

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Wohlforth, Vassar, Johnson
& Brecht
For Reading: March 16, 2004

MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2004-72

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS OF THE MUNICIPALITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE HUNDRED NINETY MILLION AND NO/100 DOLLARS (\$190,000,000) TO PROVIDE FUNDS REQUIRED TO REFUND CERTAIN OUTSTANDING GENERAL 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; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID BONDS; AND RELATED MATTERS.

WHEREAS, there are now outstanding certain general obligation school bonds of the Municipality of Anchorage, Alaska (the "Municipality") issued August 21, 1996, December 11, 1997, February 18, 1999, August 23, 2000, October 11, 2000, June 21, 2001, June 27, 2002, and September 4, 2003, respectively, as set out in Section 2(t) hereof, which financed certain educational capital improvements in the Municipality (the "Outstanding Bonds"); and

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

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

WHEREAS, the Home Rule Charter of the Municipality further provides in Section 15.03 that the Assembly by ordinance shall provide for the form and manner of sale

1 of bonds and notes including reasonable limitation upon the sale of bonds and notes to
2 financial consultants of the Municipality; and

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

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

17 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

18 Section 1. Purpose. The purpose of this Ordinance is to authorize the issuance and
19 sale of not to exceed One Hundred Ninety Million and No/100 Dollars (\$190,000,000) of
20 general obligation refunding school bonds of the Municipality (the "Bonds") to provide the
21 funds to refund the Refunded Bonds, to pay the costs of issuance of the Bonds authorized
22 herein (including the bond insurance premium, if any), and to fix certain details and to
23 provide for 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
19 and to call such bonds for redemption on the date or dates specified in such instructions,
20 (b)(i) which are fully secured as to principal and interest and redemption premium, if any, by
21 a fund consisting only of cash or bonds or other obligations of the character described in
22 clause (1) hereof which fund may be applied only to the payment of such principal of and
23 interest and redemption premium, if any, on such bonds or other obligations on the maturity
24 date or dates thereof or the specified redemption date or dates pursuant to such irrevocable
25 instructions, as appropriate, and (ii) the principal of and interest on the bonds and obliga-
26 tions of the character described in clause (1) hereof have been deposited in such fund and,

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

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

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

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

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

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

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

3 (h) "Chief Fiscal Officer" means the Chief Fiscal Officer of the Municipality or
4 person designated in writing by the Chief Fiscal Officer.

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
10 for 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 Representa-
21 tions from the Municipality to DTC, dated July 1, 1995, including DTC's Operational
22 Arrangements 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,
8 Series A dated August 1, 1996, maturing August 1, 2016, the 1997 General Obligation
9 School Bonds, Series A, dated December 1, 1997, maturing December 1, 2014 through and
10 including December 1, 2017, the 1999 General Obligation School Bonds, dated February
11 1, 1999, maturing December 1, 2012 through and including December 1, 2015, the 2000
12 General Obligation School Bonds, Series A, dated August 1, 2000, maturing December 1,
13 2011 through and including December 1, 2012 and December 1, 2014 through and including
14 December 1, 2020, the 2000 General Obligation School Bonds, Series B, dated October 1,
15 2000, maturing December 1, 2014 through and including December 1, 2018, the 2001
16 General Obligation School Bonds, Series A, dated June 1, 2001, maturing June 1, 2012
17 through and including June 1, 2018, the 2002 General Obligation and Refunding Bonds,
18 Series B (Schools), dated June 27, 2002, maturing July 1, 2013 through and including July
19 1, 2022, the 2003 General Obligation Bonds, Series B (Schools), dated September 4, 2003,
20 maturing September 1, 2014 through and including September 1, 2017, all, or a portion, of
21 which shall be refunded with the proceeds of the Bonds.

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

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

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

3 (x) "Refunded Bond Fund" means the special fund established pursuant to
4 Section 12 hereof, and designated as the "2004 General Obligation School Refunded Bond
5 Fund" for the purpose of holding moneys, including Bond proceeds, to be used to pay the
6 interest on and to redeem the Refunded Bonds.

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

9 (z) "SID" means a state information depository for the State of Alaska (if one is
10 created).

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

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

1 Section 5. Authorization of Bonds and Purpose of Issuance. For the purpose of
2 providing the funds required to purchase Escrow Obligations and to provide a beginning
3 cash balance, if necessary, to effect the refunding of the Refunded Bonds in the manner and
4 at the time hereinafter set forth, and to provide for original issue discount, if any, and to pay
5 all costs of issuance, general obligation bonds of the Municipality with such designation as
6 is set forth in Section 6 hereof, are hereby authorized, and shall be issued, in the principal
7 amount of not to exceed One Hundred Ninety Million and No/100 Dollars (\$190,000,000) or
8 so much thereof as is required, together with other moneys available and used for such
9 purpose, to effect the refunding of the Refunded Bonds. The designation of the Refunded
10 Bonds and the aggregate principal amount of the Bonds to be issued shall be fixed by the
11 Chief Fiscal Officer in the manner described in Section 22.

12 Section 6. Designation, Maturities, Payment Dates, Rates. The Bonds shall be
13 designated "Municipality of Anchorage, Alaska, 2004 General Obligation Refunding Bonds,
14 Series B (Schools)" or such other or additional designation as may be made by the Chief
15 Fiscal Officer, shall be issued in one or more series or may be combined and sold as a
16 single series with other bonds authorized by an ordinance approved by the Assembly, shall
17 be dated and mature on such dates and may be redeemed in such manner as shall be
18 established by the Chief Fiscal Officer pursuant to Section 22 of this Ordinance or by the
19 Assembly by resolution.

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

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

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

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

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

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

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

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

17 PAYING AGENT'S CERTIFICATE
18 OF AUTHENTICATION

19 This Bond is one of the Municipality of Anchorage, Alaska, 2004 General Obligation
20 Refunding Bonds, Series B (Schools) described in and issued pursuant to the within
21 mentioned Ordinance.

22 U.S. BANK NATIONAL ASSOCIATION,
23 as Paying Agent

24 Date of Authentication:

25 By _____
26 Authorized Agent

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

4 For so long as all outstanding Bonds are held under the Book-Entry System, payment
5 of principal and interest thereof shall be made in accordance with the operational
6 arrangements of DTC referred to in the Letter of Representations.

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

18 Section 8. Redemption of Bonds. The Bonds may be subject to redemption by or
19 on behalf of the Municipality prior to maturity and upon notice as hereinafter provided, as a
20 whole or in part as may be fixed and determined by the Chief Fiscal Officer pursuant to
21 Section 22 of this Ordinance or by resolution of the Assembly adopted prior to or at the time
22 of delivery of the Bonds. If the Bonds are no longer held under the Book-Entry System, the
23 following provisions shall govern the manner of selection of Bonds to be redeemed. If fewer
24 than all of the Bonds within a single maturity are to be called for redemption prior to their
25 scheduled maturity, the portions of Bonds within a maturity to be redeemed shall be selected
26 by the Paying Agent, acting as Bond Registrar, by lot in the manner chosen by the Paying

1 Agent. In selecting Bonds to be redeemed in part within a single maturity, the Paying Agent
2 shall treat each Bond as representing that number of Bonds of a \$5,000 denomination which
3 is obtained by dividing the principal amount of such Bond by \$5,000. As long as the Bonds
4 are held under the Book-Entry System, such selection shall be made by DTC in accordance
5 with the operational arrangements of DTC then in effect, as referred to in the Letter of
6 Representations.

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

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

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

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

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

23 Section 10. Payment of Redeemed Bonds. If unconditional notice of redemption has
24 been given in the manner provided in this Ordinance, the Bonds so called for redemption
25 shall become due and payable on the redemption date stated in said notice at the applicable
26 redemption price on said date plus interest accrued and unpaid to the redemption date. If,

1 on the redemption date, moneys for the redemption of all the Bonds to be redeemed,
2 together with interest accrued and unpaid to the redemption date, shall be held on behalf
3 of the Municipality at the corporate trust office of the Paying Agent so as to be available
4 therefor on said date and if notice of redemption shall have been given as aforesaid, then
5 from and after the redemption date the Bonds so called for redemption shall cease to bear
6 interest.

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

10 UNITED STATES OF AMERICA
11 STATE OF ALASKA

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

13 No. GO- \$

14 2004 GENERAL OBLIGATION REFUNDING BOND, SERIES B
15 (SCHOOLS)

16 INTEREST RATE: MATURITY DATE CUSIP NO.

17 REGISTERED OWNER: CEDE & Co.

18
19 PRINCIPAL AMOUNT:

20 The Municipality of Anchorage, a municipal corporation of the State of Alaska (the
21 "Municipality"), for value received, acknowledges itself indebted and hereby promises to pay
22 to the Registered Owner identified above, or registered assigns, on the Maturity Date
23 identified above, upon presentation and surrender hereof, the Principal Amount shown
24 above, and to pay interest on such principal sum from the date hereof until its obligation with
25 respect to the payment of such principal sum shall be discharged, at the Interest Rate per
26

1 annum shown above, payable on the first days of _____ and _____ in each year
2 beginning _____, 200__. The principal of and interest on this Bond shall be
3 payable in any coin or currency of the United States of America which at the time of payment
4 is legal tender for the payment of public and private debts. Principal shall be paid to the
5 Registered Owner or assigns upon presentation and surrender of this Bond at the corporate
6 trust office of U.S. Bank National Association, Seattle, Washington (hereinafter called the
7 Paying Agent), or its successors. Payment of interest shall be made by check or draft
8 mailed to the Registered Owner, as of the 15th day of the month preceding the interest
9 payment date, at the address appearing on the Bond Register of the Municipality kept at the
10 corporate trust office of the Paying Agent. Notwithstanding the foregoing, if this Bond is held
11 in fully immobilized form, payment of principal and interest shall be as provided in the
12 Blanket Issuer Letter of Representations between the Municipality and The Depository Trust
13 Company dated July 1, 1995, and The Depository Trust Company's Operational Arrange-
14 ments referred to therein as they may be amended from time to time (together, the "Letter
15 of Representations").

16 This Bond is one of the 2004 General Obligation Refunding Bonds, Series ____
17 (Schools) of Anchorage, Alaska, of like tenor and effect except as to interest rate, number,
18 and maturity, aggregating \$_____ in principal amount, and constituting Bonds autho-
19 rized for the purpose of refunding certain general obligation school bonds of the Municipality,
20 and is issued pursuant to Ordinance No. AO 2004-72 of the Municipality entitled:

1 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE
2 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF
3 GENERAL OBLIGATION REFUNDING BONDS OF THE MUNICIPALITY;
4 AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED
5 NINETY MILLION AND NO/100 DOLLARS (\$190,000,000);
6 FUNDS REQUIRED TO REFUND CERTAIN OUTSTANDING
7 GENERAL OBLIGATION SCHOOL BONDS OF THE MUNICIPALITY;
8 THE FORM AND MANNER OF SALE OF SAID BONDS;
9 FULL FAITH AND CREDIT OF THE MUNICIPALITY TO
10 THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER
11 AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF
12 BONDS; AND RELATED MATTERS.

13 (the "Ordinance").

14 The Bonds maturing in the years ____ through ____, including
15 redemption prior to maturity. The Bonds maturing on and after ____
16 subject to redemption at the option of the Municipality on and after ____
17 whole on any date or in part in increments of \$5,000 with make-whole
18 Municipality on any interest payment date prior to maturity, at the face value
19 as a percentage of the principal amount thereof, plus accrued interest
20 redemption, upon notice as provided in the Ordinance and the Letter of Intent.

| | <u>Redemption Date</u> | <u>Redemption Price</u> |
|----|-------------------------------------|-------------------------|
| 21 | ____ 1, ____ through ____ 3__, ____ | |
| 22 | ____ 1, ____ and thereafter | |

23 Unless previously redeemed pursuant to the foregoing option, the Bonds maturing on ____ 1, 20__ are subject to make-whole
24 ____ 1 of the following years, and in the following principal amounts:
25 ____ 1, 20__, at a price of 100% of the principal amount plus accrued
26 interest, if any, to the date of redemption, upon notice as provided in the Ordinance and the Letter of Intent.
27 Letter of Representations:
28

| <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.

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.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts or things required by the Constitution or statutes of the State of Alaska and the Home Rule Charter of the Municipality to exist, to have happened or to have been performed precedent to or in the issuance of this Bond, exist, have happened and have been performed, and that the series

1 of Bonds of which this is one, together with all other indebtedness of the Municipality, is
2 within every debt and other limit prescribed by said Constitution, statutes or Charter.

3 IN WITNESS WHEREOF, ANCHORAGE, ALASKA, has caused this Bond to be
4 signed in its name and on its behalf by the manual or facsimile signature of its [Mayor]
5 [Municipal Manager] and its corporate seal to be hereunto impressed or imprinted or
6 otherwise reproduced and attested by the manual or facsimile signature of its [Deputy]
7 Municipal Clerk or acting Municipal Clerk, all as of the ____ day of _____, 2004.

8
9 [SEAL]

[Mayor] [Municipal Manager]

10 ATTEST:

11
12 _____
13 [Deputy] Municipal Clerk

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

17 Section 12. Disposition of the Proceeds of Sale of the Bonds and Authorization of
18 an Escrow Agreement. Proceeds received from the sale of the Bonds shall be (i) deposited
19 in the "2004 General Obligation Refunded School Bond Fund" (the "Refunded Bond Fund")
20 which is hereby created, and used, together with such moneys as may be transferred to said
21 account pursuant to this Ordinance, to deposit cash and to purchase Escrow Obligations
22 maturing as to principal and interest in such amounts and at such times as to provide for the
23 payment of interest on the Refunded Bonds to the maturity date or date of redemption of
24 each such Bond and the redemption price of the Refunded Bonds on the permitted
25 redemption date as provided in Section 13 hereof, and (ii) used to pay costs of issuance of
26 the Bonds pursuant to the terms of the Paying Agent Agreement.

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

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

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

1996 General Obligation School Bonds, Series A

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

1997 General Obligation School Bonds, Series A

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

1999 General Obligation School Bonds

| <u>Maturity Date</u> | <u>Redemption Date</u> | <u>Price</u> |
|----------------------|------------------------|--------------|
| December 1, 2012 | December 1, 2009 | 100% |
| December 1, 2013 | December 1, 2009 | 100 |
| December 1, 2014 | December 1, 2009 | 100 |
| December 1, 2015 | December 1, 2009 | 100 |

2000 General Obligation School Bonds, Series A

| <u>Maturity Date</u> | <u>Redemption Date</u> | <u>Price</u> |
|----------------------|------------------------|--------------|
| December 1, 2011 | December 1, 2010 | 100% |
| December 1, 2012 | December 1, 2010 | 100 |
| December 1, 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 | 100 |
| December 1, 2018 | December 1, 2010 | 100 |
| December 1, 2019 | December 1, 2010 | 100 |
| December 1, 2020 | December 1, 2010 | 100 |

2000 General Obligation School Bonds, Series B

| <u>Maturity Date</u> | <u>Redemption Date</u> | <u>Price</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 | 100 |
| December 1, 2018 | December 1, 2010 | 100 |

2001 General Obligation School Bonds, Series A

| <u>Maturity Date</u> | <u>Redemption Date</u> | <u>Price</u> |
|----------------------|------------------------|--------------|
| June 1, 2012 | June 1, 2011 | 100% |
| June 1, 2013 | June 1, 2011 | 100 |
| June 1, 2014 | June 1, 2011 | 100 |
| June 1, 2015 | June 1, 2011 | 100 |
| June 1, 2016 | June 1, 2011 | 100 |
| June 1, 2017 | June 1, 2011 | 100 |
| June 1, 2018 | June 1, 2011 | 100 |

2002 General Obligation and Refunding Bonds, Series B (Schools)

| <u>Maturity Date</u> | <u>Redemption Date</u> | <u>Price</u> |
|----------------------|------------------------|--------------|
| July 1, 2013 | July 1, 2012 | 100% |
| July 1, 2014 | July 1, 2012 | 100 |
| July 1, 2015 | July 1, 2012 | 100 |
| July 1, 2016 | July 1, 2012 | 100 |
| July 1, 2017 | July 1, 2012 | 100 |
| July 1, 2018 | July 1, 2012 | 100 |
| July 1, 2019 | July 1, 2012 | 100 |
| July 1, 2020 | July 1, 2012 | 100 |
| July 1, 2021 | July 1, 2012 | 100 |
| July 1, 2022 | July 1, 2012 | 100 |

2003 General Obligation Bonds, Series B (Schools)

| <u>Maturity Date</u> | <u>Redemption Date</u> | <u>Price</u> |
|----------------------|------------------------|--------------|
| September 1, 2014 | September 1, 2013 | 100% |
| September 1, 2015 | September 1, 2013 | 100 |
| September 1, 2016 | September 1, 2013 | 100 |
| September 1, 2017 | September 1, 2013 | 100 |

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

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

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

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

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

26 (b) Concerning the use of DTC,

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

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

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 supply
5 of definitive Bonds, to issue Bonds as herein provided in any authorized denomina-
6 tion. Upon receipt of all then outstanding Bonds by the Paying Agent, together with
7 a written request on behalf of the Assembly to the Paying Agent, new Bonds shall be
8 issued in such denominations and registered in the names of such persons as are
9 requested in such written request.

10 Section 15. 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 in
14 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 ownership
19 thereof, and furnishing the Municipality and the Paying Agent with indemnity satisfactory to
20 them. Any new Bond so delivered may bear a number differing from the number of the
21 Bond it replaces.

22 Section 16. Transfer of Bonds and Delivery of New Bonds. If the Bonds are no
23 longer held in the Book-Entry System, any Bond may be transferred only upon the books
24 kept for the registration and transfer of Bonds by the Paying Agent, upon surrender thereof
25 at the corporate trust office of the Paying Agent or such other location as designated by the
26 Paying Agent, together with an assignment duly executed by the registered owner or the

1 registered owner's attorney in such form as shall be satisfactory to the Paying Agent. Upon
2 the transfer of any such Bond, there shall be executed in the name of the transferee, and
3 the Municipality shall cause to be authenticated and delivered, a new registered Bond or
4 Bonds of the same maturity and aggregate principal amount in any of the authorized
5 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 the
8 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 such
10 registration, exchange or transfer of Bonds sufficient to reimburse them for any tax, fee or
11 other governmental charge required to be paid with respect to such registration, exchange
12 or transfer, and such charge or charges shall be paid before any such new Bond shall be
13 delivered. Neither the Municipality nor the Paying Agent shall be required to make any such
14 registration, exchange or transfer of a Bond during the 15 days next preceding an interest
15 payment date for such Bond.

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

24 The Bonds shall be uncertificated securities to the extent provided by Alaska
25 Statutes, Title 45.08. The Municipality and the Paying Agent shall be entitled to treat the
26 person in whose name any Bond is registered as the absolute owner thereof for all purposes

1 of this Ordinance and any applicable laws, notwithstanding any notice to the contrary
2 received by the Paying Agent or the Municipality. Neither the Municipality nor the Paying
3 Agent will have any responsibility or obligation, legal or otherwise, to any other party, except
4 to the registered owners of the Bonds.

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

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

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

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

25 Section 21. Defeasance. In the event money and/or Acquired Obligations maturing
26 at such times and bearing interest to be earned thereon in amounts sufficient to retire any

1 or all of the Bonds in accordance with their terms are set aside in a special trust account to
2 effect such retirement and such moneys and the principal of and interest on such obligations
3 are irrevocably set aside and pledged for such purpose, then no further payments need be
4 made to pay or secure the payment of the principal of and interest on such Bonds and such
5 Bonds shall be deemed not to be outstanding. If the Bonds are insured, any defeasance
6 of the Bonds shall be made by cash and/or direct, non-callable obligations of the United
7 States of America and/or agencies of the United States of America.

8 Section 22. Sale of Bonds, Final Terms, Approval of Official Statement. The Bonds
9 shall be sold at negotiated sale to the Underwriters (as defined below). The Chief Fiscal
10 Officer, with the assistance of the Financial Advisor (as defined below), is hereby authorized
11 to designate the Outstanding Bonds to be refunded as the "Refunded Bonds," negotiate
12 terms for the purchase of the Bonds by George K. Baum & Company, as representative of
13 itself, Bear, Stearns, & Co., Inc., Citigroup Global Markets Inc., and Morgan Stanley
14 (collectively, the "Underwriters"), and to execute a purchase contract with the representative
15 of the Underwriters, for the purchase of the Bonds ("Purchase Contract") which is in the best
16 interest of the Municipality.

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

1 forth in the Purchase Contract. The Chief Fiscal Officer shall take into account those factors
2 which, in his judgment, will result in the lowest net effective interest cost on the Bonds to
3 their maturity; however, the Bonds shall not be issued nor may the Purchase Contract be
4 executed by the Chief Fiscal Officer unless there is a present value savings in debt service
5 as a result of the issuance of the Bonds at least equal to 3.0% of the principal amount of the
6 Refunded Bonds.

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

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

25 The Chief Fiscal Officer is authorized to solicit commitments for a policy of insurance
26 with respect to payment of the interest on and principal of the Bonds and thereafter to

1 accept such commitment from an insurer (the "Bond Insurer") which in her judgment is in
2 the best interest of the Municipality. The Chief Fiscal Officer is further authorized to enter
3 into such agreements with the Bond Insurer related to said policy as are not inconsistent
4 with this Ordinance and, are in her opinion, in the best interest of the Municipality.

5 The Chief Fiscal Officer is authorized to approve the final terms of, and to execute
6 on behalf of the Municipality, an Escrow Agreement. The Chief Fiscal Officer is further
7 authorized to enter into such agreements to purchase Escrow Obligations to effect the
8 refunding of the Refunded Bonds that are not inconsistent with this Ordinance and are, in
9 his opinion and in the opinion of the Financial Advisor, in the best interest of the Municipality.

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

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

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

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

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

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

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

17 (b) With the consent of the Bond Insurer or the registered owners of not less than
18 60% in aggregate principal amount of the Bonds at the time outstanding affected by the
19 supplemental ordinance, the Assembly may adopt an ordinance or ordinances supplemental
20 hereto for the purpose of adding any provisions to or changing in any manner or eliminating
21 any of the provisions of this Ordinance or of any supplemental ordinance with respect to the
22 Bonds; provided, however, that no such supplemental ordinance shall:

23 (1) Extend the fixed maturity of any of the Bonds, or reduce the rate of interest
24 thereon, or reduce the amount or change the date of any sinking fund installment, or
25 extend the time of payments of interest from their due date, or reduce the amount of
26

1 the principal thereof, or reduce any premium payable on the redemption thereof,
2 without the consent of the registered owners of each Bond so affected; or

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

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

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

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

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

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

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

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

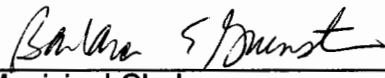
15 Section 28. Severability. If any one or more of the covenants and agreements
16 provided in this Ordinance to be performed on the part of the Municipality shall be declared
17 by any court of competent jurisdiction to be contrary to law, then such covenant or
18 covenants, agreement or agreements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

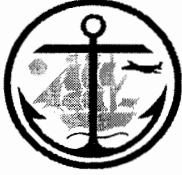
21 Section 29. Effective Date. This Ordinance shall take effect immediately.

1 PASSED AND APPROVED by the Anchorage Assembly, this 24th day of
2 March 2004.

3
4 ATTEST:


Chairman

5
6 
7 Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 252-2004

Meeting Date: March 16, 2004

From: Mayor

Subject: Not to Exceed \$190,000,000 General Obligation Refunding Bonds
(Schools)

Attached Ordinance No. AO 2004-72 provides for the issuance of not to exceed \$190,000,000 General Obligation Refunding Bonds (Schools). Proceeds from the sale will be used to refund bonds issued in past years at lower interest rates. The result will be a savings to taxpayers resulting from lower debt service payments.

The current schedule for the sale and related matters calls for a public hearing on the Ordinance on April 13, 2004. Sale of the bonds will follow soon after.

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

THE ADMINISTRATION RECOMMENDS APPROVAL OF AO NO. 2004-72.

Recommended by: Anthony A. Price, Public Finance Director

Concurrence: Jeffrey E. Sinz, Chief Fiscal Officer

Concurrence: Denis C. LeBlanc, Municipal Manager

Respectfully submitted: Mark Begich, Mayor

Content Information**Content ID :** 001640**Type:** Ordinance - AO**Title:** Not to Exceed \$190,000,000 General Obligation Refunding Bonds (Schools)**Author:** pruittns**Initiating Dept:** Finance**Description:** General Obligation Refunding Bonds; \$190,000,000, Schools, General Purpose**Date Prepared:** 3/10/04 4:12 PM**Assembly Meeting Date**
MM/DD/YY: 03/16/04**Public Hearing Date**
MM/DD/YY: ~~04/13/04~~ 3/24/04 SPECIAL MEETING

CLERK OFFICE

2004 MAR 12 PM 12:24

H.O.A.

Workflow History

| <u>Workflow Name</u> | <u>Action Date</u> | <u>Action</u> | <u>User</u> | <u>Security Group</u> | <u>Content ID</u> |
|--------------------------|--------------------|---------------|-------------|-----------------------|-------------------|
| AllOrdinanceWorkflow | 3/10/04 4:14 PM | Checkin | pruittns | Public | 001640 |
| Finance_SubWorkflow | 3/10/04 4:59 PM | Approve | sinzje | Public | 001640 |
| OMB_SubWorkflow | 3/11/04 9:15 AM | Approve | pearcydl | Public | 001640 |
| Legal_SubWorkflow | 3/11/04 9:57 AM | Approve | fehlenrl | Public | 001640 |
| MuniManager_SubWorkflow | 3/12/04 9:41 AM | Approve | leblancdc | Public | 001640 |
| MuniMgrCoord_SubWorkflow | 3/12/04 10:39 AM | Approve | katkusja | Public | 001640 |

ADDENDUM – CONSENT AGENDA - INTRODUCTION