

1 **CLERK'S OFFICE**

2 **APPROVED**

3 **Date:** 7-15-03

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

Prepared by: Wohlforth, Vassar, Johnson  
& Brecht

For Reading: June 24, 2003

5 **MUNICIPALITY OF ANCHORAGE**

6 **ORDINANCE NO. AO 2003-95**

7 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE,  
8 ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSU-  
9 ANCE OF GENERAL OBLIGATION REFUNDING BONDS OF  
10 THE MUNICIPALITY IN THE AGGREGATE PRINCIPAL  
11 AMOUNT OF NOT TO EXCEED SIXTY-FIVE MILLION AND  
12 NO/100 DOLLARS (\$65,000,000) 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 OR ACTING CHIEF  
FISCAL OFFICER TO NEGOTIATE AND EXECUTE A CON-  
TRACT 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 August 21, 1996, December  
17 11, 1997, August 23, 2000, and October 11, 2000, respectively, as set out in Section 2(t)  
18 hereof, which financed certain educational capital improvements in the Municipality (the  
19 "Outstanding Bonds"); and

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

25 WHEREAS, the Home Rule Charter of the Municipality provides in Section 15.02 that  
26 general obligation refunding bonds may be issued without an election; and  
27  
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 Authorized Municipal  
9 Representative, maturing in such amounts and at such times as are required to pay the  
10 principal of, premium, if any, and interest on the Refunded Bonds prior to their respective  
11 dates of redemption and to redeem the Refunded Bonds on dates on which said Refunded  
12 Bonds may be called for redemption; and

13 WHEREAS, because the amount of bond proceeds and the obligations necessary to  
14 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 Authorized Municipal Representative.

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 Sixty-Five Million and No/100 Dollars (\$65,000,000) of general  
22 obligation refunding school bonds of the Municipality (the "Bonds") to provide the funds to  
23 refund the Refunded Bonds, to pay the costs of issuance of the Bonds authorized herein  
24 (including the bond insurance premium, if any), and to fix certain details and to provide for  
25 the form and 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 and  
19 to call such bonds for redemption on the date or dates specified in such instructions, (b)(i)  
20 which are fully secured as to principal and interest and redemption premium, if any, by a fund  
21 consisting only of cash or bonds or other obligations of the character described in clause (1)  
22 hereof which fund may be applied only to the payment of such principal of and interest and  
23 redemption premium, if any, on such bonds or other obligations on the maturity date or dates  
24 thereof or the specified redemption date or dates pursuant to such irrevocable instructions,  
25 as appropriate, and (ii) the principal of and interest on the bonds and obligations of the  
26 character described in clause (1) hereof have been deposited in such fund and, along with

1 any cash on deposit in such fund, are sufficient to pay principal of and interest and  
2 redemption premium, if any, on the bonds or other obligations described in this clause (2)  
3 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 (c)  
5 such securities are unconditionally rated Aaa by Moody's Investors Service or unconditionally  
6 rated AAA by Standard & Poor's Ratings Services, a Division of The McGraw Hill  
7 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) "Authorized Municipal Representative" means the Chief Fiscal Officer or the  
12 acting Chief Fiscal Officer of the Municipality.

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

20 (e) "Bond" or "Bonds" means any of the bonds of the Municipality, the issuance  
21 and sale of which are authorized herein.

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

25 (g) "Bond Register" means the registration books maintained by the Paying Agent  
26 (as "Bond Registrar"), as agent of the Municipality, which include the names and addresses

1 of the registered owners, or nominees of the registered owners if the Bonds are held in the  
2 Book-Entry System, of the Bonds.

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

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

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

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

12 (l) "Escrow Agent" means U.S. Bank National Association, Seattle, Washington,  
13 or its successors, as Escrow Agent under the Escrow Agreement.

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

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

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

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

25 (q) "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

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

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

7 (t) "Outstanding Bonds" means the 1996 General Obligation School Bonds, Series  
8 A dated August 1, 1996, maturing August 1, 2016, the 1997 General Obligation School  
9 Bonds, Series A, dated December 1, 1997, maturing December 1, 2014 through and  
10 including December 1, 2017, the 2000 General Obligation School Bonds, Series A, dated  
11 August 1, 2000, maturing December 1, 2014 through and including December 1, 2016, the  
12 2000 General Obligation School Bonds, Series B, dated October 1, 2000, maturing De-  
13 cember 1, 2014 through and including December 1, 2018, all, or a portion, of which shall be  
14 refunded with the proceeds of the Bonds.

15 (u) "Paying Agent" means U.S. Bank National Association, Seattle, Washington,  
16 or its successors as described in Section 14 of the ordinance. The Paying Agent shall also  
17 act as "Bond Registrar."

18 (v) "Paying Agent Agreement" means the Agreement between the Municipality and  
19 the Paying Agent relating to the Bonds.

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

22 (x) "Refunded Bond Fund" means the special fund established pursuant to  
23 Section 12 hereof, and designated as the "2003 General Obligation School Refunded Bond  
24 Fund" for the purpose of holding moneys, including Bond proceeds, to be used to pay the  
25 interest on and to redeem the Refunded Bonds.

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

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

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

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

20          Section 5. Authorization of Bonds and Purpose of Issuance. For the purpose of  
21 providing the funds required to purchase Escrow Obligations and to provide beginning cash  
22 to effect the refunding of the Refunded Bonds in the manner and at the time hereinafter set  
23 forth, and to provide for original issue discount, if any, and to pay all costs incidental thereto  
24 and to the issuance of the Bonds, general obligation bonds of the Municipality with such  
25 designation as is set forth in Section 6 hereof, are hereby authorized, and shall be issued,  
26 in the principal amount of not to exceed Sixty-Five Million and No/100 Dollars (\$65,000,000)

1 or so much thereof as is required, together with other moneys available and used for such  
2 purpose, to effect the refunding of the Refunded Bonds. The aggregate principal amount of  
3 the Bonds to be issued shall be fixed by the Chief Fiscal Officer in the manner described in  
4 Section 22.

5 Section 6. Designation, Maturities, Payment Dates, Rates. The Bonds shall be  
6 designated "Municipality of Anchorage, Alaska, 2003 General Obligation Refunding Bonds,  
7 Series B (Schools)" or such other or additional designation as may be made by the  
8 Authorized Municipal Representative, shall be issued in one or more series or may be  
9 combined and sold as a single series with other bonds authorized by an ordinance approved  
10 by the Assembly, shall be dated and mature on such dates and may be redeemed in such  
11 manner as shall be established by the Authorized Municipal Representative pursuant to  
12 Section 22 of this Ordinance or by the Assembly by resolution

13 The Bonds shall bear interest from their dated date payable on such dates at such  
14 rates as may be fixed and determined by the Authorized Municipal Representative pursuant  
15 to Section 22 of this Ordinance or by the Assembly by resolution adopted prior to the delivery  
16 of the Bonds.

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



1 endorsed thereon such legends or text as may be necessary or appropriate to conform to  
2 the rules and regulations of any governmental authority or any usage or requirement of law  
3 with respect thereto.

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

13 Neither the Municipality nor the Paying Agent will have any responsibility or obligation  
14 to DTC participants or the persons for whom they act as nominees with respect to the Bonds  
15 regarding the accuracy of any records maintained by DTC or any DTC participant, the  
16 payment by DTC or any DTC participant of any amount in respect of the principal or  
17 redemption price of or interest on the Bonds, any notice which is permitted or required to be  
18 given to owners of the Bonds under this Ordinance (except such notices as shall be required  
19 to be given by the Municipality to the Paying Agent or to DTC), the selection by DTC or any  
20 DTC participant of any person to receive payment in the event of a partial redemption of the  
21 Bonds or any consent given or other action taken by DTC as the owner of the Bonds. For  
22 so long as any Bonds are held under the Book-Entry System, DTC or its successor  
23 depository shall be deemed to be the owner of the Bonds for all purposes hereunder, and  
24 all references herein (except for Section 27) to the owner of the Bonds or similar terms shall  
25 mean DTC or its nominee and shall not mean the owners of any beneficial interest in the  
26 Bonds.

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

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

11 **PAYING AGENT'S CERTIFICATE  
OF AUTHENTICATION**

12 This Bond is one of the Municipality of Anchorage, Alaska, 2003 General Obligation  
13 Refunding Bonds, Series B (Schools) described in and issued pursuant to the within  
mentioned Ordinance.

14 U.S. BANK NATIONAL ASSOCIATION,  
15 as Paying Agent

16 Date of Authentication

17 By \_\_\_\_\_  
18 Authorized Agent

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

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

24 In the event that the Bonds are not or are no longer held under the Book-Entry  
25 System: (i) payment of principal on each principal payment date on all Bonds shall be  
26 payable upon presentment at the corporate trust office of the Paying Agent in Seattle,

1 Washington, or such other location as designated by the Paying Agent; and (ii) payment of  
2 interest on the Bonds shall be made by check or draft mailed by first class mail to the  
3 registered owner of record as of the 15th day of the month preceding each interest payment  
4 date at the address appearing on the Bond Register of the Municipality kept by the Paying  
5 Agent, provided that any owner of Bonds in an aggregate principal amount of \$1,000,000 or  
6 more may, at its option, receive interest payments by wire transfer at any location within the  
7 United States of America upon written notice delivered to the Paying Agent not later than the  
8 15th day of the month preceding any interest payment date.

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

21       Section 9 Notice of Redemption. Except as hereafter provided in this Section 9,  
22 when the Municipality determines to redeem any Bonds, the Paying Agent shall cause to be  
23 given notice of such redemption (which notice may be conditional) in the manner then  
24 provided by law, which notice shall state the redemption date and identify the Bonds to be  
25 redeemed by reference to their numbers and/or letters and further may be conditional or may  
26 state that on such redemption date there shall become due and payable upon each such

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

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

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

1 date of the notice, and (vii) any other information needed to identify accurately the Bonds  
2 being redeemed.

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

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

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

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

24 UNITED STATES OF AMERICA  
25 STATE OF ALASKA

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

1 No. GO-

\$

2 **2003 GENERAL OBLIGATION REFUNDING BOND, SERIES B**  
3 **(SCHOOLS)**

4 INTEREST RATE:

MATURITY DATE

CUSIP NO.

5 REGISTERED OWNER: CEDE & Co.

6  
7 PRINCIPAL AMOUNT:

8 The Municipality of Anchorage, a municipal corporation of the State of Alaska (the  
9 "Municipality"), for value received, acknowledges itself indebted and hereby promises to pay  
10 to the Registered Owner identified above, or registered assigns, on the Maturity Date  
11 identified above, upon presentation and surrender hereof, the Principal Amount shown  
12 above, and to pay interest on such principal sum from the date hereof until its obligation with  
13 respect to the payment of such principal sum shall be discharged, at the Interest Rate per  
14 annum shown above, payable on the first days of \_\_\_\_\_ and \_\_\_\_\_ in each year  
15 beginning \_\_\_\_\_, 200\_\_. The principal of and interest on this Bond shall be  
16 payable in any coin or currency of the United States of America which at the time of payment  
17 is legal tender for the payment of public and private debts. Principal shall be paid to the  
18 Registered Owner or assigns upon presentation and surrender of this Bond at the corporate  
19 trust office of U.S. Bank National Association, Seattle, Washington (hereinafter called the  
20 Paying Agent), or its successors. Payment of interest shall be made by check or draft mailed  
21 to the Registered Owner, as of the 15th day of the month preceding the interest payment  
22 date, at the address appearing on the Bond Register of the Municipality kept at the corporate  
23 trust office of the Paying Agent. Notwithstanding the foregoing, if this Bond is held in fully  
24 immobilized form, payment of principal and interest shall be as provided in the Blanket Issuer  
25 Letter of Representations between the Municipality and The Depository Trust Company  
26

1 dated July 1, 1995, and The Depository Trust Company's Operational Arrangements referred  
2 to therein as they may be amended from time to time (together, the "Letter of Represen-  
3 tations").

4 This Bond is one of the 2003 General Obligation Refunding Bonds, Series B (Schools)  
5 of Anchorage, Alaska, of like tenor and effect except as to interest rate, number, and  
6 maturity, aggregating \$ \_\_\_\_\_ in principal amount, and constituting Bonds authorized  
7 for the purpose of refunding certain general obligation school bonds of the Municipality, and  
8 is issued pursuant to Ordinance No. AO 2003-\_\_\_\_ of the Municipality entitled:

9 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,  
10 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL  
11 OBLIGATION REFUNDING BONDS OF THE MUNICIPALITY IN THE  
12 AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED SIXTY-FIVE  
13 MILLION AND NO/100 DOLLARS (\$65,000,000) TO PROVIDE FUNDS RE-  
14 QUIRED TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION  
15 SCHOOL BONDS OF THE MUNICIPALITY; PROVIDING FOR THE FORM  
16 AND MANNER OF SALE OF SAID BONDS; PLEDGING THE FULL FAITH  
17 AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF;  
18 AUTHORIZING THE CHIEF FISCAL OFFICER OR ACTING CHIEF FISCAL  
19 OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE  
20 PURCHASE AND SALE OF SAID BONDS; AND RELATED MATTERS.

21 (the "Ordinance").

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

Redemption Date

Redemption Price

1, \_\_\_\_ through \_\_\_\_ 3\_,  
1, \_\_\_\_ and thereafter

%

1 Unless previously redeemed pursuant to the foregoing optional redemption provision,  
2 the Bonds maturing on 1, 20\_ are subject to mandatory redemption on  
3 1 of the following years, and in the following principal amounts, beginning on  
4 1, 20\_ , at a price of 100% of the principal amount thereof, plus accrued  
5 interest, if any, to the date of redemption, upon notice as provided in the Ordinance and the  
6 Letter of Representations:

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

11 \* Final Maturity

12 Interest on any Bonds unconditionally called for redemption shall cease to accrue on  
13 the date fixed for redemption unless such Bonds are not redeemed upon presentation  
14 pursuant to such call. Notice of any redemption of Bonds shall be given as provided in the  
15 Ordinance and the Letter of Representations.

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

21 This Bond is a general obligation of the Municipality of Anchorage, Alaska, and the  
22 full faith and credit of the Municipality are pledged for the payment of the principal of and  
23 interest on the Bonds. The Municipality hereby irrevocably pledges and covenants that it will  
24 levy and collect taxes upon all taxable property within the Municipality without limitation as  
25



1 to rate or amount, in amounts sufficient, together with other funds legally available therefor,  
2 to pay the principal of and interest on the Bonds as the same become due and payable.

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

9 IN WITNESS WHEREOF, ANCHORAGE, ALASKA, has caused this Bond to be  
10 signed in its name and on its behalf by the manual or facsimile signature of its [Mayor]  
11 [Municipal Manager] and its corporate seal to be hereunto impressed or imprinted or  
12 otherwise reproduced and attested by the manual or facsimile signature of its [Deputy]  
13 Municipal Clerk or acting Municipal Clerk, all as of the \_\_\_\_ day of \_\_\_\_\_, 2003.

14  
15 [SEAL]

\_\_\_\_\_  
[Mayor] [Municipal Manager]

16 ATTEST:  
17  
18 \_\_\_\_\_  
19 [Deputy] Municipal Clerk

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

23 Section 12. Disposition of the Proceeds of Sale of the Bonds and Authorization of an  
24 Escrow Agreement. The net proceeds received from the sale of the Bonds (exclusive of  
25 accrued interest, and premium, if any) shall be deposited in the "2003 General Obligation  
26 Refunded School Bond Fund" (the "Refunded Bond Fund") which is hereby created, and

1 used, together with such moneys as may be transferred to said account pursuant to this  
2 Ordinance, to deposit cash and to purchase Escrow Obligations maturing as to principal and  
3 interest in such amounts and at such times as to provide for the payment of interest on the  
4 Refunded Bonds to the maturity date or date of redemption of each such Bond and the  
5 redemption price of the Refunded Bonds on the permitted redemption date as provided in  
6 Section 14 hereof.

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

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

1 Refunded Bonds shall have been redeemed and retired, the Municipality may cause to be  
2 transferred from the Refunded Bond Fund free of trust all moneys remaining therein.

3 Section 13. Call of Refunded Bonds for Prior Redemption. The designation of the  
4 Refunded Bonds shall be made by the Authorized Municipal Representative pursuant to  
5 Section 22 of this Ordinance. The Municipality hereby elects to call the Refunded Bonds on  
6 the first date on which such Refunded Bonds may be redeemed in accordance with the  
7 Ordinances Authorizing their issuance, respectively, which dates and prices are as follows:

8 1996 General Obligation School Bonds, Series A

| 9  | <u>Maturity Date</u> | <u>Redemption Date</u> | <u>Price</u> |
|----|----------------------|------------------------|--------------|
| 10 | August 1, 2016       | August 1, 2006         | 100%         |

11 1997 General Obligation School Bonds, Series A

| 12 | <u>Maturity Date</u> | <u>Redemption Date</u> | <u>Price</u> |
|----|----------------------|------------------------|--------------|
| 13 | December 1, 2014     | December 1, 2007       | 100%         |
| 14 | December 1, 2015     | December 1, 2007       | 100          |
| 15 | December 1, 2016     | December 1, 2007       | 100          |
| 16 | December 1, 2017     | December 1, 2007       | 100          |

17 2000 General Obligation School Bonds, Series A

| 18 | <u>Maturity Date</u> | <u>Redemption Date</u> | <u>Price</u> |
|----|----------------------|------------------------|--------------|
| 19 | December 1, 2014     | December 1, 2010       | 100%         |
| 20 | December 1, 2015     | December 1, 2010       | 100          |
| 21 | December 1, 2016     | December 1, 2010       | 100          |

2000 General Obligation School Bonds, Series B

| <u>Maturity Date</u> | <u>Redemption Date</u> |      |
|----------------------|------------------------|------|
| December 1, 2014     | December 1, 2010       | 100% |
| December 1, 2015     | December 1, 2010       | 100  |
| December 1, 2016     | December 1, 2010       | 100  |
| December 1, 2017     | December 1, 2010       |      |
| December 1, 2018     | December 1, 2010       |      |

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, acting Municipal Clerk, Deputy Municipal Clerk, the Chief Fiscal Officer, or the Acting 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 National Association, 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.

The Paying Agent shall maintain a Bond Register which shall include the names and addresses of the registered owners or nominees of the owners of the Bonds and which shall

1 provide for the registration, transfer and exchange of Bonds. The Municipality covenants  
2 that, until all Bonds have been surrendered and canceled, it will maintain a system for  
3 recording the ownership of each Bond that complies with the provisions of Section 149 of the  
4 Code.

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

7 (b) Concerning the use of DTC,

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

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

25 (3) In the case of any transfer pursuant to clause (i) or (ii) of (1) above, the  
26 Paying Agent shall, upon receipt of all outstanding Bonds, together with a written

1 request on behalf of the Assembly, issue a single new Bond for each maturity then  
2 outstanding, registered in the name of such successor or such substitute depository,  
3 or their nominees, as the case may be, all as specified in such written request of the  
4 Assembly.

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

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

1 Any new Bond so delivered may bear a number differing from the number of the Bond it re-  
2 places.

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

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

23       Section 17. Ownership of Bonds. As to any Bond, the person in whose name the  
24 same shall be registered on the Bond Register shall be deemed and regarded as the  
25 absolute owner thereof for all purposes (except for Section 27 hereof), and payment of or  
26 on account of the principal on such Bond and the interest on such Bond shall be made only

1 to or upon the order of the registered owner thereof or the registered owner's legal  
2 representative, but such registration may be changed as hereinabove provided. All such  
3 payments shall be valid and effectual to satisfy and discharge the liability upon such Bond  
4 including the interest thereon, to the extent of the sum or sums so paid.

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

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

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



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

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

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

16 Section 22. Sale of Bonds, Final Terms, Approval of Official Statement. The Bonds  
17 shall be sold at negotiated sale to the Underwriters (as defined below). The Authorized  
18 Municipal Representative, with the assistance of the Financial Advisor (as defined below), is  
19 hereby authorized to designate the Outstanding Bonds to be refunded as the "Refunded  
20 Bonds," negotiate terms for the purchase of the Bonds by George K. Baum & Company, as  
21 representative of itself, Bear, Stearns, & Co., Inc., Citicorp Global Markets Inc., and Morgan  
22 Stanley (collectively, the "Underwriters"), and to execute a purchase contract with the  
23 representative of the Underwriters, for the purchase of the Bonds ("Purchase Contract")  
24 which is in the best interest of the Municipality.

25 The Municipality has been advised by its financial advisor, UBS Financial Services  
26 Inc. (the "Financial Advisor"), that market conditions continue to fluctuate and, as a result,

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

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

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

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

15 The Authorized Municipal Representative is authorized to approve the final terms of,  
16 and to execute on behalf of the Municipality, an Escrow Agreement. The Authorized  
17 Municipal Representative is further authorized to enter into such agreements to purchase  
18 Escrow Obligations to effect the refunding of the Refunded Bonds that are not inconsistent  
19 with this Ordinance and are, in his opinion and in the opinion of the Financial Advisor, in the  
20 best interest of the Municipality.

21 The Authorized Municipal Representative is authorized to approve the final terms of,  
22 and to execute on behalf of the Municipality, a Paying Agent Agreement.

23 The Authorized Municipal Representative is further authorized to review and to  
24 approve, on behalf of the Municipality, the preliminary official statement and final official  
25 statement relating to the issuance and sale of the Bonds with such changes, if any, as may  
26

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

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

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

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

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

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

1 (b) With the consent of the Bond Insurer or the registered owners of not less than  
2 60% in aggregate principal amount of the Bonds at the time outstanding affected by the  
3 supplemental ordinance, the Assembly may adopt an ordinance or ordinances supplemental  
4 hereto for the purpose of adding any provisions to or changing in any manner or eliminating  
5 any of the provisions of this Ordinance or of any supplemental ordinance with respect to the  
6 Bonds; provided, however, that no such supplemental ordinance shall:

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

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

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

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

20 (c) Upon the adoption of any supplemental ordinance pursuant to the provisions of  
21 this Section, this Ordinance shall be deemed to be modified and amended in accordance  
22 therewith, and the respective rights, duties and obligations of the Municipality under this  
23 Ordinance and all owners of Bonds outstanding hereunder affected by such supplemental  
24 ordinance shall thereafter be determined, exercised and enforced thereunder, subject in all  
25 respects to such modification and amendment, and all the terms and conditions of any such  
26

1 supplemental ordinance shall be deemed to be part of the terms and conditions of this  
2 Ordinance for any and all purposes.

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

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

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

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

25 Section 28. Severability. If any one or more of the covenants and agreements  
26 provided in this Ordinance to be performed on the part of the Municipality shall be declared

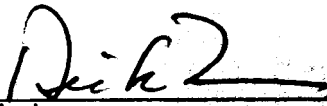
1 by any court of competent jurisdiction to be contrary to law, then such covenant or  
2 covenants, agreement or agreements shall be null and void and shall be deemed separable  
3 from the remaining covenants and agreements in this Ordinance and shall in no way affect  
4 the validity of the other provisions of this Ordinance or of the Bonds.

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

6 PASSED AND APPROVED by the Anchorage Assembly, this 15<sup>th</sup> day of

7 July, 2003.

8  
9  
10 ATTEST:

  
Chairman

11   
12 Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AM No. 522-2003

Meeting Date: June 24, 2003

1 Fr

Mayor

3 Su

Not to Exceed \$65,000,000 General Obligation Refunding Bonds  
(Schools)

7 At

8 \$6

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16 i

18 Tr

19 or

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

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Ap 2003-95

### Content Information

Content ID : 000917

Title: \$65,000,000 General Obligation Refunding  
Bonds (Schools)

Author: pruittns

Initiating Dept: Finance

Keywords: bonds, general obligation, \$65,000,000

Date Prepared: 6/16/03 11:11 AM

Director Name: Anthony Price, Acting

Requested Assembly Meeting Date  
MM/DD/YY: 6/24/03 12:00 AM

Requested Public Hearing Date  
MM/DD/YY: 7/15/03 12:00 AM

### Workflow History

| Workflow Name            | Action Date         | Action  | User      | Security Group | Content ID |
|--------------------------|---------------------|---------|-----------|----------------|------------|
| AllOrdinanceWorkflow     | 6/16/03<br>11:14 AM | Checkin | pruittns  | Public         | 000917     |
| Finance_SubWorkflow      | 6/16/03 6:34<br>PM  | Approve | priceta   | Public         | 000917     |
| OMB_SubWorkflow          | 6/17/03 6:05<br>PM  | Approve | leblancdc | Public         | 000917     |
| Legal_SubWorkflow        | 6/18/03<br>11:31 AM | Approve | wheelerda | Public         | 000917     |
| MuniManager_SubWorkflow  | 6/19/03 1:30<br>PM  | Approve | kielinghj | Public         | 000917     |
| MuniMgrCoord_SubWorkflow | 6/19/03 1:37<br>PM  | Approve | katkusja  | Public         | 000917     |

INTRODUCTION – ITEM 9.F.3.

CLERKS OFFICE  
2003 JUN 9 PM 3:05  
M.O.A