Agent

21 Date of Authentication:

22 By \_\_\_\_\_  
23 Authorized Agent

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

27 For so long as all outstanding Bonds are held under the Book-Entry System, payment  
28 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 under the Book-Entry  
2 System: (i) payment of principal on each principal payment date on all Bonds shall be  
3 payable upon presentment at the corporate trust office of the Paying Agent in Seattle,  
4 Washington, or such other location as designated by the Paying Agent; and (ii) payment of  
5 interest on the Bonds shall be made by check or draft mailed by first class mail to the  
6 registered owner of record as of the 15th day of the month preceding each interest payment  
7 date at the address appearing on the Bond Register of the Municipality kept by the Paying  
8 Agent, provided that any owner of Bonds in an aggregate principal amount of \$1,000,000  
9 or more may, at its option, receive interest payments by wire transfer at any location within  
10 the United States of America upon written notice delivered to the Paying Agent not later than  
11 the 15th day of the month preceding any 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 a  
14 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 time  
16 of delivery of the Bonds. If fewer than all of the Bonds within a single maturity are to be  
17 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 part  
20 within a single maturity, the Paying Agent shall treat each Bond as representing that number  
21 of Bonds of a \$5,000 denomination which is obtained by dividing the principal amount of  
22 such Bond by \$5,000. As long as the Bonds are held under the Book-Entry System, such  
23 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, the Paying Agent shall cause to be  
26 given notice of such redemption (which notice may be conditional) in the manner then

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

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

21 Each further notice of redemption given hereunder shall contain the information  
22 required above for an official notice of redemption plus: (i) if fewer than all outstanding  
23 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the  
24 principal amounts) of the Bonds to be redeemed, (ii) if the Bonds are no longer held under  
25 the Book-Entry System the Bonds are to be surrendered for payment at the corporate trust  
26 office of the Paying Agent in Seattle, Washington, or such other location as may be

1 designated by the Paying Agent (iii) the CUSIP numbers of all Bonds being redeemed, (iv)  
2 the dated date of the Bonds, (v) the rate of interest for each Bond being redeemed, (vi)  
3 the date of the notice, and (vii) any other information needed to identify accurately the  
4 Bonds being redeemed.

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

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

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

23 Section 11. Form of Bond. Each Bond shall be in substantially the following form,  
24 with such variations, omissions and insertions as may be required or permitted by this  
25 Ordinance or by resolution of the Assembly:  
26

UNITED STATES OF AMERICA  
STATE OF ALASKA

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

No. GO- \$

2002 GENERAL OBLIGATION REFUNDING BOND, SERIES B  
(SCHOOLS)

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 \_\_\_\_\_, 200\_\_. The principal of and interest on 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, N.A., Seattle, Washington (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

1 of the Paying Agent. Notwithstanding the foregoing, if this Bond is held in fully immobilized  
2 form, payment of principal and interest shall be as provided in the Blanket Issuer Letter of  
3 Representations between the Municipality and The Depository Trust Company dated July 1,  
4 1995, and The Depository Trust Company's Operational Arrangements referred to therein  
5 as they may be amended from time to time (together, the "Letter of Representations").

6 This Bond is one of the 2002 General Obligation Refunding Bonds, Series B  
7 (Schools) of Anchorage, Alaska, of like tenor and effect except as to interest rate, number,  
8 and maturity, aggregating \$\_\_\_\_\_ in principal amount, and constituting Bonds autho-  
9 rized for the purpose of refunding certain general obligation school bonds of the Municipality,  
10 and is issued pursuant to Ordinance No. AO 2002-\_\_\_ of the Municipality entitled:

11 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
12 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL  
13 OBLIGATION REFUNDING BONDS OF THE MUNICIPALITY IN THE  
14 AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED NINETY  
15 MILLION AND NO/100 DOLLARS (\$90,000,000) TO PROVIDE FUNDS RE-  
16 QUIRED TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION  
17 SCHOOL 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.

18 (the "Ordinance").

19 The Bonds maturing in the years \_\_\_\_ through \_\_\_\_, inclusive, are not subject to  
20 redemption prior to maturity. The Bonds maturing on and after \_\_\_\_\_, \_\_\_\_, are  
21 subject to redemption at the option of the Municipality on and after \_\_\_\_\_ 1, \_\_\_\_, in  
22 whole on any date or in part in increments of \$5,000 with maturities selected by the  
23 Municipality on any interest payment date prior to maturity, at the following prices expressed  
24  
25  
26

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.

This Bond is transferable as provided in the Ordinance and the Letter of Representations. The Municipality and the Paying Agent may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving



1 payment of, or on account of, the principal or redemption price, if any, hereof and interest  
2 due hereon and for all other purposes whatsoever.

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

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

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

21  
22 [ S E A L ]

23 A T T E S T:

\_\_\_\_\_  
24 GEORGE WUERCH,  
25 Mayor

26 \_\_\_\_\_  
27 GREG MOYER  
28 Municipal Clerk

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

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

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

23 The Municipality reserves the right to substitute other Escrow Obligations for  
24 investments in the Refunded Bond Fund in the event it may do so pursuant to Section 148  
25 of the Code and applicable regulations thereunder, provided, that, at all times the moneys  
26 and Escrow Obligations in the Refunded Bond Fund shall be sufficient to accomplish the

1 refunding of the Refunded Bonds and the payment of principal and interest as provided  
2 herein. Prior to each such substitution, the Municipality shall obtain (1) a verification by a  
3 certified public accountant which shall be satisfactory to bond counsel to the Municipality  
4 that the moneys and Escrow Obligations on deposit after such substitution will be sufficient  
5 to effect such refunding of the Refunded Bonds and the payment of principal and interest,  
6 and (2) an opinion from bond counsel that such substitution shall not cause any Bond or  
7 Refunded Bond to lose its tax-exempt status under Section 148 of the Code. When all of  
8 the Refunded Bonds shall have been redeemed and retired, the Municipality may cause to  
9 be transferred from the Refunded Bond Fund free of trust all moneys remaining therein.

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

15 1993 General Obligation School Bonds

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
January 1, 2005	January 1, 2004	100%

18 1994 General Obligation School Bonds

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
July 1, 2005	July 1, 2004	102%
July 1, 2006	July 1, 2004	102
July 1, 2007	July 1, 2004	102

1995 General Obligation School and  
General Obligation Refunding School Bonds

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
October 1, 2007	October 1, 2005	100%
October 1, 2008	October 1, 2005	100

1996 General Obligation School Bonds, Series A

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
August 1, 2007	August 1, 2006	100%
August 1, 2008	August 1, 2006	100
August 1, 2009	August 1, 2006	100
August 1, 2014	August 1, 2006	100
August 1, 2016	August 1, 2006	100

1997 General Obligation School Bonds, Series A

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

1999 General Obligation School Bonds, Series A

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
December 1, 2010	December 1, 2009	100%
December 1, 2011	December 1, 2009	100

2000 General Obligation School Bonds, Series A

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
December 1, 2013	December 1, 2010	100%

2000 General Obligation School Bonds, Series B

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Price</u>
December 1, 2011	December 1, 2010	100%
December 1, 2012	December 1, 2010	100
December 1, 2013	December 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 Agent" shall include any business successor or successors thereto. Any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, provided such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Ordinance, shall be the successor to the Paying Agent without the execution or filing of any paper or the performance of any further act.

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

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

9 (b) Concerning the use of DTC,

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

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

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

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

19 Section 15. Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall  
20 become mutilated or be destroyed, stolen or lost, the Municipality may cause to be  
21 executed, and shall deliver, a new Bond of like interest rate, principal amount, maturity and  
22 series in exchange and substitution for and upon cancellation of such mutilated Bond, or in  
23 lieu of and in substitution for such Bond destroyed, stolen or lost, in each case upon the  
24 registered owner thereof paying the reasonable expenses and charges of the Municipality  
25 and the Paying Agent in connection therewith and in the case of a Bond destroyed, stolen  
26 or lost, filing by the owner with the Paying Agent evidence satisfactory to the Paying Agent

1 and the Municipality that such Bond was destroyed, stolen or lost and the owner's ownership  
2 thereof, and furnishing the Municipality and the Paying Agent with indemnity satisfactory to  
3 them. Any new Bond so delivered may bear a number differing from the number of the  
4 Bond it replaces.

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

15       In all cases in which Bonds may be transferred under this Ordinance, there shall be  
16 executed, and the Municipality shall authenticate and deliver, Bonds in accordance with the  
17 provisions of this Ordinance. Any such transfer shall be without cost to the registered  
18 owner, except that the Municipality and the Paying Agent may make a charge for every such  
19 registration, exchange or transfer of Bonds sufficient to reimburse them for any tax, fee or  
20 other governmental charge required to be paid with respect to such registration, exchange  
21 or transfer, and such charge or charges shall be paid before any such new Bond shall be  
22 delivered. Neither the Municipality nor the Paying Agent shall be required to make any such  
23 registration, exchange or transfer of a Bond during the 15 days next preceding an interest  
24 payment date for such Bond.

25       Section 17. Ownership of Bonds. As to any Bond, the person in whose name the  
26 same shall be registered on the Bond Register shall be deemed and regarded as the



1 absolute owner thereof for all purposes (except for Section 27 hereof), and payment of or  
2 on account of the principal on such Bond and the interest on such Bond shall be made only  
3 to or upon the order of the registered owner thereof or the registered owner's legal  
4 representative, but such registration may be changed as hereinabove provided. All such  
5 payments shall be valid and effectual to satisfy and discharge the liability upon such Bond,  
6 including the interest thereon, to the extent of the sum or sums so paid.

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

14 Section 18. Arbitrage Covenant. The Municipality covenants with the registered  
15 owners of all Bonds at any time outstanding that it will make no use of the proceeds of the  
16 Bonds which will cause the Bonds to be "arbitrage bonds" subject to federal income taxation  
17 by reason of Section 148 of the Code. To that end, so long as any of the Bonds are  
18 outstanding, the Municipality, with respect to the proceeds of the Bonds, shall comply with  
19 all requirements of said Section 148 and the regulations thereunder to the extent that such  
20 requirements are, at the time, applicable and in effect.

21 Section 19. Compliance with Code. The Municipality hereby covenants to comply  
22 with any and all applicable requirements set forth in the Code in effect from time to time to  
23 the extent that such compliance shall be necessary for the exemption from federal income  
24 taxes of the interest on the Bonds. The Municipality hereby further covenants to observe  
25 any and all applicable requirements in any future federal tax legislation to the extent that  
26

1 such compliance is determined by the Municipality to be legal and practicable and required  
2 for such exemption.

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

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

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

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

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

17 The Chief Fiscal Officer is hereby authorized to execute the Purchase Contract with  
18 the Underwriters for the Bonds upon her approval of the details of the Bonds including the  
19 designation of the Refunded Bonds and the details referred to in the foregoing paragraph  
20 including, but not limited to, the date and the delivery date, the aggregate principal amount  
21 and the principal amount of each maturity, the purchase price, the maturity and interest  
22 payment dates, the redemption provisions and the interest rate of each maturity, the  
23 Underwriters' discount and the true interest cost on the Bonds. The authority granted to the  
24 Chief Fiscal Officer by this Section shall expire in 90 days from the date of approval of this  
25 Ordinance. If the Purchase Contract has not been executed by the Chief Fiscal Officer in  
26

1 accordance with the delegated authority of this Section by said date, the Bonds may only  
2 be sold in the manner provided in the following paragraph.

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

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

16 The Chief Fiscal Officer is authorized to approve the final terms of, and to execute  
17 on behalf of the Municipality, an Escrow Agreement. The Chief Fiscal Officer is further  
18 authorized to enter into such agreements to purchase Escrow Obligations to effect the  
19 refunding of the Refunded Bonds that are not inconsistent with this Ordinance and are, in  
20 her opinion and in the opinion of the Financial Advisor, in the best interest of the Municipali-  
21 ty.

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

24 The Chief Fiscal Officer is further authorized to review and to approve, on behalf of  
25 the Municipality, the preliminary official statement and final official statement relating to the  
26 issuance and sale of the Bonds with such changes, if any, as may be deemed by her to be

1 appropriate, including changes necessary in order to evidence compliance with  
2 Section (b)(5) of the Rule.

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

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

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

16 (2) To make such provisions for the purpose of curing any ambiguities or of  
17 curing, correcting or supplementing any defective provision contained in this Ordinance  
18 or in regard to matters or questions arising under this Ordinance as the  
19 Assembly may deem necessary or desirable and not inconsistent with this Ordinance  
20 and which in the opinion of the Municipality's bond counsel shall not materially  
21 adversely affect the interests of the registered owners of the Bonds.

22 Any such supplemental ordinance of the Assembly may be adopted without the  
23 consent of the registered owner of any of the Bonds at any time outstanding, notwithstanding  
24 any of the provisions of subsection (b) of this Section.

25 (b) With the consent of the Bond Insurer or the registered owners of not less than  
26 60% in aggregate principal amount of the Bonds at the time outstanding affected by the

1 supplemental ordinance, the Assembly may adopt an ordinance or ordinances supplemental  
2 hereto for the purpose of adding any provisions to or changing in any manner or eliminating  
3 any of the provisions of this Ordinance or of any supplemental ordinance with respect to the  
4 Bonds; provided, however, that no such supplemental ordinance shall:

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

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

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

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

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

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

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

13 Section 26. Miscellaneous. No recourse shall be had for the payment of the principal  
14 of or the interest on the Bonds or for any claim based thereon or on this Ordinance against  
15 any member of the Assembly or officer of the Municipality or any person executing the  
16 Bonds. The Bonds are not and shall not be in any way a debt or liability of the State of  
17 Alaska or of any political subdivision thereof, except the Municipality, and do not and shall  
18 not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of  
19 said State or of any political subdivision thereof, except the Municipality.

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


23 Section 28. Severability. If any one or more of the covenants and agreements  
24 provided in this Ordinance to be performed on the part of the Municipality shall be declared  
25 by any court of competent jurisdiction to be contrary to law, then such covenant or  
26 covenants, agreement or agreements shall be null and void and shall be deemed separable


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

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

4  
5 PASSED AND APPROVED by the Anchorage Assembly, this 11<sup>th</sup> day of  
6 June 2002.

7  
8 ATTEST:

9  
10   
11 Chairman

12   
13 Municipal Clerk





# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AM No. 448-2002

Meeting Date: May 14, 2001

**From:** Mayor

**Subject:** Not to Exceed \$90,000,000 General Obligation Refunding Bonds (Schools)

Attached Ordinance No. AO 2002-82 provides for the issuance of not to exceed \$90,000,000 General Obligation Refunding Bonds (Schools). 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 \$200,000.

The proposed refunding has been reviewed and approved by the Anchorage School District.

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. 2002-82

Concurrence:

Harry J. Kielling, 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**

*AD 2002-82*

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

<b>1</b>	SUBJECT OF AGENDA DOCUMENT		DATE PREPARED	
	Not to Exceed \$90,000,000 General Obligation Refunding Bonds (Schools)		5/9/02	
			Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> AM <input type="checkbox"/> AIM	
<b>2</b>	DEPARTMENT NAME		DIRECTOR'S NAME	
	Finance		Kate Giard	
<b>3</b>	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY		HIS/HER PHONE NUMBER	
	Tony Price		343-6606	
<b>4</b>	<b>COORDINATED WITH AND REVIEWED BY</b>	<b>INITIALS</b>	<b>DATE</b>	
	X <b>Mayor</b>			
	Heritage Land Bank			
	Merrill Field Airport			
	Municipal Light & Power			
	Port of Anchorage			
	Solid Waste Services			
	Water & Wastewater Utility			
	X <b>Municipal Manager</b>	<i>TM</i>	5/14	
	Cultural & Recreational Services		5/10/02	
	Employee Relations			
	X 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			
	<b>Municipal Attorney</b>			
	<b>Municipal Clerk</b>			
	<b>Other</b>			
<b>5</b>	<b>Special Instructions/Comments</b>			
	<i>AD 2002-82</i>			
	<i>9.F.7. Introduction</i>			
<b>6</b>	ASSEMBLY HEARING DATE REQUESTED		PUBLIC HEARING DATE REQUESTED	
	5/14/02		6/11/02	

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