

1 CLERK'S OFFICE

2 APPROVED

3 Date: 6-11-02

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

4 MUNICIPALITY OF ANCHORAGE

5 ORDINANCE NO. AO 2002-83

6 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
7 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO
8 EXCEED ONE HUNDRED THIRTY-FIVE MILLION AND NO/100 DOLLARS
9 (\$135,000,000) IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL
10 OBLIGATION SCHOOL BONDS OF THE MUNICIPALITY FOR THE
11 PURPOSE OF RAISING FUNDS TO PAY THE COSTS OF EDUCATIONAL
12 CAPITAL IMPROVEMENT PROJECTS IN THE MUNICIPALITY; FIXING
13 CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR THE FORM AND
14 MANNER OF SALE OF SAID BONDS; PLEDGING THE FULL FAITH AND
15 CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF;
16 AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE AND
17 EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID
18 BONDS; AND RELATED MATTERS.

19 WHEREAS, pursuant to Ordinance No. AO 99-41(S-1, as amended) of the
20 Municipality passed and approved on March 2, 1999, the following question referred to at
21 the election held on April 20, 1999 as Proposition 11:

22 PROPOSITION NO. 11

23 Shall Anchorage borrow up to \$173,150,000 through the
24 issuance of general obligation bonds and increase the
25 municipal tax cap by an amount up to \$3,137,150 to pay for
26 associated annual operations and maintenance costs.

27 The general obligation bond proceeds will pay costs of plan-
28 ning, designing, acquiring property for, site preparation,
constructing, acquiring, renovating, installing and equipping
educational capital improvement projects within Anchorage.
The increase in the municipal tax cap will pay for operations
and maintenance costs related to the proposed educational
capital improvements.

The proposed educational capital improvement projects which
include, but are not limited to, the following:

		Estimated Projects Cost (Principal)	Estimated Interest	Estimated Principal and Interest Paid by the State (70%)	Estimated Principal and Interest Paid by Anchorage	Estimated Annual Operation and Maintenance Cost
Projects						
Reimbursement Projects						
1.	Dimond High School - Replacement Construction	\$60,160,000	\$36,796,332	\$67,869,432	\$29,086,900	\$0
2.	South Anchorage Area High School - New School Construction	62,359,800	38,141,818	70,351,133	30,150,485	3,032,500
3.	Chugiak High School - HVAC, Elec- trical and Fire Upgrades	2,831,089	1,731,610	3,193,889	1,368,810	0
Non-Reimbursement Projects						
4.	Government Hill Elementary School - Addition and Renovation	9,800,000	5,994,082	0	15,794,082	104,650
5.	Russian Jack Elementary School - Re- placement	2,000,000	1,236,975	0	3,236,975	0
6.	Districtwide HVAC	3,050,000	1,865,505	0	4,915,505	0
7.	Districtwide Roof Repairs	2,900,000	1,773,760	0	4,673,760	0
8.	Electrical Support for Elementary Schools	400,000	244,658	0	644,658	0
9.	Dimond High School - Replacement Design and Demolition	7,840,000	4,795,265	0	12,635,265	0
10.	New South Anchorage Area High School Design and Site Improvement	5,640,200	3,449,779	0	9,089,979	0
11.	Chugiak High School - Renovation, Phase I, House 2	7,168,911	4,384,800	0	11,553,711	0
12.	Central Middle School - Renovation	3,000,000	1,834,874	0	4,834,874	0
13.	New Eagle River Area Secondary School Design	3,000,000	1,834,874	0	4,834,874	0
14.	New Muldoon Area Middle School Design	3,000,000	1,834,874	0	4,834,874	0

Total principal amount will not exceed \$173,150,000.

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 1999 assessed valuation) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of \$21.82 to pay for annual operation and maintenance costs related to the proposed educational capital improvements.

1 Voter approval of this bond proposition also authorizes for
2 each \$100,000 of assessed real and personal property value
3 (based on the estimated 1999 assessed valuation) an annual
increase in taxes of \$48.08 to retire the proposed bond
indebtedness.

4 No bonds will be issued, however, to finance costs of projects
5 listed under "Reimbursement Projects" above unless and until
6 such projects qualify for 70% debt service reimbursement from
the State of Alaska under existing or new legislation. Receipt
of State reimbursement is subject to legislative appropriations.

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

9 (No. AO 99-41(S-1, as Amended))

10 (herein called "Proposition 1999-11") was passed and approved, and said election has
11 been duly canvassed and the results thereof certified and confirmed in accordance with
12 law, and \$73,150,000 principal amount of said general obligation bonds remain authorized,
13 but unissued, under Proposition 1999-11; and

14 WHEREAS, pursuant to Ordinance No. AO 2002-15(S) of the Municipality passed
15 and approved on February 5, 2002, the following question referred to at the election held
16 on April 2, 2002 as Proposition 5:

17 PROPOSITION NO. 5

18 EDUCATIONAL CAPITAL IMPROVEMENT BONDS

19 Shall Anchorage borrow up to \$52,125,000 through the
20 issuance of general obligation bonds to pay for educational
21 capital improvements within Anchorage and increase the
municipal tax cap by an amount of \$198,794 to pay for
22 associated annual operations and maintenance costs?

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

27 Projects

Estimated Cost

Bartlett High School - Ph 2 Design	\$1,900,000
Chugiak High School - Deferred Ph 3 Design and Construct.	4,300,000
Dimond High School - Demolition	3,000,000
East High School Deferred Ph I Design/Construct.	1,500,000
Ph 2 & Sprinklers, Design/Construct.	4,200,000
Ph 3 Design	1,200,000
Polaris K-12 School - Design	700,000
Service High School Deferred Ph 1 Design/Construct.	1,350,000
Ph 2A Design/Construct.	17,000,000
Wendler Middle School Ph 2 Construct. - Possible Match with EED Grant	9,800,000
Ptarmigan Elementary School Addition Design/Construct.	6,400,000
Planning Whaley School Assessment, Clark Middle School Planning, Birchwood ABC and Willowcrest Elementary Traffic Safety	275,000
Chugach Optional School Planning/Design	500,000

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 2002 assessed valuation): (i) an annual increase in taxes of approximately \$26.36 to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$1.18 to pay for annual operation and maintenance costs related to the proposed capital improvements. The debt will be paid from real and personal property taxes levied and collected areawide in Anchorage. Anchorage will also pledge its full faith and credit for payment of the debt.

Anchorage is currently seeking State reimbursement for payment of 70% of the principal and interest on approximately \$3,700,000 of these bonds.

(No. AO 2002-15(S) (As Amended))

(herein called "Proposition 2002-5") was passed and approved, and said election has been duly canvassed and the results thereof certified and confirmed in accordance with law, and \$52,125,000 principal amount of said general obligation bonds remain authorized, but unissued, under Proposition 2002-5; and

WHEREAS, pursuant to Ordinance No. AO 2002-40 of the Municipality passed and approved on February 12, 2002, the following question referred to at the election held on April 2, 2002 as Proposition 6:

PROPOSITION NO. 6

EDUCATIONAL CAPITAL IMPROVEMENT BONDS

Shall Anchorage borrow up to \$46,570,000 through the issuance of general obligation bonds?

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

<u>Projects</u>	<u>Estimated Cost</u>
Asbestos/ADA/Code Issues (districtwide)	\$1,615,000
Minor Building Renewal Projects (31 schools and 48 schools/facilities fencing)	7,260,000
Electrical Projects (40 schools)	3,285,000
Maintenance Equipment (districtwide)	1,650,000
Mechanical Upgrades (27 schools)	15,795,000
Roof Replacement and Repairs (7 schools)	1,860,000
Traffic Safety Upgrades (4 schools)	675,000
Code Renovations (including King Career Center)	7,300,000
Districtwide Sprinkler Upgrades	2,000,000
Public Sewer Service for: Birchwood Elementary School and Chugiak High School	2,200,000
Public Water Connection for: Girdwood School	250,000
10 Replacement School Buses	830,000
Girdwood Playground Remediation	1,850,000

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 2002 assessed valuation) an annual increase in taxes of approximately \$23.61 to retire the proposed debt. The debt will be paid from real and personal property taxes levied and collected areawide in Anchorage. Anchorage will also pledge its full faith and credit for payment of the debt.

Anchorage is currently seeking State reimbursement for payment of 70% of the principal and interest on approximately \$4,312,523 of these bonds.

1 (No. AO 2002-40)

2 (herein called "Proposition 2002-6") was passed and approved, and said election has been
3 duly canvassed and the results thereof certified and confirmed in accordance with law, and
4 \$46,570,000 principal amount of said general obligation bonds remain authorized, but
5 unissued, under Proposition 2002-6; and

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

10 WHEREAS, the Municipality has determined and does hereby determine that it is
11 necessary to continue to plan, design, acquire property for, prepare the sites for, construct,
12 acquire, renovate, install and equip some of the educational capital improvements of the
13 Municipality specified in Propositions 1999-11, 2002-5, and 2002-6, and to pay the capital
14 costs thereof (hereinafter referred to, as specified in said Proposition, as the "Projects");
15 and

16 WHEREAS, it is deemed necessary and advisable and in the best interest of the
17 Municipality and its inhabitants that not to exceed \$59,000,000 principal amount of general
18 obligation school bonds referred to in Proposition 1999-11, constituting a portion of the
19 \$73,150,000 principal amount of unsold general obligation school bonds referred to
20 therein, and not to exceed \$37,000,000 principal amount of general obligation bonds
21 referred to in Proposition 2002-5, constituting a portion of the \$52,125,000 principal
22 amount of unsold general obligation school bonds referred to therein, and not to exceed
23 \$39,000,000 principal amount of general obligation bonds referred to in Proposition 2002-
24 6, constituting a portion of the \$46,570,000 principal amount of unsold general obligation
25 school bonds referred to therein, be hereby authorized, as hereinafter fixed and
26 determined, for the purpose of raising funds to pay the Costs (as hereinafter defined) of
27

1 the Projects; and

2 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

3 Section 1. Purpose. The purpose of this Ordinance is to authorize the issuance
4 and sale of not to exceed \$135,000,000 of general obligation school bonds of the
5 Municipality (the "Bonds") to provide funds to pay capital costs of the Projects, to pay the
6 costs of issuance of the Bonds authorized herein (including the bond insurance premium,
7 if any), and to fix certain details and to provide for the form and manner of sale of said
8 Bonds to be issued

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

11 (a) "Acquired Obligations" means any of the following securities, if and to the
12 extent the same are at the time legal for investment of funds of the Municipality: (1) any
13 bonds or other obligations which as to principal and interest constitute direct obligations
14 of, or are unconditionally guaranteed as to timely payment by, the United States of
15 America; direct obligations and fully guaranteed certificates of beneficial interest of the
16 Export-Import Bank of the United States; senior debt obligations of the Federal Home Loan
17 Banks; debentures of the Federal Housing Administration; guaranteed mortgage-backed
18 bonds and guaranteed pass-through obligations of the Government National Mortgage
19 Association; guaranteed Title XI financings of the U.S. Maritime Administration; and
20 participation certificates and senior debt obligations of the Federal Home Loan Mortgage
21 Corporation; or (2) any bonds or other obligations of any state of the United States of
22 America or of any agency, instrumentality or local governmental unit of any such state,
23 (a)(i) which are not callable at the option of the obligor prior to maturity, (ii) which are
24 callable prior to maturity and the issuer has foregone the right to call the obligations and
25 the obligations are irrevocably escrowed to maturity, or (iii) as to which irrevocable
26 instructions have been given to the trustee of such bonds or other obligations by the obligor

1 to give due notice of redemption and to call such bonds for redemption on the date or
2 dates specified in such instructions, (b)(i) which are fully secured as to principal and
3 interest and redemption premium, if any, by a fund consisting only of cash or bonds or
4 other obligations of the character described in clause (1) hereof which fund may be applied
5 only to the payment of such principal of and interest and redemption premium, if any, on
6 such bonds or other obligations on the maturity date or dates thereof or the specified
7 redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii)
8 the principal of and interest on the bonds and obligations of the character described in
9 clause (1) hereof have been deposited in such fund and, along with any cash on deposit
10 in such fund, are sufficient to pay principal of and interest and redemption premium, if any,
11 on the bonds or other obligations described in this clause (2) on the maturity date or dates
12 thereof or on the redemption date or dates specified in the irrevocable instructions referred
13 to in subclause (a) of this clause (2), as appropriate, and (c) such securities are
14 unconditionally rated Aaa by Moody's Investors Service or unconditionally rated AAA by
15 Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies.

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

19 (c) "Authorized Municipal Representative" means the Chief Fiscal Officer of the
20 Municipality.

21 (d) "Bond" or "Bonds" means any of the bonds of the Municipality, the issuance
22 and sale of which are authorized herein as the evidence of the indebtedness referred to
23 in Proposition 1999-11, 2002-5, and 2002-6.

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

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

5 (g) "Bond Registrar" means U.S. Bank, N.A., Seattle, Washington, or its
6 successors.

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

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

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

18 (k) "Commission" means the Securities and Exchange Commission.

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

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

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

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

25 (p) "Municipality" means the Municipality of Anchorage created upon ratification
26 of the Home Rule Charter after the election thereon held on September 9, 1975, and the
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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) "Paying Agent " means U.S. Bank, N.A., Seattle, Washington, or its
8 successors as described in Section 13 of this Ordinance. The Paying Agent shall also act
9 as Bond Registrar pursuant to Section 13 hereof.

10 (t) "Paying Agent Agreement" means the Agreement between the Municipality
11 and the Paying Agent relating to the Bonds.

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

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

16 Section 3. Authority for Ordinance. The Municipality has ascertained and hereby
17 determines that each and every matter and thing as to which provision is made in this Ordi-
18 nance is necessary in order to carry out and effectuate the purposes of the Municipality in
19 accordance with the Constitution and statutes of the State of Alaska and the Home Rule
20 Charter of the Municipality, and to incur the indebtedness and issue the Bonds as referred
21 to in Propositions 1999-11, 2002-5, and 2002-6.

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

Section 5. Authorization of Bonds and Purpose of Issuance. For the purpose of raising funds to pay the Costs of acquiring and developing the Projects as authorized by Propositions 1999-11, 2002-5, and 2002-6, which, in accordance with said Propositions is hereby determined to be necessary, and to provide for original issue discount, if any, and to pay all costs incidental thereto and to the issuance of the Bonds as follows:

<u>Proposition No.</u>	<u>Not to Exceed Principal Amount</u>
1999-11	\$59,000,000
2002-5	37,000,000
2002-6	39,000,000

general obligation school bonds of the Municipality constituting portions of the authorized, but unissued Bonds, referred to in Propositions 1999-11, 2002-5, and 2002-6 with such designation as is set forth in Section 6 hereof, are hereby authorized, and shall be issued in the aggregate principal amount of not to exceed ONE HUNDRED THIRTY-FIVE MILLION AND 00/100 DOLLARS (\$135,000,000).

Section 6. Designation, Maturities, Payment Dates, Rates and Bonds. The Bonds shall be designated "Municipality of Anchorage, Alaska, 2002 General Obligation Bonds, Series B (Schools)" or such other or additional designation as may be made by the Chief Fiscal Officer, shall be issued in one or more series or may be combined and sold as a single series with other bonds authorized by an ordinance approved by the Assembly, shall be dated and mature on such dates and may be redeemed in such manner as shall be established by the Chief Fiscal Officer pursuant to Section 21 of this Ordinance or by the Assembly by resolution adopted prior to delivery of the Bonds.

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

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

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

Neither the Municipality nor the Paying Agent will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds regarding the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal or redemption price of or interest on the Bonds, any notice which is permitted or required to be given to registered owners of the Bonds under this Ordinance (except such notices as shall be required to be given by the Municipality to the Paying Agent or to DTC), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Bonds or any consent given or other action taken by DTC as the owner of the Bonds. For so long as any Bonds are held under the Book-Entry System, DTC or its successor depository shall be deemed to be the owner of the Bonds for all purposes hereunder, and all references herein (except for Section 29) to the owner of the Bonds or similar terms shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in the Bonds.

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

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

**PAYING AGENT'S CERTIFICATE
OF AUTHENTICATION**

This Bond is one of the Municipality of Anchorage, Alaska, 2002 General Obligation Bonds,

1 Series B (Schools) described in and issued pursuant to the within mentioned Ordinance.

2 U.S. BANK, N.A.,
3 as Paying Agent

3 Date of Authentication:

4
5 By _____
Authorized Agent

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

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

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

23 Section 8. Redemption of Bonds. The Bonds may be subject to redemption by or
24 on behalf of the Municipality prior to maturity and upon notice as hereinafter provided, as
25 a whole or in part as may be fixed and determined by the Chief Fiscal Officer pursuant to
26 Section 21 of this Ordinance or by resolution of the Assembly adopted prior to or at the
27

1 time of delivery of the Bonds. If fewer than all of the Bonds within a single maturity are to
2 be called for redemption prior to their scheduled maturity, the portions of Bonds within a
3 maturity to be redeemed shall be selected by the Paying Agent, acting as Bond Registrar,
4 by lot in the manner chosen by the Paying Agent. In selecting Bonds to be redeemed in
5 part within a single maturity, the Paying Agent shall treat each Bond as representing that
6 number of Bonds of a \$5,000 denomination which is obtained by dividing the principal
7 amount of such Bond by \$5,000. As long as the Bonds are held under the Book-Entry
8 System, such selection shall be made by DTC in accordance with the Letter of Representa-
9 tions.

10 Section 9. Notice of Redemption. Except as hereafter provided in this Section 9,
11 when the Municipality determines to redeem any Bonds, the Paying Agent shall give notice
12 of such redemption (which notice may be conditional) in the manner then provided by law,
13 which notice shall state the redemption date and identify the Bonds to be redeemed by
14 reference to their numbers and/or letters and further may be conditional or may state that
15 on such redemption date there shall become due and payable upon each such Bond, or
16 portion thereof, the principal amount thereof plus the applicable premium, if any (the
17 "Redemption Price"), together with interest accrued to the redemption date, and that from
18 and after such date interest thereon shall cease to accrue. Such notice shall be given at
19 least 30 days but not more than 60 days prior to the redemption date by first class mail,
20 postage prepaid, to the registered owner of any Bond to be redeemed at the address of
21 the registered owner appearing on the Bond Register; provided, however, that for so long
22 as the Bonds are held under the Book-Entry System, all notices of redemption shall be
23 given only as provided in the Letter of Representations. In addition to the above required
24 mailing, the Paying Agent shall also cause to be mailed notice of such intended redemption
25 to the managing underwriter(s) of the Bonds or their respective business successors, if
26 any, to each NRMSIR or the MSRB, to any SID and, when there is a bond insurance policy
27

1 with respect to any Bonds, to the Bond Insurer, if any, by certified or registered mail.

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

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

17 The Municipality shall notify the Paying Agent of any optional redemption at least
18 20 days prior to the date on which notice pursuant to this Section is to be given to DTC or
19 the registered owner of any Bond to be redeemed, as the case may be.

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

25 Section 10. Payment of Redeemed Bonds. Unconditional notice of redemption
26 having been given in the manner provided in this Ordinance, the Bonds so called for
27

1 redemption shall become due and payable on the redemption date stated in said notice
2 at the applicable redemption price on said date plus interest accrued and unpaid to the
3 redemption date upon presentation and surrender thereof at the corporate trust office of
4 the Paying Agent. If, on the redemption date, moneys for the redemption of all the Bonds
5 to be redeemed, together with interest accrued and unpaid to the redemption date, shall
6 be held on behalf of the Municipality at the corporate trust office of the Paying Agent so as
7 to be available therefor on said date and if notice of redemption shall have been given as
8 aforesaid, then from and after the redemption date the Bonds so called for redemption
9 shall cease to bear interest.

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

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

16 UNITED STATES OF AMERICA
17 STATE OF ALASKA

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

19 NO. GOSB- \$

20 2002 GENERAL OBLIGATION BOND, SERIES B
21 (SCHOOLS)

22 INTEREST RATE MATURITY DATE CUSIP NO.
23 %

24 REGISTERED OWNER: CEDE & Co.

25 PRINCIPAL AMOUNT:

26 The Municipality of Anchorage, a municipal corporation of the State of Alaska (the
27

1 "Municipality"), for value received, acknowledges itself indebted and hereby promises to
2 pay to the Registered Owner identified above, or registered assigns, on the Maturity Date
3 identified above, upon presentation and surrender hereof, the Principal Amount shown
4 above, and to pay interest on such principal sum from the date hereof until its obligation
5 with respect to the payment of such principal sum shall be discharged, at the Interest Rate
6 per annum shown above, payable on the first days of _____ and _____ in each
7 year beginning _____, 200____. The principal, interest and redemption price
8 of this Bond shall be payable in any coin or currency of the United States of America which
9 at the time of payment is legal tender for the payment of public and private debts. Principal
10 shall be paid to the Registered Owner or assigns upon presentation and surrender of this
11 Bond at the corporate trust office of U.S. Bank, N.A. (hereinafter called the Paying Agent),
12 or its successors. Payment of interest shall be made by check or draft mailed to the Regis-
13 tered Owner, as of the 15th day of the month preceding the interest payment date, at the
14 address appearing on the Bond Register of the Municipality kept at the corporate trust
15 office of the Paying Agent. Notwithstanding the foregoing, if this Bond is held in fully
16 immobilized form, payment of principal and interest shall be as provided in the Blanket
17 Issuer Letter of Representations between the Municipality and The Depository Trust
18 Company, dated July 1, 1995, and The Depository Trust Company's Operational
19 Arrangements referred to therein, as they may be amended from time to time (together,
20 the "Letter of Representations").

21 This Bond is one of the 2002 General Obligation Bonds, Series B (Schools) of
22 Anchorage, Alaska, of like tenor and effect except as to interest rate, number, redemption
23 terms and maturity, aggregating \$_____ in principal amount, and constituting Bonds
24 authorized for the purpose of raising funds to pay the cost of educational capital improve-
25 ments in the Municipality, with the question of their issuance for such purpose approved
26 and ratified by a majority vote of the qualified voters of the Municipality who voted on
27

1 Proposition 1999-11 at the election held in the Municipality on April 20, 1999, and
2 Propositions 2002-5 and 2002-6 at the election held in the Municipality on April 2, 2002,
3 and is issued pursuant to Ordinance No. AO 2002-___ of the Municipality entitled:

4 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
5 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO
6 EXCEED ONE HUNDRED THIRTY-FIVE MILLION AND NO/100 DOLLARS
7 (\$135,000,000) IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL
8 OBLIGATION SCHOOL BONDS OF THE MUNICIPALITY FOR THE
9 PURPOSE OF RAISING FUNDS TO PAY THE COSTS OF EDUCATIONAL
10 CAPITAL IMPROVEMENT PROJECTS IN THE MUNICIPALITY; FIXING
CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR THE FORM AND
MANNER OF SALE OF SAID BONDS; PLEDGING THE FULL FAITH AND
CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF;
AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE AND
EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID
BONDS; AND RELATED MATTERS.

11 (the "Ordinance").

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

<u>Redemption Date</u>	<u>Redemption Price</u>
_____ 1, _____ through _____ 3_, _____ _____ 1, _____ and thereafter	%

23 Unless previously redeemed pursuant to the foregoing optional redemption
24 provision, the Bonds maturing on _____ 1, 20__ are subject to mandatory
25 redemption on _____ 1 of the following years, and in the following principal amounts,
26
27

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

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

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

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

13
14 [S E A L]

GEORGE WUERCH,
Mayor

15
16 A T T E S T:

17
18 _____
GREG MOYER
Municipal Clerk

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

22 Section 12. Disposition of Proceeds and Establishment of Funds. The net pro-
23 ceeds of the sale of the Bonds shall be deposited in the hereby authorized funds and
24 accounts of the Municipality. There is hereby authorized to be created certain funds of the
25 Municipality to be held and maintained in the custody of the Paying Agent pursuant to the
26 terms of the Paying Agent Agreement. The funds maintained by the Paying Agent may be
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1 further subdivided into accounts or subaccounts.

2 All moneys and securities deposited with the Paying Agent pursuant to the terms
3 of the Paying Agent Agreement shall be applied, and invested, only in accordance with the
4 provisions of the Paying Agent Agreement. All income earned, or gains realized, as a
5 result of the investment of amounts in funds or accounts created pursuant to the terms of
6 the Paying Agent Agreement shall be deposited therein and constitute a part thereof.

7 Section 13. Paying Agent and Bond Registrar. (a) U.S. Bank, N.A., Seattle,
8 Washington, is hereby appointed the Paying Agent for the Bonds and the term "Paying
9 Agent" shall include any business successor or successors thereto. Any company into
10 which the Paying Agent may be merged or converted or with which it may be consolidated
11 or any company resulting from any merger, conversion or consolidation to which it shall be
12 a party, provided such company shall be a bank or trust company organized under the laws
13 of any state of the United States of America or a national banking association and shall be
14 authorized by law to perform all the duties imposed upon it by this Ordinance, shall be the
15 successor to the Paying Agent without the execution or filing of any paper or the
16 performance of any further act.

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

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

25 (b) Concerning the use of DTC,

26 (1) Unless otherwise provided by resolution of the Assembly, the Bonds shall
27

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

10 (2) Upon the resignation of DTC or its successor (or any substitute
11 depository or its successor) from its functions as depository or a determination by
12 the Assembly that it is no longer in the best interest of owners of beneficial interests
13 in the Bonds to continue the system of book-entry transfers through DTC or its
14 successors (or any substitute depository or its successor), the Assembly may
15 thereafter appoint a substitute depository. Any such substitute depository shall be
16 qualified under any applicable laws to provide the services proposed to be provided
17 by it.

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

24 (4) In the event that (i) DTC or its successor (or substitute depository or its
25 successor) resigns from its functions as depository and no substitute depository can
26 be obtained, or (ii) the Assembly determines that it is in the best interest of the
27

1 registered owners of the Bonds that they be able to obtain Bond certificates, the
2 ownership of Bonds may then be transferred to any person or entity as herein
3 provided and the Bonds shall no longer be held under the Book-Entry System. The
4 Municipality shall deliver a written request to the Paying Agent, together with a
5 supply of definitive Bonds, to issue Bonds as herein provided in any authorized
6 denomination. Upon receipt of all then outstanding Bonds by the Paying Agent,
7 together with a written request on behalf of the Assembly to the Paying Agent, new
8 Bonds shall be issued in such denominations and registered in the names of such
9 persons as are requested in such written request.

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

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

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

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

26 The Bonds shall be uncertificated securities to the extent provided by Alaska
27

1 Statutes, Chapter 45.08. The Municipality and the Paying Agent shall be entitled to treat
2 the person in whose name any Bond is registered as the absolute owner thereof for all
3 purposes of this Ordinance and any applicable laws, notwithstanding any notice to the
4 contrary received by the Paying Agent or the Municipality. Neither the Municipality nor the
5 Paying Agent will have any responsibility or obligation, legal or otherwise, to any other
6 party, except to the registered owners of the Bonds.

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

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

21 The covenants of this Section 18 shall also be deemed to have been made for the
22 benefit of any Bond Insurer for so long as a Bond Insurer maintains a policy of insurance
23 with respect to any of the Bonds.

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

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

11 Section 21. Sale of Bonds, Final Terms, Approval of Official Statement. The Bonds
12 shall be sold at negotiated sale to the Underwriters (as hereinafter defined). The Chief
13 Fiscal Officer, with the assistance of the Financial Advisor (as defined herein), is hereby
14 authorized to negotiate terms for the purchase of the Bonds by Salomon Smith Barney
15 Inc., Bear, Stearns & Co. Inc., Morgan Stanley, and George K. Baum & Company
16 (collectively, the "Underwriters"), and to execute a purchase contract with the
17 representative of the other Underwriters and named therein, for the purchase of the Bonds
18 ("Purchase Contract") which is in the best interest of the Municipality.

19 The Municipality has been advised by its financial advisor, UBS PaineWebber Inc.
20 (the "Financial Advisor"), that market conditions continue to fluctuate and, as a result, the
21 most favorable market conditions may occur on a day other than a regular meeting date
22 of the Assembly. The Assembly has determined that it would be inconvenient, perhaps
23 impossible, to hold a special meeting on short notice and, accordingly, has determined that
24 it would be in the best interest of the Municipality to delegate to the Chief Fiscal Officer for
25 a limited time the authority to approve certain details of the Bonds including the date and
26 the delivery date, the principal amount of each maturity, the purchase price, the maturity
27

1 and interest payment dates, the redemption provisions and the interest rates of each
2 maturity. The interest rates for the Bonds of each maturity and the corresponding principal
3 amount of Bonds shall be determined by agreement among the Underwriters and the Chief
4 Fiscal Officer. The Chief Fiscal Officer shall take into account those factors which, in her
5 judgment, will result in the lowest true interest cost on the Bonds, and shall be set forth as
6 an exhibit to the purchase contract for the Bonds; provided that the true interest cost on
7 the Bonds is less than 6.25% and the Underwriters' discount does not exceed .75% of the
8 par value of the Bonds.

9 The Chief Fiscal Officer is hereby authorized to execute the Purchase Contract with
10 the Underwriters for the Bonds upon her approval of the details of the Bonds including the
11 date and the delivery date, the aggregate principal amount and the principal amount of
12 each maturity, the purchase price, the maturity and interest payment dates, the redemption
13 provisions and the interest rate of each maturity, the underwriters' discount and the true
14 interest cost on the Bonds. The authority granted to the Chief Fiscal Officer by this
15 Section 21 shall expire in 90 days from the date of approval of this Ordinance. If the
16 Purchase Contract has not been executed by the Chief Fiscal Officer in accordance with
17 the delegated authority of this Section 21 by said date, the Bonds may only be sold in the
18 manner provided in the following paragraph.

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

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

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

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

15 Section 22. Authority of Officers. The Mayor, the Municipal Manager, the Chief
16 Fiscal Officer, the Municipal Attorney, the Municipal Clerk and the Deputy Municipal Clerk
17 from time to time, are, and each of them is, hereby authorized and directed to do and
18 perform all things and determine all matters not determined by this Ordinance, or to be
19 determined by a subsequent ordinance or resolution of the Municipality, to the end that the
20 Municipality may carry out its obligations under the Bonds and this Ordinance.

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

25 (1) To add to the covenants and agreements of the Municipality in this
26 Ordinance contained, other covenants and agreements thereafter to be observed,
27

1 or to surrender any right or power herein reserved to or conferred upon the
2 Municipality.

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

9 Any such supplemental ordinance of the Assembly may be adopted without the
10 consent of the registered owner of any of the Bonds at any time outstanding, notwith-
11 standing any of the provisions of subsection (b) of this Section 23.

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

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

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

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

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

6 (c) Upon the adoption of any supplemental ordinance pursuant to the provisions of
7 this Section 23, this Ordinance shall be deemed to be modified and amended in
8 accordance therewith, and the respective rights, duties and obligations of the Municipality
9 under this Ordinance and all registered owners of Bonds outstanding hereunder affected
10 by such supplemental ordinance shall thereafter be determined, exercised and enforced
11 thereunder, subject in all respects to such modification and amendment, and all the terms
12 and conditions of any such supplemental ordinance shall be deemed to be part of the
13 terms and conditions of this Ordinance for any and all purposes.

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

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

26 Section 25. Miscellaneous. No recourse shall be had for the payment of the
27

1 principal of or the interest on the Bonds or for any claim based thereon or on this
2 Ordinance against any member of the Assembly or officer of the Municipality or any person
3 executing the Bonds. The Bonds are not and shall not be in any way a debt or liability of
4 the State of Alaska or of any political subdivision thereof, except the Municipality, and do
5 not and shall not create or constitute an indebtedness or obligation, either legal, moral or
6 otherwise, of said State or of any political subdivision thereof, except the Municipality.

7 Section 26. Undertaking to Provide Ongoing Disclosure.

8 The Municipality will execute a certificate for ongoing disclosure in form and
9 substance satisfactory to the Underwriters, and the Chief Fiscal Officer is hereby
10 authorized and directed to execute such certificate.

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

17 Section 28. Effective Date. This Ordinance shall take effect immediately.

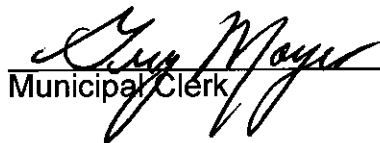
18 PASSED AND APPROVED by the Anchorage Assembly, this 11th day of

19 June 2002.

20 

21 Chairman

22 ATTEST:

23
24 
25 Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 449-2002

Meeting Date: May 14, 2001

From: Mayor

Subject: Not to Exceed \$135,000,000 General Obligation Bonds (Schools)

Attached Ordinance No. AO 2002-83 provides for the issuance of not to exceed \$135,000,000 General Obligation Bonds (Schools). Proceeds from the sale are to be used for Anchorage School District capital projects approved by the voters April 2002.

The proposed issuance has been requested 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. Sale of the bonds will follow soon after.

The Chief Fiscal Officer of the Municipality of Anchorage is authorized by Section 21 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. 2002-83

Concurrence:

Harry J. Kleling, Jr.
Municipal Manager

Recommended by:

Kate Giard
Chief Fiscal Officer

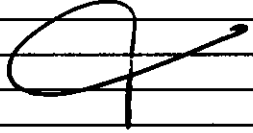
Respectfully submitted,

George P. Wuerch
Mayor

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

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

Ad 2002-83

1	SUBJECT OF AGENDA DOCUMENT	DATE PREPARED	
	Not to Exceed \$135,000,000 General Obligation 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	
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>M</i>	5/14/02
	Cultural & Recreational Services		
	Employee Relations		
	<input checked="" type="checkbox"/> Finance, Chief Fiscal Officer		5/10/02
	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>Ad 2002-83</i>		
	<i>G.F.B. Introduction</i>		
6	ASSEMBLY HEARING DATE REQUESTED		PUBLIC HEARING DATE REQUESTED
	<i>5/24/02</i>		<i>6/11/02</i>

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